

Public Law 108–1
108th Congress

An Act

To provide for a 5-month extension of the Temporary Extended Unemployment Compensation Act of 2002 and for a transition period for individuals receiving compensation when the program under such Act ends.

Jan. 8, 2003

[S. 23]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002.

(a) IN GENERAL.—Section 208 of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30) is amended to read as follows:

26 USC 3304
note.

“SEC. 208. APPLICABILITY.

“(a) IN GENERAL.—Except as provided in subsection (b), an agreement entered into under this title shall apply to weeks of unemployment—

“(1) beginning after the date on which such agreement is entered into; and

“(2) ending before June 1, 2003.

“(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of an individual who has amounts remaining in an account established under section 203 as of May 31, 2003, temporary extended unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such date for which the individual meets the eligibility requirements of this title.

“(2) NO AUGMENTATION AFTER MAY 31, 2003.—If the account of an individual is exhausted after May 31, 2003, then section 203(c) shall not apply and such account shall not be augmented under such section, regardless of whether such individual’s State is in an extended benefit period (as determined under paragraph (2) of such section).

“(3) LIMITATION.—No compensation shall be payable by reason of paragraph (1) for any week beginning after August 30, 2003.”.

26 USC 3304
note.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21).

Approved January 8, 2003.

LEGISLATIVE HISTORY—S. 23:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 7, considered and passed Senate.

Jan. 8, considered and passed House.



Public Law 108–2
108th Congress

Joint Resolution

Making further continuing appropriations for the fiscal year 2003, and for other purposes.

Jan. 10, 2003
[H.J. Res. 1]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 107–229 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof “January 31, 2003”.

116 Stat. 2062.

SEC. 2. Public Law 107–229, as amended, is further amended in section 120, by striking “and December 1, 2002,” and inserting “December 1, 2002, January 1, 2003, and February 1, 2003,”.

116 Stat. 1492.

SEC. 3. Section 613 of the Treasury and General Government Appropriations Act, 2002, is amended (1) by striking “2001” and “2002” each place it appears and inserting “2002” and “2003”, respectively; and (2) in subsection (a)(1), as so amended, by inserting “(as in effect on September 30, 2002)” after “Act, 2002” and after “such section 613”: *Provided*, That such section, as so amended, shall be effective through September 30, 2003, notwithstanding section 107 of this joint resolution.

5 USC 5343 note.

SEC. 4. Public Law 107–229, as amended, is further amended by striking section 137 and inserting the following new section:

116 Stat. 1495.

“SEC. 137. (a) Notwithstanding any other provision of this joint resolution, in addition to amounts made available in section 101, and subject to sections 107(c) and 108, such sums as may be necessary shall be available to the Securities and Exchange Commission for the Secretary of the Treasury to advance start-up expenses to the Public Company Accounting Oversight Board pursuant to section 109(j) of the Sarbanes-Oxley Act of 2002 (Pub. L. 107–204).

“(b) Notwithstanding any other provision of this joint resolution, upon the collection of fees authorized in section 109(d) of the Sarbanes-Oxley Act of 2002 (Pub. L. 107–204), the Public Company Accounting Oversight Board shall reimburse the Securities and Exchange Commission for any Commission appropriations advanced to the Board for start-up expenses pursuant to section 109(j) of such Act or subsection (a) of this section, so as to result in no net effect of such advances on appropriations available to the Commission in fiscal year 2003.”.

SEC. 5. (a) APPROVAL OF PROSPECTUS.—For purposes of section 3307(a) of title 40, United States Code, the prospectus of General Services Administration entitled “Prospectus—Lease, Department of Homeland Security, Washington, DC Metropolitan Area”, prospectus number PDC–08W03, as submitted on December 24, 2002, is deemed approved by the Committee on Environment and Public Works of the Senate and the Committee on Transportation and

Infrastructure of the House of Representatives on the date of enactment of this Act.

(b) PROHIBITION ON DELEGATION.—The authority of the General Services Administration to lease space under this section may not be delegated to any other department or agency.

(c) MODIFICATIONS.—Any modification to the prospectus referred to in subsection (a) that is subject to approval under section 3307 of title 40, United States Code, shall be approved in accordance with the requirements of such section.

116 Stat. 1493. SEC. 6. Section 126 of Public Law 107-229, as added by Public Law 107-240, is amended to read as follows:

“SEC. 126. Notwithstanding any other provision of this joint resolution, except section 107, the District of Columbia may expend local funds for programs and activities under the heading ‘District of Columbia Funds—Operating Expenses’ at the rate set forth for such programs and activities in the revised financial plan and budget for the District Government for fiscal year 2003 submitted to Congress by the District of Columbia pursuant to section 138 of H.R. 5521 of the 107th Congress, as reported by the Committee on Appropriations of the House of Representatives.”.

Approved January 10, 2003.

LEGISLATIVE HISTORY—H.J. Res. 1:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 8, considered and passed House.

Jan. 9, considered and passed Senate.



Public Law 108–3
108th Congress

An Act

To extend the national flood insurance program.

Jan. 13, 2003

[H.R. 11]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Flood Insurance Program Reauthorization Act of 2003”.

National Flood
Insurance
Program
Reauthorization
Act of 2003.
42 USC 4001
note.

SEC. 2. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) **EXTENSION.**—The National Flood Insurance Act of 1968 is amended—

(1) in section 1309(a)(2) (42 U.S.C. 4016(a)(2)), by striking “December 31, 2002” and inserting “December 31, 2003”;

(2) in section 1319 (42 U.S.C. 4026), by striking “after” and all that follows through the period at the end and inserting “after December 31, 2003.”;

(3) in section 1336(a) (42 U.S.C. 4056(a)), by striking “ending” and all that follows through “in” and inserting “ending December 31, 2003, in”; and

(4) in section 1376(c) (42 U.S.C. 4127), by striking “December 31, 2002” and inserting “December 31, 2003”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall be considered to have taken effect on December 31, 2002.

42 USC 4016
note.

Approved January 13, 2003.

LEGISLATIVE HISTORY—H.R. 11:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 8, considered and passed House.

Jan. 9, considered and passed Senate.



Public Law 108–4
108th Congress

Joint Resolution

Jan. 31, 2003
[H.J. Res. 13]

Making further continuing appropriations for the fiscal year 2003, and for other purposes.

Ante, p. 5.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 107–229 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof “February 7, 2003”.

Approved January 31, 2003.

LEGISLATIVE HISTORY—H.J. Res. 13:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 28, considered and passed House.

Jan. 29, considered and passed Senate.



Public Law 108–5
108th Congress

Joint Resolution

Making further continuing appropriations for the fiscal year 2003, and for other purposes.

Feb. 7, 2003
[H.J. Res. 18]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 107–229 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof “February 20, 2003”.

Ante, p. 8.

Approved February 7, 2003.

LEGISLATIVE HISTORY—H.J. Res. 18:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 5, considered and passed House and Senate.



Public Law 108–6
108th Congress

An Act

Feb. 13, 2003
[H.R. 16]

To authorize salary adjustments for Justices and judges of the United States for
fiscal year 2003.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

28 USC 461 note.

**SECTION 1. AUTHORIZATION OF SALARY ADJUSTMENTS FOR FEDERAL
JUSTICES AND JUDGES.**

Pursuant to section 140 of Public Law 97–92, Justices and
judges of the United States are authorized during fiscal year 2003
to receive a salary adjustment in accordance with section 461 of
title 28, United States Code.

Approved February 13, 2003.

LEGISLATIVE HISTORY—H.R. 16 (S. 101):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 8, considered and passed House.

Jan. 30, considered and passed Senate.



Public Law 108–7
108th Congress

Joint Resolution

Making consolidated appropriations for the fiscal year ending September 30, 2003,
and for other purposes.

Feb. 20, 2003

[H.J. Res. 2]

*Resolved by the Senate and House of Representatives of the
United States of America in Congress assembled,*

Consolidated
Appropriations
Resolution, 2003.

SECTION 1. SHORT TITLE.

This joint resolution may be cited as the “Consolidated Appropriations Resolution, 2003”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this joint resolution is as follows:

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DIVISION F—INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 2003

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 2003

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DIVISION L—HOMELAND SECURITY ACT OF 2002 AMENDMENTS

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DIVISION N—EMERGENCY RELIEF AND OFFSETS

Title I—Election Reform
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DIVISION O—PRICE-ANDERSON ACT AMENDMENTS

DIVISION P—UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW
 COMMISSION

1 USC 1 note.

SEC. 3. REFERENCES.

Except as expressly provided otherwise, any reference to “this Act” contained in any division of this joint resolution shall be treated as referring only to the provisions of that division.

DIVISION A—AGRICULTURE, RURAL DEVELOPMENT, FOOD
AND DRUG ADMINISTRATION, AND RELATED AGENCIES
PROGRAMS APPROPRIATIONS, 2003Agriculture,
Rural
Development,
Food and Drug
Administration,
and Related
Agencies
Appropriations
Act, 2003.

JOINT RESOLUTION

Making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, \$3,412,000: *Provided*, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), \$8,566,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, \$13,759,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, \$7,358,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, \$15,251,000.

COMMON COMPUTING ENVIRONMENT

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service and Rural Development

mission areas for information technology, systems, and services, \$133,155,000, to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: *Provided*, That obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer.

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, \$5,572,000: *Provided*, That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center.

WORKING CAPITAL FUND

Study. For the acquisition of remote mirroring backup technology of the National Finance Center's data, \$12,000,000, to remain available until expended: *Provided*, That none of these funds may be obligated until the House and Senate Committees on Appropriations have approved a feasibility study to be submitted by the Secretary of Agriculture: *Provided further*, That if the study is not approved within 30 days of its submission, the funds appropriated shall be available for the authorized uses of the Working Capital Fund.

Deadline.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights, \$400,000.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, \$664,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, \$196,781,000, to remain available until expended: *Provided*, That the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation to cover the costs of new or replacement space for such agency, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account.

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), \$15,685,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, \$38,095,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL
RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, \$3,821,000: *Provided*, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: *Provided further*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$9,140,000: *Provided*, That not to exceed \$2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the Inspector General Act of 1978, \$74,097,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General

Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, \$35,017,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, \$588,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$69,123,000.

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by 7 U.S.C. 1621-1627 and 2204g, and other laws, \$139,354,000, of which up to \$41,274,000 shall be available until expended for the Census of Agriculture.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, \$1,052,770,000: *Provided*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any

one building shall not exceed \$375,000, except for headhouses or greenhouses which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

Maryland.

None of the funds appropriated under this heading shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In fiscal year 2003 and thereafter, the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account, and shall remain available until expended for authorized purposes.

7 USC 3319g.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, \$119,480,000, to remain available until expended: *Provided*, That, in fiscal year 2003 and thereafter, funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

7 USC 3319h.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, \$620,827,000, as follows: to carry out the provisions of the Hatch Act of 1887 (7 U.S.C. 361a–i), \$180,148,000; for grants for cooperative forestry research (16 U.S.C. 582a through a–7), \$21,884,000; for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222), \$35,643,000, of which \$1,507,496 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for special grants for agricultural research (7 U.S.C. 450i(c)), \$112,264,000; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)), \$15,264,000; for competitive research grants (7 U.S.C. 450i(b)), \$167,131,000; for the support

of animal health and disease programs (7 U.S.C. 3195), \$5,098,000; for supplemental and alternative crops and products (7 U.S.C. 3319d), \$1,196,000; for grants for research pursuant to the Critical Agricultural Materials Act (7 U.S.C. 178 et seq.), \$1,250,000, to remain available until expended; for research grants for 1994 institutions pursuant to section 536 of Public Law 103-382 (7 U.S.C. 301 note), \$1,100,000, to remain available until expended; for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), \$3,243,000, to remain available until expended (7 U.S.C. 2209b); for higher education challenge grants (7 U.S.C. 3152(b)(1)), \$4,920,000; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), \$998,000, to remain available until expended (7 U.S.C. 2209b); for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), \$4,100,000; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 (section 759 of Public Law 106-78) to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, \$3,500,000; for a secondary agriculture education program and 2-year post-secondary education (7 U.S.C. 3152(j)), \$1,000,000; for aquaculture grants (7 U.S.C. 3322), \$4,500,000; for sustainable agriculture research and education (7 U.S.C. 5811), \$13,750,000; for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, \$11,479,000, to remain available until expended (7 U.S.C. 2209b); for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, \$1,700,000; and for necessary expenses of Research and Education Activities, \$29,659,000.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products: *Provided*, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103-382 (7 U.S.C. 301 note), \$7,100,000.

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, \$453,468,000, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, \$281,218,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$3,387,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$58,566,000; payments for the pest management program under section 3(d) of the Act, \$10,759,000; payments for the farm safety program under section 3(d) of the Act, \$5,525,000; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee

University, as authorized by section 1447 of Public Law 95–113 (7 U.S.C. 3222b), \$15,000,000, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, \$8,481,000; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, \$499,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.), \$4,546,000; payments for Indian reservation agents under section 3(d) of the Smith-Lever Act, \$1,996,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$4,875,000; payments for rural health and safety education as authorized by section 502(i) of Public Law 92–419 (7 U.S.C. 2662(i)), \$2,622,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326 and 328) and Tuskegee University, \$32,117,000, of which \$1,724,884 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for grants to youth organizations pursuant to section 7630 of title 7, United States Code, \$3,000,000; and for necessary expenses of extension activities, \$20,877,000.

INTEGRATED ACTIVITIES

For the integrated research, education, and extension competitive grants programs, including necessary administrative expenses, as authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), \$46,743,000, as follows: payments for the water quality program, \$12,971,000; payments for the food safety program, \$14,967,000; payments for the regional pest management centers program, \$4,531,000; payments for the Food Quality Protection Act risk mitigation program for major food crop systems, \$4,889,000; payments for the crops affected by Food Quality Protection Act implementation, \$1,497,000; payments for the methyl bromide transition program, \$3,250,000; payments for the organic transition program, \$2,125,000; payments for the international science and education grants program under 7 U.S.C. 3291, to remain available until expended, \$500,000; payments for the critical issues program under 7 U.S.C. 450i(c): *Provided*, That of the funds made available under this heading, \$500,000 shall be for payments for the critical issues program under 7 U.S.C. 450i(c) and \$1,513,000 shall be for payments for the regional rural development centers program under 7 U.S.C. 450i(c).

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$3,493,000, to remain available until expended.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing

Service; and the Grain Inspection, Packers and Stockyards Administration; \$730,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, \$725,502,000, of which \$4,103,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which \$62,000,000 shall be used for the boll weevil eradication program for cost share purposes or for debt retirement for active eradication zones: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with sections 10411 and 10417 of the Animal Health Protection Act (7 U.S.C. 8310 and 8316) and sections 431 and 442 of the Plant Protection Act (7 U.S.C. 7751 and 7772), and any unexpended balances of funds transferred for such emergency purposes in the preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 2003, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and

purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$9,989,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, \$75,702,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$61,619,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress.

Notification.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$14,910,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,347,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers

and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, \$39,950,000, of which \$4,500,000, to remain available until expended, shall be for a packer concentration study: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Notification.

Not to exceed \$42,463,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, \$603,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$759,759,000, of which no less than \$649,082,000 shall be available for Federal food safety inspection; and of which \$5,000,000 shall be for enhanced inspection activities, to remain available through September 30, 2004; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f): *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, \$622,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, \$976,738,000: *Provided*, That the Secretary of Agriculture is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5102(b)), \$4,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, \$100,000, to remain available until expended: *Provided*, That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in Public Law 106-387 (114 Stat. 1549A-12).

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, Indian tribe land acquisition loans (25 U.S.C. 488), and boll weevil loans (7 U.S.C. 1989), to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, \$1,130,000,000, of which \$1,000,000,000 shall be for guaranteed loans and \$130,000,000 shall be for direct loans; operating loans, \$2,705,000,000, of which \$1,700,000,000 shall be for unsubsidized guaranteed loans, \$400,000,000 shall be for subsidized guaranteed loans and \$605,000,000 shall be for direct loans; Indian tribe land acquisition loans, \$2,000,000; and for boll weevil eradication program loans, \$100,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$22,593,000, of which \$7,500,000 shall be for guaranteed loans, and \$15,093,000 shall be for direct loans; operating loans, \$205,513,000, of which \$53,890,000 shall be for unsubsidized guaranteed loans, \$47,200,000 shall be for subsidized guaranteed loans, and \$104,423,000 shall be for direct loans; and Indian tribe land acquisition loans, \$179,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$287,176,000, of

which \$279,176,000 shall be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”.

Notification.
Deadline.

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership and operating direct loans and guaranteed loans may be transferred among these programs: *Provided*, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

RISK MANAGEMENT AGENCY

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), \$70,708,000: *Provided*, That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended.

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 2003, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11).

HAZARDOUS WASTE MANAGEMENT

(LIMITATION ON EXPENSES)

For fiscal year 2003, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961.

TITLE II
CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND
ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, \$750,000.

NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$825,004,000, to remain available until expended, of which not less than \$9,162,000 is for snow survey and water forecasting, and not less than \$10,701,000 is for operation and establishment of the plant materials centers, and of which not less than \$23,500,000 shall be for the grazing lands conservation initiative: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service: *Provided further*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)).

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small

watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009), \$11,197,000.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1005 and 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$110,000,000, to remain available until expended (of which up to \$15,000,000 may be available for the watersheds authorized under the Flood Control Act (33 U.S.C. 701 and 16 U.S.C. 1006a)): *Provided*, That not to exceed \$45,514,000 of this appropriation shall be available for technical assistance: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, \$30,000,000, to remain available until expended.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$51,000,000, to remain available until expended.

TITLE III

RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, \$640,000.

RURAL COMMUNITY ADVANCEMENT PROGRAM
(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E–H and 381N of the Consolidated Farm and Rural Development Act, \$907,737,000, to remain available until expended, of which \$96,800,000 shall be for rural community programs described in section 381E(d)(1) of such Act; of which \$723,217,000 shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act; and of which \$87,720,000 shall be for the rural business and cooperative development programs described in sections 381E(d)(3) and 310B(f) of such Act: *Provided*, That of the total amount appropriated in this account, \$24,000,000 shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act, of which \$4,000,000 shall be available for community facilities grants to tribal colleges, as authorized by section 306(a)(19) of the Consolidated Farm and Rural Development Act, and of which \$250,000 shall be available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That of the amount appropriated for rural community programs, \$7,000,000 shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, non-profit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That of the amount appropriated for the Rural Community Development Initiative, not less than \$1,000,000 shall be available until expended to carry out a demonstration program on Replicating and Creating Rural Cooperative Home Based Health Care: *Provided further*, That of the \$1,000,000 made available, not less than \$200,000 shall be in the form of predevelopment planning grants, not to exceed \$50,000 each, with the balance for low-interest revolving loans to be used for capital and other related expenses, and made available to nonprofit based community development organizations: *Provided further*, That such organizations should demonstrate experience in the administration of revolving loan programs and providing technical assistance to cooperatives: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than funds provided: *Provided further*, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development; and \$2,000,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.): *Provided further*, That of the amount appropriated for rural utilities programs, not to exceed

\$25,000,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed \$30,000,000 shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act, with up to 1 percent available to administer the program and up to 1 percent available to improve interagency coordination may be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”; not to exceed \$18,333,000 shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, of which \$5,513,000 shall be for Rural Community Assistance Programs; not to exceed \$1,000,000 shall be in the form of predevelopment planning grants, not to exceed \$50,000 each; and not to exceed \$12,100,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amount appropriated, not to exceed \$37,624,000 shall be available through June 30, 2003, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which \$1,163,000 shall be for the rural community programs described in section 381E(d)(1) of such Act, of which \$27,431,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which \$9,030,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: *Provided further*, That of the amount appropriated for rural community programs, not to exceed \$25,000,000 shall be to provide grants for facilities in rural communities with extreme unemployment and severe economic depression (Public Law 106-387), with 5 percent for administration and capacity building in the State rural development offices: *Provided further*, That of the amount appropriated, \$30,000,000 shall be transferred to and merged with the “Rural Utilities Service, High Energy Cost Grants Account” to provide grants authorized under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a): *Provided further*, That any remaining funds specifically appropriated in fiscal year 2002 for rural communities with extremely high energy costs under the Rural Community Advancement Program shall be merged and transferred into the Account: *Provided further*, That any funds in the Account shall be used to provide grants authorized under section 19 of that Act.

RURAL DEVELOPMENT SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; \$145,736,000: *Provided*, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: *Provided further*, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: \$5,572,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which \$1,044,000,000 shall be for direct loans, and of which \$4,528,000,000 shall be for unsubsidized guaranteed loans; \$35,000,000 for section 504 housing repair loans; \$115,805,000 for section 515 rental housing; \$100,000,000 for section 538 guaranteed multi-family housing loans; \$5,046,000 for section 524 site loans; \$12,000,000 for credit sales of acquired property, of which up to \$2,000,000 may be for multi-family credit sales; and \$5,011,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, \$234,950,000, of which \$202,350,000 shall be for direct loans, and of which \$32,600,000, to remain available until expended, shall be for unsubsidized guaranteed loans; section 504 housing repair loans, \$10,857,000; section 515 rental housing, \$54,000,000; section 538 multi-family housing guaranteed loans, \$4,500,000; section 524 site loans, \$55,000; multi-family credit sales of acquired property, \$934,000; and section 523 self-help housing land development loans, \$221,000: *Provided*, That of the total amount appropriated in this paragraph, \$11,656,000 shall be available through June 30, 2003, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$432,374,000, which shall be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, \$726,000,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount, not more than \$5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$20,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 2003 shall be funded for a 5-year period, although the life

of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$35,000,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,000,000 shall be available through June 30, 2003, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, \$42,498,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,200,000 shall be available through June 30, 2003, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, \$36,307,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts.

RURAL BUSINESS—COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$40,000,000.

For the cost of direct loans, \$19,304,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), of which \$1,724,000 shall be available through June 30, 2003, for Federally Recognized Native American Tribes and of which \$3,449,000 shall be available through June 30, 2003, for Mississippi Delta Region counties (as defined by Public Law 100–460): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated, \$2,730,000 shall be available through June 30, 2003, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, \$4,190,000 shall be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$14,967,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, \$3,197,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 2003, as authorized by section 313 of the Rural Electrification Act of 1936, \$3,197,000 shall not be obligated and \$3,197,000 are rescinded.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), \$9,000,000, of which \$2,500,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed \$1,500,000 of the total amount appropriated shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES
GRANTS

For grants in connection with a second round of empowerment zones and enterprise communities, \$14,967,000, to remain available until expended, for designated rural empowerment zones and rural enterprise communities, as authorized by the Taxpayer Relief Act of 1997 and the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277).

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, \$121,103,000; municipal rate rural electric loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, \$2,600,000,000; Treasury rate direct electric loans, \$1,150,000,000; 5 percent rural telecommunications loans, \$75,029,000; cost of money rural telecommunications loans, \$300,000,000; loans made pursuant to section 306 of that Act, rural telecommunications loans, \$120,000,000; and for guaranteed underwriting loans pursuant to section 313A, \$1,000,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act

of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, \$11,025,000, and the cost of telecommunication loans, \$1,433,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$37,833,000 which shall be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs. During fiscal year 2003 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$174,615,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), \$2,410,000.

In addition, for administrative expenses, including audits, necessary to carry out the loan programs, \$3,082,000, which shall be transferred to and merged with the appropriation for “Rural Development, Salaries and Expenses”.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

For the principal amount of direct distance learning and telemedicine loans, \$300,000,000; and for the principal amount of broadband telecommunication loans, \$80,000,000.

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., \$56,941,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That \$10,000,000 may be available for grants to finance broadband transmission and local dial-up Internet service in areas that meet the definition of “rural area” used for the Distance Learning and Telemedicine Program authorized by 7 U.S.C. 950aaa: *Provided further*, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, \$603,000.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$10,580,169,000, to remain available through September 30, 2004, of which \$5,834,506,000 is hereby appropriated and \$4,745,663,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That of the funds made available under this heading, \$3,300,000 shall be for a School Breakfast Program startup grant pilot program, of which no less than \$1,000,000 is for the State of Wisconsin: *Provided further*, That \$200,000 shall be for the Common Roots Program: *Provided further*, That \$500,000 shall be for the Child Nutrition Archive Resource Center: *Provided further*, That up to \$5,080,000 shall be for independent verification of school food service claims.

Wisconsin.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,
AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$4,696,000,000, to remain available through September 30, 2004, of which \$125,000,000 shall be placed in reserve, to remain available until expended, for use in only such amounts, and in such manner, as the Secretary determines necessary, notwithstanding section 17(i) of the Child Nutrition Act, to provide funds to support participation, should costs or participation exceed budget estimates: *Provided*, That of the total amount available, the Secretary shall obligate \$25,000,000 for the farmers' market nutrition program: *Provided further*, That notwithstanding section 17(h)(10)(A) of such Act, \$14,000,000 shall be available for the purposes specified in section 17(h)(10)(B): *Provided further*, That \$2,000,000 shall be available for the Food and Nutrition Service to conduct a study of WIC vendor practices: *Provided further*, That no other funds made available under this heading shall be used for studies and evaluations: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: *Provided further*, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.

Study.

FOOD STAMP PROGRAM

Bison meat.

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), \$26,313,692,000, of which \$2,000,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That of the funds made available under this heading and not already appropriated to the Food Distribution Program on Indian Reservations (FDPIR) established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), not to exceed \$3,000,000 shall be used to purchase bison meat for the FDPIR from Native American bison producers as well as from producer-owned cooperatives of bison ranchers: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) and the Emergency Food Assistance Act of 1983, \$164,500,000, to remain available through September 30, 2004: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 and special assistance for the nuclear affected islands as authorized by section 103(h)(2) of the Compacts of Free Association Act of 1985, \$1,081,000, to remain available through September 30, 2004.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, \$136,560,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp benefit delivery, and assisting in the prevention, identification, and prosecution of fraud and other violations of law and of which not less than \$7,500,000 shall be available to improve integrity in the Food Stamp and Child Nutrition programs.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1769), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$129,948,000: *Provided*, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development.

In fiscal year 2003 and thereafter, none of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of agreements under the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit arrangements under said Acts, \$116,171,000, to remain available until expended.

In addition, for administrative expenses to carry out the credit program of title I, Public Law 83-480, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 83-480 are utilized, \$2,059,000, of which \$1,033,000 may be transferred to and merged with the appropriation for “Foreign Agricultural Service, Salaries and Expenses”, and of which \$1,026,000 may be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

(INCLUDING TRANSFER OF FUNDS)

For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, \$25,159,000, to remain available until expended: *Provided*, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress.

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, \$1,200,000,000, to remain available until expended, for commodities supplied in connection with dispositions abroad under title II of said Act.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, \$4,058,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which \$3,224,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which \$834,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed \$25,000; \$1,630,727,000, of which not to exceed \$222,900,000 to be derived from prescription drug user fees authorized by 21 U.S.C. 379h, including any such fees assessed prior to the current fiscal year but credited during the current year, in accordance with section 736(g)(4), shall be credited to this appropriation and remain available until expended; and of which not to exceed \$25,125,000 to be derived from device user fees authorized by 21 U.S.C. 379j shall be credited to this appropriation, to remain available until expended: *Provided*, That fees derived from applications received during fiscal year 2003 shall be subject to the fiscal year 2003 limitation: *Provided further*, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701: *Provided further*, That not to exceed \$2,300,000 of the total amount appropriated shall be for activities related to legislative affairs: *Provided further*, That of the total amount appropriated: (1) \$413,347,000 shall be for the Center for Food Safety and Applied

Nutrition and related field activities in the Office of Regulatory Affairs; (2) \$426,671,000 shall be for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs, of which no less than \$13,357,000 shall be available for grants and contracts awarded under section 5 of the Orphan Drug Act (21 U.S.C. 360ee); (3) \$199,699,000 shall be for the Center for Biologics Evaluation and Research and for related field activities in the Office of Regulatory Affairs; (4) \$88,972,000 shall be for the Center for Veterinary Medicine and for related field activities in the Office of Regulatory Affairs; (5) \$208,685,000 shall be for the Center for Devices and Radiological Health and for related field activities in the Office of Regulatory Affairs; (6) \$40,688,000 shall be for the National Center for Toxicological Research; (7) \$36,914,000 shall be for Rent and Related activities, other than the amounts paid to the General Services Administration; (8) \$108,269,000 shall be for payments to the General Services Administration for rent and related costs; and (9) \$107,482,000 shall be for other activities, including the Office of the Commissioner; the Office of Management and Systems; the Office of the Senior Associate Commissioner; the Office of International and Constituent Relations; the Office of Policy, Legislation, and Planning; and central services for these offices: *Provided further*, That funds may be transferred from one specified activity to another with the prior approval of the Committees on Appropriations of both Houses of Congress.

In addition, mammography user fees authorized by 42 U.S.C. 263b may be credited to this account, to remain available until expended.

In addition, export certification user fees authorized by 21 U.S.C. 381 may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, \$8,000,000, to remain available until expended.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles, and the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, \$85,985,000, including not to exceed \$2,000 for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$38,400,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for

administrative expenses as authorized under 12 U.S.C. 2249: *Provided*, That this limitation shall not apply to expenses associated with receiverships.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for fiscal year 2003 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 374 passenger motor vehicles, of which 372 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Funds appropriated by this Act shall be available for employment pursuant to the second sentence of section 706(a) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2225) and 5 U.S.C. 3109.

SEC. 704. The Secretary of Agriculture may transfer unobligated balances of funds appropriated by this Act or other available unobligated balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: *Provided*, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior approval of the agency administrator: *Provided further*, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without the prior approval of the Committees on Appropriations of both Houses of Congress.

7 USC 2209b.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, information technology infrastructure, fruit fly program, emerging plant pests, boll weevil program, up to 25 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education and Economics Information System (REEIS), and funds for the Native American Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 710. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 19 percent of total Federal funds provided under each award: *Provided*, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).

SEC. 711. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 712. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 2003 shall remain available until expended to cover obligations made in fiscal year 2003 for the following accounts: the Rural Development Loan Fund program account, the Rural Telephone Bank program account, the Rural Electrification and Telecommunications Loans program account, the Rural Housing Insurance Fund program, and the Rural Economic Development Loans program account.

SEC. 713. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service hereafter may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; or the Food Safety and Inspection Service and a State or cooperator to carry out agricultural marketing programs, to carry out programs to protect the nation's animal and plant resources, or to carry out educational programs or special studies to improve the safety of the nation's food supply.

7 USC 2279g.

SEC. 714. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided*,

That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.

SEC. 715. Of the funds made available by this Act, not more than \$1,800,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture, except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.

SEC. 716. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

SEC. 717. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

SEC. 718. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

SEC. 719. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer without the prior approval of the Committees on Appropriations of both Houses of Congress.

Notifications.
Deadlines.

SEC. 720. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year

2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(c) The Secretary of Agriculture, the Secretary of Health and Human Services, or the Chairman of the Commodity Futures Trading Commission shall notify the Committees on Appropriations of both Houses of Congress before implementing a program or activity not carried out during the previous fiscal year unless the program or activity is funded by this Act or specifically funded by any other Act.

SEC. 721. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred in prior fiscal years, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of Public Law 105-185, the Initiative for Future Agriculture and Food Systems (7 U.S.C. 7621).

SEC. 722. None of the funds made available to the Food and Drug Administration by this Act shall be used to reduce the Detroit, Michigan, Food and Drug Administration District Office below the operating and full-time equivalent staffing level of July 31, 1999; or to change the Detroit District Office to a station, residence post or similarly modified office; or to reassign residence posts assigned to the Detroit District Office: *Provided*, That this section shall not apply to Food and Drug Administration field laboratory facilities or operations currently located in Detroit, Michigan, except that field laboratory personnel shall be assigned to locations in the general vicinity of Detroit, Michigan, pursuant to cooperative agreements between the Food and Drug Administration and other laboratory facilities associated with the State of Michigan.

SEC. 723. None of the funds appropriated by this Act or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the user fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2004 appropriations Act.

SEC. 724. None of the funds made available by this Act or any other Act may be used to close or relocate a State Rural

Development office unless or until cost effectiveness and enhancement of program delivery have been determined.

HIV/AIDS.

SEC. 725. Of any shipments of commodities made pursuant to section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Secretary of Agriculture shall, to the extent practicable, direct that tonnage equal in value to not more than \$25,000,000 shall be made available to foreign countries to assist in mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on communities, including the provision of—

(1) agricultural commodities to—

(A) individuals with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome in the communities; and

(B) households in the communities, particularly individuals caring for orphaned children; and

(2) agricultural commodities monetized to provide other assistance (including assistance under microcredit and micro-enterprise programs) to create or restore sustainable livelihoods among individuals in the communities, particularly individuals caring for orphaned children.

SEC. 726. In addition to amounts otherwise appropriated or made available by this Act, \$3,000,000 is appropriated for the purpose of providing Bill Emerson and Mickey Leland Hunger Fellowships, as authorized by section 4404 of Public Law 107-171 (2 U.S.C. 1161).

SEC. 727. Notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f), any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.

SEC. 728. Section 375(e)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(B)) is amended by striking “\$26,000,000” and inserting “\$26,499,000”.

State listing.
Loans.
Grants.

SEC. 729. Notwithstanding any other provision of law, the City of Coachella, California; the City of Dunkirk, New York; the City of Starkville, Mississippi; the City of Shawnee, Oklahoma; and the City of Berlin, New Hampshire, shall be eligible for loans and grants provided through the Rural Community Advancement Program.

State listing.

SEC. 730. Notwithstanding any other provision of law, the Secretary shall consider the Cities of Hollister, Salinas, and Watsonville, California; the City of Caldwell, Idaho; the City of Casa Grande, Arizona; the City of Aberdeen, South Dakota; and the City of Vicksburg, Mississippi, as meeting the requirements of a rural area in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

Illinois.

SEC. 731. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance to the DuPage County, Illinois, Waynewood Drainage Improvement Project, from funds available for the Watershed and Flood Prevention Operations program, not to exceed \$1,600,000.

SEC. 732. Notwithstanding any other provision of law, from the funds appropriated to the Rural Utilities Service by this Act, any current Rural Utilities Service borrower within 100 miles of

New York City shall be eligible for additional financing, refinancing, collateral flexibility, and deferrals on an expedited basis without regard to population limitations for any financially feasible telecommunications, energy, or water project that assists endeavors related to the rehabilitation, prevention, relocation, site preparation, or relief efforts resulting from the terrorist events of September 11, 2001.

SEC. 733. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 734. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits of St. Louis, Missouri.

Missouri.

SEC. 735. Section 17(a)(2)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(a)(2)(B)) is amended by striking “2002” and inserting “2003”.

SEC. 736. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance for projects in the Embarras River Basin, Lake County Watersheds, and DuPage County, Illinois, from funds made available for Watershed and Flood Prevention Operations by Public Law 107-76.

Illinois.

SEC. 737. Notwithstanding any other provision of law, of the funds made available in this Act for competitive research grants (7 U.S.C. 450i(b)), the Secretary may use up to 20 percent of the amount provided to carry out a competitive grants program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

SEC. 738. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance through the Watershed and Flood Prevention Operations program to carry out the Upper Tygart Valley Watershed project, West Virginia: *Provided*, That the Natural Resources Conservation Service is authorized to provide 100 percent of the engineering assistance and 75 percent cost share for installation of the water supply component of this project.

West Virginia.

SEC. 739. Agencies and offices of the Department of Agriculture may utilize any unobligated salaries and expenses funds to reimburse the Office of the General Counsel for salaries and expenses of personnel, and for other related expenses, incurred in representing such agencies and offices in the resolution of complaints by employees or applicants for employment, and in cases and other matters pending before the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, or the Merit Systems Protection Board with the prior approval of the Committees on Appropriations of both Houses of Congress.

SEC. 740. None of the funds appropriated or made available by this Act may be used to pay the salaries and expenses of personnel to carry out section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)).

SEC. 741. None of the funds appropriated or made available by this Act, or any other Act, may be used to pay the salaries

and expenses of personnel to carry out subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd through dd-7).

SEC. 742. None of the funds appropriated or made available by this Act may be used to pay the salaries and expenses of personnel to carry out section 6405 of Public Law 107-171 (7 U.S.C. 2655).

SEC. 743. None of the funds appropriated or made available by this Act may be used to pay the salaries and expenses of personnel to carry out section 9010 of Public Law 107-171 (7 U.S.C. 8108) that exceed 77 percent of the payment that would otherwise be paid to eligible producers.

SEC. 744. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide financial and technical assistance through the Watershed and Flood Prevention Operations program for the Kuhn Bayou (Point Remove) project in Arkansas and the Matanuska River erosion control project in Alaska.

SEC. 745. The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsections (c) and (g), by striking “may” each place it appears and inserting “shall”; and

(2) by adding at the end the following:

“(o) PRIVATE VOLUNTARY ORGANIZATIONS AND OTHER PRIVATE ENTITIES.—In entering into agreements described in subsection (c), the President (acting through the Secretary)—

“(1) shall enter into agreements with eligible entities described in subparagraphs (C) and (F) of subsection (b)(5); and

“(2) shall not discriminate against such eligible entities.”.

SEC. 746. Of the unobligated balances of funds made available under the Cooperative State Research, Education, and Extension Service, Buildings and Facilities appropriation in Public Law 104-180, \$795,400 are hereby rescinded.

SEC. 747. None of the funds made available in fiscal year 2003 or preceding fiscal years for programs authorized under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) in excess of \$20,000,000 shall be used to reimburse the Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1): *Provided*, That any such funds made available to reimburse the Commodity Credit Corporation shall only be used pursuant to section 302(b)(2)(B)(i) of the Bill Emerson Humanitarian Trust Act.

SEC. 748. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide financial and technical assistance to the Dry Creek/Neff's Grove project, Utah, and the Jefferson River Watershed, Montana.

SEC. 749. Section 307 of Title III—Denali Commission of Division C—Other Matters of Public Law 105-277, as amended, is further amended by adding a new subsection at the end thereof as follows:

“(d) SOLID WASTE.—The Secretary of Agriculture is authorized to make direct lump sum payments which shall remain available until expended to the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.”.

President.
Contracts.

42 USC 3121
note.

SEC. 750. The \$5,000,000 of unobligated balances available at the beginning of fiscal year 2003 for the experimental Rural Clean Water Program authorized under the heading “Agricultural Stabilization and Conservation Service—Rural Clean Water Program” in Public Law 96-108 (93 Stat. 835) and Public Law 96-528 (95 Stat. 3111) are hereby rescinded.

SEC. 751. The Secretary of Agriculture is authorized to make loans and grants to expand the State of Alaska’s dairy industry and related milk processing and packaging facilities. There is authorized to be appropriated \$5,000,000 to carry out this section for each fiscal years 2003 through 2007.

SEC. 752. The Secretary, if presented with a complete and fully compliant application, including an approved third party to hold the development easement, to protect the 33.8 acre farm formerly operated by American Airlines Captain John Ogonowski from development through the Farmland Protection Program, shall waive the matching fund requirements of the program, if necessary. Farmland Protection Program funds provided shall not exceed the appraised fair market value of the land, as determined consistent with program requirements. Any additional funding provided to carry out this project shall not come at the expense of an allocation to any other State.

John Ogonowski.

SEC. 753. The Secretary of Agriculture is authorized to permit employees of the United States Department of Agriculture to carry and use firearms for personal protection while conducting field work in remote locations in the performance of their official duties.

SEC. 754. Of the funds made available for the Export Enhancement Program, pursuant to section 301(e) of the Agricultural Trade Act of 1978, as amended by Public Law 104-127, not more than \$28,000,000 shall be available in fiscal year 2003.

SEC. 755. Notwithstanding any other provision of law, the Municipality of Carolina, Puerto Rico, shall be eligible for grants and loans administered by the Rural Utilities Service.

Puerto Rico.

SEC. 756. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the provisions of section 7404 of Public Law 107-171.

SEC. 757. The Agricultural Marketing Service and the Grain Inspection, Packers and Stockyards Administration, that have statutory authority to purchase interest bearing investments outside of Treasury, are not required to establish obligations and outlays for those investments, provided those investments are insured by FDIC or are collateralized at the Federal Reserve with securities approved by the Federal Reserve, operating under the guidelines of the United States Treasury.

SEC. 758. Of the funds made available under section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Secretary may use up to \$10,000,000 for costs associated with the distribution of commodities.

SEC. 759. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to enroll in excess of 245,833 acres in the calendar year 2003 wetlands reserve program as authorized by 16 U.S.C. 3837.

SEC. 760. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives

program authorized by chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) in excess of \$695,000,000.

SEC. 761. Notwithstanding subsections (c) and (e)(2) of section 313A of the Rural Electrification Act (7 U.S.C. 940c(c) and (e)(2)) in implementing section 313A of that Act, the Secretary shall, with the consent of the lender, structure the schedule for payment of the annual fee, not to exceed an average of 30 basis points per year for the term of the loan, to ensure that sufficient funds are available to pay the subsidy costs for note guarantees under that section.

SEC. 762. In addition to amounts appropriated by this Act under the heading “Public Law 480 Title II Grants”, there is appropriated \$250,000,000 for assistance for emergency relief activities: *Provided*, That the amount appropriated under this section shall remain available through September 30, 2004.

SEC. 763. (a) Section 1001(9) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901(9)) is amended by inserting “crambe, sesame seed,” after “mustard seed,”.

(b) Section 1202 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7932) is amended—

(1) in subsection (a), by striking paragraph (10) and inserting the following:

“(10) In the case of other oilseeds, \$.0960 per pound for each of the following kinds of oilseeds:

“(A) Sunflower seed.

“(B) Rapeseed.

“(C) Canola.

“(D) Safflower.

“(E) Flaxseed.

“(F) Mustard seed.

“(G) Crambe.

“(H) Sesame seed.

“(I) Other oilseeds designated by the Secretary.”;

(2) in subsection (b), by striking paragraph (10) and inserting the following:

“(10) In the case of other oilseeds, \$.0930 per pound for each of the following kinds of oilseeds:

“(A) Sunflower seed.

“(B) Rapeseed.

“(C) Canola.

“(D) Safflower.

“(E) Flaxseed.

“(F) Mustard seed.

“(G) Crambe.

“(H) Sesame seed.

“(I) Other oilseeds designated by the Secretary.”;

(3) by adding at the end the following:

“(c) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsections (a)(10) and (b)(10).

“(d) QUALITY GRADES FOR DRY PEAS, LENTILS, AND SMALL CHICKPEAS.—The loan rate for dry peas, lentils, and small chickpeas shall be based on—

“(1) in the case of dry peas, United States feed peas;

“(2) in the case of lentils, United States number 3 lentils; and

“(3) in the case of small chickpeas, United States number 3 small chickpeas that drop below a 20/64 screen.”.

(c) Section 1204 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934) is amended—

(1) in subsection (a), by striking “and extra long staple cotton” and inserting “extra long staple cotton, and confectionery and each other kind of sunflower seed (other than oil sunflower seed)”;

(2) by redesignating subsection (f) as subsection (h); and

(3) by inserting after subsection (e) the following:

“(f) REPAYMENT RATES FOR CONFECTIONERY AND OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for confectionery and each other kind of sunflower seed (other than oil sunflower seed) at a rate that is the lesser of—

“(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

“(2) the repayment rate established for oil sunflower seed.

“(g) QUALITY GRADES FOR DRY PEAS, LENTILS, AND SMALL CHICKPEAS.—The loan repayment rate for dry peas, lentils, and small chickpeas shall be based on the quality grades for the applicable commodity specified in section 1202(d).”.

(d) This section and the amendments made by this section apply beginning with the 2003 crop of other oilseeds (as defined in section 1001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901)), dry peas, lentils, and small chickpeas.

SEC. 764. Of the amount of funds that are made available to producers in the State of Vermont under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524) for fiscal year 2003, the Secretary of Agriculture shall make a grant of \$200,000 to the Northeast Center for Food Entrepreneurship at the University of Vermont to support value-added projects that contribute to agricultural diversification in the State, to remain available until expended.

SEC. 765. (a) Section 319(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(e)) is amended in the fifth sentence—

(1) by striking “: *Provided, That*” and inserting “, except that (1)”;

(2) by inserting before the period at the end the following: “, (2) the total quantity of all adjustments under this sentence for all farms for any crop year may not exceed 10 percent of the national basic quota for the preceding crop year, and (3) this sentence shall not apply to the establishment of a marketing quota for the 2003 marketing year”.

(b) During the period beginning on the date of enactment of this Act and ending on the last day of the 2002 marketing year for the kind of tobacco involved, the Secretary of Agriculture may waive the application of section 1464.2(b)(2) of title 7, Code of Federal Regulations.

(c) REGULATIONS.—

(1) The Secretary of Agriculture may promulgate such regulations as are necessary to implement this section and the amendments made by this section.

Applicability.
7 USC 7901 note.

Grants.
University of
Vermont.

Effective date.
Termination
date.

7 USC 1314e
note.

(2) The promulgation of the regulations and administration of this section and the amendments made by this section shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(3) In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 766. Title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, is amended in the first paragraph under the heading “RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)” under the heading “RURAL HOUSING SERVICE” (114 Stat. 1549, 1549A–19) by inserting before the period at the end the following: “: *Provided further*, That after September 30, 2002, any funds remaining for the demonstration program may be used, within the State in which the demonstration program is carried out, for fiscal year 2003 and subsequent fiscal years to make grants, and to cover the costs (as defined in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a)) of loans authorized, under section 504 of the Housing Act of 1949 (42 U.S.C. 1474)”.

7 USC 7911 note.

SEC. 767. (a) Notwithstanding any other provision of law, for purposes of administering sections 1101 and 1102 of Public Law 107-171, acreage planted to, or prevented from being planted to, popcorn shall be considered as acreage planted to, or prevented from being planted to, corn: *Provided*, That if a farm program payment yield for corn is otherwise established for a farm under such section 1102, the same yield shall be used for the acreage on the farm planted to, or prevented from being planted to, popcorn: *Provided further*, That with respect to all other farms, the farm program payment yield for such popcorn acreage shall be established by the Secretary on a fair and equitable basis to reflect the farm program payment yields for corn on similar farms in the area.

Effective date.

(b) This section shall take effect on October 1, 2003.

SEC. 768. Of the funds appropriated for fiscal year 2002 and prior years for grants and contracts to carry out section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c(b)(1)(A)), \$11,000,000 is hereby rescinded.

SEC. 769. Notwithstanding any other provision of this Act, the \$4,696,000,000 provided for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) shall be exempt from the across-the-board rescission under section 601 of division N.

Effective date.

SEC. 770. During the 180-day period beginning on the date of enactment of this Act, none of the funds made available by this Act or any other Act shall be available to the Secretary of Agriculture to pay the salaries of any personnel—

(1) to amend the terms of a licensing agreement for a grain warehouse (excluding rice) under the United States Warehouse Act (7 U.S.C. 241 et seq.); or

(2) to issue a new license for a grain warehouse (excluding rice) under that Act unless—

(A) the warehouse does not hold (as of the date of enactment of this Act) a Federal or State license for the operation of the warehouse; and

(B) the licensing agreement accompanying the new license conforms to the licensing requirements of the Secretary in effect on January 1, 2003.

SEC. 771. None of the funds made available in this Act may be used to require that a farm satisfy section 2110(c)(1) of the Organic Foods Production Act of 1990 (7 U.S.C. 6509(c)(1)) in order to be certified under such Act as an organic farm with respect to the livestock produced on the farm unless the report prepared by the Secretary of Agriculture pursuant to the recommendations contained in the joint explanatory statement of the Managers on the part of the House of Representatives and the Senate to accompany Public Law 107–171 (House Conference Report 107–424, pages 672–673) confirms the commercial availability of organically produced feed, at not more than twice the cost of conventionally produced feed, to meet current market demands.

This division may be cited as the “Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003”.

DIVISION B—COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2003, and for other purposes.

Departments of
Commerce,
Justice, and
State, the
Judiciary, and
Related Agencies
Appropriations
Act, 2003.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, \$100,579,000, of which not to exceed \$3,137,000 is for the Facilities Program 2000, to remain available until expended: *Provided*, That not to exceed 43 permanent positions and 44 full-time equivalent workyears and \$10,172,000 shall be expended for the Department Leadership Program exclusive of augmentation that occurred in these offices in fiscal year 2002: *Provided further*, That not to exceed 31 permanent positions, 33 full-time equivalent workyears and \$3,464,000 shall be expended for the Office of Legislative Affairs: *Provided further*, That not to exceed 15 permanent positions, 20 full-time equivalent workyears and

Department of
Justice
Appropriations
Act, 2003.

Guidelines.

\$1,875,000 shall be expended for the Office of Public Affairs: *Provided further*, That the latter two aforementioned offices may utilize non-reimbursable details of career employees within the caps described in the preceding two provisos: *Provided further*, That the Attorney General is authorized to transfer, under such terms and conditions as the Attorney General shall specify, forfeited real or personal property of limited or marginal value, as such value is determined by guidelines established by the Attorney General, to a State or local government agency, or its designated contractor or transferee, for use to support drug abuse treatment, drug and crime prevention and education, housing, job skills, and other community-based public health and safety programs: *Provided further*, That any transfer under the preceding proviso shall not create or confer any private right of action in any person against the United States, and shall be treated as a reprogramming under section 605 of this Act.

JOINT AUTOMATED BOOKING SYSTEM

For expenses necessary for the nationwide deployment of a Joint Automated Booking System including automated capability to transmit fingerprint and image data, \$15,973,000, to remain available until September 30, 2004.

AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM/INTEGRATED
AUTOMATED IDENTIFICATION SYSTEM INTEGRATION

For expenses necessary for the planning, development, and deployment of an integrated fingerprint identification system, including automated capability to transmit fingerprint and image data, \$9,000,000, to remain available until September 30, 2004.

LEGAL ACTIVITIES OFFICE AUTOMATION

For necessary expenses related to the design, development, engineering, acquisition, and implementation of office automation systems for the organizations funded under the headings “Salaries and Expenses, General Legal Activities”, and “General Administration, Salaries and Expenses”, and the United States Attorneys, the United States Marshals Service, the Antitrust Division, the United States Trustee Program, the Executive Office for Immigration Review, the Community Relations Service, the Bureau of Prisons, and the Office of Justice Programs, \$15,942,000, to remain available until September 30, 2004.

NARROWBAND COMMUNICATIONS

For the costs of conversion to narrowband communications, including the cost for operation and maintenance of Land Mobile Radio legacy systems, \$81,354,000, to remain available until September 30, 2004: *Provided*, That the Attorney General shall transfer to the “Narrowband Communications” account all funds made available to the Department of Justice for the purchase of portable and mobile radios: *Provided further*, That any transfers made under this proviso shall be subject to section 605 of this Act.

COUNTERTERRORISM FUND

For necessary expenses, as determined by the Attorney General, \$1,000,000, to remain available until expended, to reimburse any Department of Justice organization for: (1) the costs incurred in reestablishing the operational capability of an office or facility which has been damaged or destroyed as a result of any domestic or international terrorist incident; and (2) the costs of providing support to counter, investigate or prosecute domestic or international terrorism, including payment of rewards in connection with these activities: *Provided*, That any Federal agency may be reimbursed for the costs of detaining in foreign countries individuals accused of acts of terrorism that violate the laws of the United States: *Provided further*, That funds provided under this paragraph shall be available only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

Notification.

ADMINISTRATIVE REVIEW AND APPEALS

For expenses necessary for the administration of pardon and clemency petitions and immigration-related activities, \$191,535,000.

DETENTION TRUSTEE

For necessary expenses of the Federal Detention Trustee who shall exercise all power and functions authorized by law relating to the detention of Federal prisoners in non-Federal institutions or otherwise in the custody of the United States Marshals Service; and the detention of aliens in the custody of the Immigration and Naturalization Service, \$1,366,591,000, to remain available until expended: *Provided*, That the Trustee shall be responsible for managing the Justice Prisoner and Alien Transportation System and for overseeing housing related to such detention; the management of funds appropriated to the Department for the exercise of any detention functions; and the direction of the United States Marshals Service and Immigration and Naturalization Service with respect to the exercise of detention policy setting and operations for the Department: *Provided further*, That any unobligated balances available in prior years from the funds appropriated under the heading "Federal Prisoner Detention" shall be transferred to and merged with the appropriation under the heading "Detention Trustee" and shall be available until expended: *Provided further*, That the Trustee, working in consultation with the Bureau of Prisons, shall submit a plan for collecting information related to evaluating the health and safety of Federal prisoners in non-Federal institutions no later than 180 days following the enactment of this Act.

Plan.
Deadline.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, \$57,937,000; including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and for the acquisition, lease, maintenance, and operation of motor vehicles, without regard to the general purchase price limitation for the current fiscal year.

UNITED STATES PAROLE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission as authorized, \$10,488,000.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed \$20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government-owned space in the District of Columbia, \$611,325,000, of which not to exceed \$10,000,000 for litigation support contracts shall remain available until expended, and of which not less than \$1,996,000 shall be available for necessary administrative expenses in accordance with the Radiation Exposure Compensation Act: *Provided*, That of the total amount appropriated, not to exceed \$1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses: *Provided further*, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for litigation activities of the Civil Division, the Attorney General may transfer such amounts to “Salaries and Expenses, General Legal Activities” from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: *Provided further*, That any transfer pursuant to the previous proviso shall be treated as a reprogramming under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986, as amended, not to exceed \$4,028,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, \$133,133,000: *Provided*, That, notwithstanding any other provision of law, not to exceed \$133,133,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2003, so as to result in a final fiscal year 2003 appropriation from the general fund estimated at not more than \$0.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For necessary expenses of the Offices of the United States Attorneys, including inter-governmental and cooperative agreements, \$1,503,767,000; of which not to exceed \$2,500,000 shall be available until September 30, 2004, for: (1) training personnel in debt collection; (2) locating debtors and their property; (3) paying the net costs of selling property; and (4) tracking debts owed to the United States Government: *Provided*, That of the total amount appropriated, not to exceed \$8,000 shall be available for official reception and representation expenses: *Provided further*, That not to exceed \$10,000,000 of those funds available for automated litigation support contracts shall remain available until expended: *Provided further*, That not to exceed \$2,500,000 for the operation of the National Advocacy Center shall remain available until expended: *Provided further*, That, in addition to reimbursable full-time equivalent workyears available to the Offices of the United States Attorneys, not to exceed 10,113 positions and 10,316 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the United States Attorneys: *Provided further*, That the fourth proviso under the heading “Salaries and Expenses, United States Attorneys” in title I of H.R. 3421 of the 106th Congress, as enacted by section 1000(a)(1) of Public Law 106-113 shall apply to amounts made available under this heading for fiscal year 2003: *Provided further*, That of the total amount appropriated, \$5,000,000 shall be for Project Seahawk in Charleston, South Carolina.

Applicability.

South Carolina.

UNITED STATES TRUSTEE SYSTEM FUND

For necessary expenses of the United States Trustee Program, as authorized, \$155,736,000, to remain available until expended and to be derived from the United States Trustee System Fund: *Provided*, That, notwithstanding any other provision of law, deposits to the Fund shall be available in such amounts as may be necessary to pay refunds due depositors: *Provided further*, That, notwithstanding any other provision of law, \$155,736,000 of offsetting collections pursuant to 28 U.S.C. 589a(b) shall be retained and used for necessary expenses in this appropriation and remain available until expended: *Provided further*, That the sum herein appropriated from the Fund shall be reduced as such offsetting collections are received during fiscal year 2003, so as to result in a final fiscal year 2003 appropriation from the Fund estimated at \$0.

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109, \$1,136,000.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For necessary expenses of the United States Marshals Service, including the acquisition, lease, maintenance, and operation of vehicles, and the purchase of passenger motor vehicles for police-type use, without regard to the general purchase price limitation for the current fiscal year, \$680,474,000; of which \$15,800,000 shall be available for 106 supervisory deputy marshal positions for courthouse security; of which not to exceed \$6,000 shall be available

for official reception and representation expenses; of which not to exceed \$4,000,000 shall be available for development, implementation, maintenance and support, and training for an automated prisoner information system and shall remain available until expended; and \$12,061,000 shall be available for the costs of courthouse security equipment, including furnishings, relocations, and telephone systems and cabling, and shall remain available until expended: *Provided*, That, in addition to reimbursable full-time equivalent workyears available to the United States Marshals Service, not to exceed 4,158 positions and 4,023 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the United States Marshals Service.

CONSTRUCTION

For planning, constructing, renovating, equipping, and maintaining United States Marshals Service prisoner-holding space in United States courthouses and Federal buildings, including the renovation and expansion of prisoner movement areas, elevators, and sallyports, \$15,126,000, to remain available until expended.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses, for expenses of contracts for the procurement and supervision of expert witnesses, for private counsel expenses, for per diems in lieu of subsistence, as authorized by law, including advances, and for United States Marshals Service Witness Security program expenses, \$175,645,000, to remain available until expended; of which not to exceed \$6,000,000 may be made available for planning, construction, renovations, maintenance, remodeling, and repair of buildings, and the purchase of equipment incident thereto, for protected witness safesites; of which not to exceed \$1,000,000 may be made available for the purchase and maintenance of armored vehicles for transportation of protected witnesses; of which not to exceed \$19,500,000 may be made available for the United States Marshals Service Witness Security program; and of which not to exceed \$5,000,000 may be made available for the purchase, installation, and maintenance of secure telecommunications equipment and a secure automated information network to store and retrieve the identities and locations of protected witnesses.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, \$9,474,000 and, in addition, up to \$1,000,000 of funds made available to the Department of Justice in this Act may be transferred by the Attorney General to this account: *Provided*, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for conflict resolution and violence prevention activities of the Community Relations Service, the Attorney General may transfer such amounts to the Community Relations Service, from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: *Provided further*, That any transfer pursuant to the previous proviso shall be treated as a reprogramming under section

605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

ASSETS FORFEITURE FUND

For expenses authorized by 28 U.S.C. 524(c)(1)(A)(ii), (B), (F), and (G), as amended, \$21,901,000, to be derived from the Department of Justice Assets Forfeiture Fund.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, to include inter-governmental agreements with State and local law enforcement agencies engaged in the investigation and prosecution of individuals involved in organized crime drug trafficking, \$372,131,000, of which \$50,000,000 shall remain available until expended: *Provided*, That any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation: *Provided further*, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in succeeding fiscal years, subject to the reprogramming procedures set forth in section 605 of this Act.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For necessary expenses of the Federal Bureau of Investigation for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed 1,576 passenger motor vehicles, of which 1,085 will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance, and operation of aircraft; and not to exceed \$70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General, \$4,234,587,000; of which not to exceed \$65,000,000 for automated data processing and telecommunications and technical investigative equipment, not to exceed \$10,000,000 for facilities buildout, and not to exceed \$1,000,000 for undercover operations shall remain available until September 30, 2004; of which \$475,300,000 shall be for counterterrorism investigations, foreign counterintelligence, and other activities related to our national security; of which not less than \$153,812,000 shall only be for Joint Terrorism Task Forces; of which not to exceed \$10,000,000 is authorized to be made available for making advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to violent crime, terrorism, organized crime, and drug investigations: *Provided*, That not to exceed \$50,000 shall be available for official reception and representation expenses: *Provided further*, That, in addition to reimbursable full-time equivalent workyears

available to the Federal Bureau of Investigation, not to exceed 26,447 positions and 25,579 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the Federal Bureau of Investigation.

FOREIGN TERRORIST TRACKING TASK FORCE

For expenses necessary for the Foreign Terrorist Tracking Task Force, including salaries and expenses, operations, equipment, and facilities, \$62,000,000.

CONSTRUCTION

For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings; and preliminary planning and design of projects; \$1,250,000, to remain available until expended.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed \$70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; purchase of not to exceed 1,374 passenger motor vehicles, of which 1,354 will be for replacement only, for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft, \$1,560,919,000; of which not to exceed \$33,000,000 for permanent change of station shall remain available until September 30, 2004; of which not to exceed \$1,800,000 for research shall remain available until expended, and of which not to exceed \$4,000,000 for purchase of evidence and payments for information, not to exceed \$10,000,000 for contracting for automated data processing and telecommunications equipment, and not to exceed \$2,000,000 for laboratory equipment, \$4,000,000 for technical equipment, and \$2,000,000 for aircraft replacement retrofit and parts, shall remain available until September 30, 2004; of which not to exceed \$50,000 shall be available for official reception and representation expenses: *Provided*, That, in addition to reimbursable full-time equivalent workyears available to the Drug Enforcement Administration, not to exceed 7,815 positions and 7,661 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the Drug Enforcement Administration.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, as follows:

IMMIGRATION ENFORCEMENT AND BORDER AFFAIRS

For salaries and expenses for the Border Patrol, detention and removals, intelligence, investigations, and inspections, including not to exceed \$50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; purchase for police-type use (not to exceed 4,565 passenger motor vehicles, of which 3,450 are for replacement only), without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; research related to immigration enforcement; for protecting and maintaining the integrity of the borders of the United States including, without limitation, equipping, maintaining, and making improvements to the infrastructure; and for the care and housing of Federal detainees held in the joint Immigration and Naturalization Service and United States Marshals Service Buffalo Detention Facility, \$2,880,819,000; of which not to exceed \$5,000,000 is for payments or advances arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to immigration; of which not to exceed \$5,000,000 is to fund or reimburse other Federal agencies for the costs associated with the care, maintenance, and repatriation of smuggled illegal aliens; of which not to exceed \$245,236,000 is for information technology infrastructure: *Provided*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That none of the funds appropriated in this Act for the Immigration and Naturalization Service's Entry Exit System may be obligated until the Immigration and Naturalization Service submits a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including OMB Circular A-11, part 3; (2) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (3) is reviewed by the General Accounting Office; and (4) has been approved by the Committees on Appropriations: *Provided further*, That funds provided under this heading shall only be available for obligation and expenditure in accordance with the procedures applicable to reprogramming notifications set forth in section 605 of Public Law 107-77.

IMMIGRATION SERVICES

For salaries and expenses for immigration services, \$709,000,000: *Provided further*, That not to exceed 40 permanent positions and 40 full-time equivalent workyears and \$4,300,000 shall be expended for the Offices of Legislative Affairs and Public Affairs: *Provided further*, That unencumbered positions in the aforementioned offices after the date of enactment of this Act shall be filled only by personnel details, temporary transfers of personnel on either a reimbursable or non-reimbursable basis, or any other formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis up to 10 full-time equivalent workyears: *Provided further*, That the number of positions filled through non-career appointment at the Immigration and Naturalization Service, for which funding is provided in this Act

or is otherwise made available to the Immigration and Naturalization Service, shall not exceed six permanent positions and six full-time equivalent workyears: *Provided further*, That funds may be used, without limitation, for equipping, maintaining, and making improvements to the infrastructure and the purchase of vehicles for police-type use within the limits of the Immigration Enforcement and Border Affairs appropriation.

CONSTRUCTION

For planning, construction, renovation, equipping, and maintenance of buildings and facilities necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, not otherwise provided for, \$258,637,000, to remain available until expended: *Provided*, That no funds shall be available for the site acquisition, design, or construction of any Border Patrol checkpoint in the Tucson sector: *Provided further*, That the Border Patrol shall relocate its checkpoints in the Tucson sector at least once every seven days in a manner designed to prevent persons subject to inspection from predicting the location of any such checkpoint.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

42 USC 250a.

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed 713, of which 504 are for replacement only) and hire of law enforcement and passenger motor vehicles, and for the provision of technical assistance and advice on corrections related issues to foreign governments, \$4,071,251,000, of which \$1,463,997,000 shall be for Inmate Care and Programs, \$1,880,763,000 shall be for Institution Security and Administration, \$571,077,000 shall be for Contract Confinement, and \$155,414,000 shall be for Management and Administration: *Provided*, That the Attorney General may transfer to the Health Resources and Services Administration such amounts as may be necessary for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further*, That the Director of the Federal Prison System, where necessary, may enter into contracts with a fiscal agent/fiscal intermediary claims processor to determine the amounts payable to persons who, on behalf of the Federal Prison System, furnish health services to individuals committed to the custody of the Federal Prison System: *Provided further*, That not to exceed \$6,000 shall be available for official reception and representation expenses: *Provided further*, That not to exceed \$50,000,000 shall remain available for necessary operations until September 30, 2004: *Provided further*, That, of the amounts provided for Contract Confinement, not to exceed \$20,000,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements, and other expenses authorized by section 501(c) of the Refugee Education Assistance Act of 1980, as amended, for the care and security in the United States of Cuban and Haitian entrants: *Provided further*, That the Director of the Federal Prison System may accept donated property and services relating to the operation of the prison card program from a not-for-profit entity

which has operated such program in the past notwithstanding the fact that such not-for-profit entity furnishes services under contracts to the Federal Prison System relating to the operation of pre-release services, halfway houses or other custodial facilities.

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling, and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, \$399,227,000, to remain available until expended, of which not to exceed \$14,000,000 shall be available to construct areas for inmate work programs: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation: *Provided further*, That not to exceed 10 percent of the funds appropriated to “Buildings and Facilities” in this or any other Act may be transferred to “Salaries and Expenses”, Federal Prison System, upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in section 605 of this Act.

Notification.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase (not to exceed five for replacement only) and hire of passenger motor vehicles.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed \$3,429,000 of the funds of the corporation shall be available for its administrative expenses, and for services as authorized by 5 U.S.C. 3109, to be computed on an accrual basis to be determined in accordance with the corporation’s current prescribed accounting system, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Missing Children's Assistance Act, as amended, including salaries and expenses in connection therewith, and with the Victims of Crime Act of 1984, as amended, \$201,291,000, to remain available until expended: *Provided*, That all balances under this heading for counterterrorism programs may be transferred to and merged with the appropriation for "Domestic Preparedness".

OFFICE FOR DOMESTIC PREPAREDNESS

For grants, cooperative agreements, and other assistance authorized by sections 819 and 821 of the Antiterrorism and Effective Death Penalty Act of 1996 and for other counterterrorism programs, including training, exercises and equipment for fire, emergency medical, hazmat, law enforcement, and other first responders to prevent and respond to acts of terrorism, including incidents involving weapons of mass destruction or chemical or biological weapons, \$1,000,000,000, to remain available until expended.

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For assistance authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322), as amended ("the 1994 Act"); the Omnibus Crime Control and Safe Streets Act of 1968, as amended ("the 1968 Act"); the Victims of Child Abuse Act of 1990, as amended ("the 1990 Act"); the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106-386) and other programs; \$2,065,269,000 (including amounts for administrative costs, which shall be transferred to and merged with the "Justice Assistance" account): *Provided*, That \$17,667,000 shall be derived from prior year unobligated balances from Local Law Enforcement Block Grants, and \$3,323,000 shall be derived from prior year unobligated balances from residential substance abuse treatment for State prisoners: *Provided further*, That funding provided under this heading shall remain available until expended as follows:

(1) \$400,000,000 for Local Law Enforcement Block Grants, pursuant to H.R. 728 as passed by the House of Representatives on February 14, 1995, except that for purposes of this Act and retroactive to October 1, 2000, Guam shall be considered as one "State" for all purposes under H.R. 728, notwithstanding any provision of section 108(3) thereof, the Commonwealth of Puerto Rico shall be considered a "unit of local government" as well as a "State", for the purposes set forth in paragraphs (A), (B), (D), (F), and (I) of section 101(a)(2) of H.R. 728, and for establishing crime prevention programs involving cooperation between community residents and law enforcement personnel in order to control, detect, or investigate crime or the prosecution of criminals: *Provided*, That no funds provided under this heading may be used as matching funds for any other Federal grant program, of which:

(A) \$80,000,000 shall be for Boys and Girls Clubs in public housing facilities and other areas in cooperation with State and local law enforcement: *Provided*, That funds may also be used to defray the costs of indemnification insurance for law enforcement officers;

(B) \$20,000,000 shall be available for grants, contracts, and other assistance to carry out section 102(c) of H.R. 728; and

(C) \$3,000,000 for Citizen Corps programs administered by the Department of Justice;

(2) \$250,000,000 for the State Criminal Alien Assistance Program, as authorized by section 242(j) of the Immigration and Nationality Act, as amended;

(3) \$5,000,000 for the Cooperative Agreement Program;

(4) \$18,000,000 for assistance to Indian tribes, of which:

(A) \$5,000,000 shall be available for grants under section 20109(a)(2) of subtitle A of title II of the 1994 Act;

(B) \$8,000,000 shall be available for the Tribal Courts Initiative; and

(C) \$5,000,000 shall be available for demonstration grants on alcohol and crime in Indian Country;

(5) \$650,914,000 for programs authorized by part E of title I of the 1968 Act, notwithstanding the provisions of section 511 of said Act, of which \$150,914,000 shall be for discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs;

(6) \$390,165,000 for programs to address violence against women, of which:

(A) \$11,975,000 shall be for the Court Appointed Special Advocate Program, as authorized by section 218 of the 1990 Act;

(B) \$2,296,000 shall be for Child Abuse Training Programs for Judicial Personnel and Practitioners, as authorized by section 224 of the 1990 Act;

(C) \$998,000 shall be for grants for televised testimony, as authorized by section 1001(a)(7) of the 1968 Act;

(D) \$184,537,000 shall be for Grants to Combat Violence Against Women as authorized by section 1001(a)(18) of the 1968 Act, of which:

(i) \$1,000,000 shall be for the Bureau of Justice Statistics for grants, contracts, and other assistance for a domestic violence Federal case processing study;

(ii) \$5,200,000 shall be for the National Institute of Justice for grants, contracts, and other assistance for research and evaluation of violence against women; and

(iii) \$10,000,000 shall be for the Office of Juvenile Justice and Delinquency Prevention for the Safe Start Program, to be administered as authorized by part C of the Juvenile Justice and Delinquency Act of 1974, as amended;

(E) \$64,925,000 shall be for Grants to Encourage Arrest Policies as authorized by section 1001(a)(19) of the 1968 Act;

(F) \$39,945,000 shall be for Rural Domestic Violence and Child Abuse Enforcement Assistance Grants, as authorized by section 40295 of the 1994 Act;

(G) \$4,989,000 shall be for training programs as authorized by section 40152(c) of the 1994 Act, and for local demonstration projects;

(H) \$3,000,000 shall be for grants to improve the process for entering data regarding stalking and domestic violence into local, State, and national crime information databases, as authorized by section 40602 of the 1994 Act;

(I) \$10,000,000 shall be for grants to reduce Violent Crimes Against Women on Campus, as authorized by section 1108(a) of Public Law 106-386;

(J) \$40,000,000 shall be for Legal Assistance for Victims, as authorized by section 1201 of Public Law 106-386;

(K) \$5,000,000 shall be for enhancing protection for older and disabled women from domestic violence and sexual assault as authorized by section 40801 of the 1994 Act;

(L) \$15,000,000 shall be for the Safe Havens for Children Pilot Program as authorized by section 1301 of Public Law 106-386; and

(M) \$7,500,000 shall be for Education and Training to end violence against and abuse of women with disabilities, as authorized by section 1402 of Public Law 106-386;

(7) \$10,000,000 for victim services programs for victims of trafficking, as authorized by section 107(b)(2) of Public Law 106-386;

(8) \$65,000,000 for grants for residential substance abuse treatment for State prisoners, as authorized by section 1001(a)(17) of the 1968 Act;

(9) \$898,000 for the Missing Alzheimer's Disease Patient Alert Program, as authorized by section 240001(c) of the 1994 Act;

(10) \$45,000,000 for Drug Courts, as authorized by Part EE of title I of the 1968 Act;

(11) \$1,497,000 for Law Enforcement Family Support Programs, as authorized by section 1001(a)(21) of the 1968 Act;

(12) \$1,995,000 for public awareness programs addressing marketing scams aimed at senior citizens, as authorized by section 250005(3) of the 1994 Act;

(13) \$190,000,000 for Juvenile Accountability Incentive Block Grants, of which \$25,000,000 shall be available for grants, contracts, and other assistance under the Project ChildSafe Initiative, except that such funds shall be subject to the same terms and conditions as set forth in the provisions under this heading for this program in Public Law 105-119, but all references in such provisions to 1998 shall be deemed to refer instead to 2003, and Guam shall be considered a "State" for the purposes of title III of H.R. 3, as passed by the House of Representatives on May 8, 1997;

(14) \$1,300,000 for Motor Vehicle Theft Prevention Programs, as authorized by section 220002(h) of the 1994 Act;

(15) \$7,500,000 for a prescription drug monitoring program;

(16) \$13,000,000 for implementation of prison rape prevention and prosecution programs including a statistical review and analysis of the incidence and effects of prison rape, the

establishment of a national clearinghouse for provision of information and assistance for Federal, State, and local officials, grants to States, units of local government, prisons, and prison systems for prison rape prevention and prosecution efforts, and the development of national standards for enhancing the detection, prevention, reduction, and punishment of prison rape; and

(17) \$15,000,000 for terrorism prevention and response training for law enforcement and other responders:

Provided, That funds made available in fiscal year 2003 under subpart 1 of part E of title I of the 1968 Act may be obligated for programs to assist States in the litigation processing of death penalty Federal habeas corpus petitions and for drug testing initiatives: *Provided further*, That, if a unit of local government uses any of the funds made available under this title to increase the number of law enforcement officers, the unit of local government will achieve a net gain in the number of law enforcement officers who perform nonadministrative public safety service.

WEED AND SEED PROGRAM FUND

For necessary expenses, including salaries and related expenses of the Executive Office for Weed and Seed, to implement “Weed and Seed” program activities, \$58,925,000, to remain available until expended, for inter-governmental agreements, including grants, cooperative agreements, and contracts, with State and local law enforcement agencies, non-profit organizations, and agencies of local government engaged in the investigation and prosecution of violent crimes and drug offenses in “Weed and Seed” designated communities, and for either reimbursements or transfers to appropriation accounts of the Department of Justice and other Federal agencies which shall be specified by the Attorney General to execute the “Weed and Seed” program strategy: *Provided*, That funds designated by Congress through language for other Department of Justice appropriation accounts for “Weed and Seed” program activities shall be managed and executed by the Attorney General through the Executive Office for Weed and Seed: *Provided further*, That the Attorney General may direct the use of other Department of Justice funds and personnel in support of “Weed and Seed” program activities only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

Notification.

COMMUNITY ORIENTED POLICING SERVICES

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994, Public Law 103-322 (“the 1994 Act”) (including administrative costs), \$928,912,000, to remain available until expended: *Provided*, That section 1703 (b) and (c) of the 1968 Act shall not apply to non-hiring grants made pursuant to part Q of title I thereof (42 U.S.C. 3796dd et seq.): *Provided further*, That all prior year balances derived from the Violent Crime Trust Fund for Community Oriented Policing Services may be transferred into this appropriation: *Provided further*, That the officer redeployment demonstration described in section 1701(b)(1)(C) shall not apply to equipment, technology, support system or overtime grants made pursuant to part Q of title I thereof (42 U.S.C. 3796dd et seq.).

Of the amounts provided:

(1) for Public Safety and Community Policing Grants pursuant to title I of the 1994 Act, \$353,238,000 as follows: \$200,000,000 for the hiring of law enforcement officers including school resource officers to prevent acts of terrorism and other violent and drug-related crimes, of which up to 30 percent shall be available for overtime expenses; \$20,622,000 for training and technical assistance; \$25,444,000 for the matching grant program for Law Enforcement Armor Vests pursuant to section 2501 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (“the 1968 Act”); \$35,000,000 to improve tribal law enforcement including equipment and training; \$57,132,000 for policing initiatives to combat methamphetamine production and trafficking and to enhance policing initiatives in “drug hot spots”; and \$15,000,000 for Police Corps education, training, and service under sections 200101–200113 of the 1994 Act: *Provided*, That funding agreements shall include the funding for the outyear program costs of new recruits;

(2) for crime technology, \$400,567,000 as follows: \$189,954,000 for a law enforcement technology program; \$20,000,000 for the COPS Interoperable Communications Technology Program; \$40,000,000 for grants to upgrade criminal records, as authorized under the Crime Identification Technology Act of 1998 (42 U.S.C. 14601); \$41,000,000 for DNA analysis and backlog reduction of which \$36,000,000 shall be used as authorized by the DNA Analysis Backlog Elimination Act of 2000 (Public Law 106–546) and of which \$5,000,000 shall be available for Paul Coverdell Forensic Sciences Improvement Grants under part BB of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797j et seq.); \$40,538,000 for State and local DNA laboratories as authorized by section 1001(a)(22) of the 1968 Act, and improvements to laboratory general forensic science capacity and capabilities; and \$69,075,000 for grants, contracts and other assistance to States under section 102(b) of the Crime Identification Technology Act of 1998 (42 U.S.C. 14601), of which \$17,000,000 is for the National Institute of Justice for grants, contracts, and other agreements to develop school safety technologies and training;

(3) for prosecution assistance, \$85,000,000 as follows: \$45,000,000 for a national program to reduce gun violence, and \$40,000,000 for the Southwest Border Prosecutor Initiative to reimburse State, county, parish, tribal, or municipal governments only for Federal costs associated with the prosecution of criminal cases declined by local United States Attorneys offices;

(4) for grants, training, technical assistance, and other expenses to support community crime prevention efforts, \$57,107,000 as follows: \$10,000,000 for Project Sentry; \$14,934,000 for an offender re-entry program; \$15,210,000 for the Safe Schools Initiative; and \$16,963,000 for a police integrity program; and

(5) not to exceed \$33,000,000 for program management and administration.

JUVENILE JUSTICE PROGRAMS

For grants, contracts, cooperative agreements, and other assistance authorized by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended (“the Act”), and other juvenile justice programs, including salaries and expenses in connection therewith to be transferred to and merged with the appropriations for Justice Assistance, \$264,306,000, to remain available until expended, as authorized by section 299 of part I of title II and section 506 of title V of the Act, as amended by Public Law 102-586, of which: (1) notwithstanding any other provision of law, \$6,832,000 shall be available for expenses authorized by part A of title II of the Act, \$83,800,000 shall be available for expenses authorized by part B of title II of the Act, including training and technical assistance to help small, non-profit organizations with the Federal grants process, and \$89,257,000 shall be available for expenses authorized by part C of title II of the Act and other juvenile justice programs: *Provided*, That \$26,442,000 of the amounts provided for part B of title II of the Act, as amended, is for the purpose of providing additional formula grants under part B to States that provide assurances to the Administrator that the State has in effect (or will have in effect no later than 1 year after date of application) policies and programs that ensure that juveniles are subject to accountability-based sanctions for every act for which they are adjudicated delinquent; (2) \$11,974,000 shall be available for expenses authorized by sections 281 and 282 of part D of title II of the Act for prevention and treatment programs relating to juvenile gangs; (3) \$9,978,000 shall be available for expenses authorized by section 285 of part E of title II of the Act; (4) \$15,965,000 shall be available for expenses authorized by part G of title II of the Act for juvenile mentoring programs; and (5) \$46,500,000 shall be available for expenses authorized by title V of the Act for incentive grants for local delinquency prevention programs; of which \$12,472,000 shall be for delinquency prevention, control, and system improvement programs for tribal youth; of which \$6,500,000 shall be available for the Safe Schools Initiative including \$5,000,000 for grants, contracts, and other assistance under the Project Sentry Initiative; and of which \$25,000,000 shall be available for grants of \$360,000 to each State and \$6,640,000 shall be available for discretionary grants to States, for programs and activities to enforce State laws prohibiting the sale of alcoholic beverages to minors or the purchase or consumption of alcoholic beverages by minors, prevention and reduction of consumption of alcoholic beverages by minors, and for technical assistance and training: *Provided further*, That of amounts made available under the Juvenile Justice Programs of the Office of Justice Programs to carry out part B (relating to Federal Assistance for State and Local Programs), subpart II of part C (relating to Special Emphasis Prevention and Treatment Programs), part D (relating to Gang-Free Schools and Communities and Community-Based Gang Intervention), part E (relating to State Challenge Activities), and part G (relating to Mentoring) of title II of the Juvenile Justice and Delinquency Prevention Act of 1974, and to carry out the At-Risk Children’s Program under title V of that Act, not more than 10 percent of each such amount may be used for research, evaluation, and statistics activities designed to benefit the programs or activities authorized under the appropriate part or title, and not

more than 2 percent of each such amount may be used for training and technical assistance activities designed to benefit the programs or activities authorized under that part or title.

In addition, for grants, contracts, cooperative agreements, and other assistance authorized by the Victims of Child Abuse Act of 1990, as amended, \$11,000,000, to remain available until expended, as authorized by section 214B of the Act.

PUBLIC SAFETY OFFICERS BENEFITS

To remain available until expended, for payments authorized by part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796), as amended, such sums as are necessary, as authorized by section 6093 of Public Law 100-690 (102 Stat. 4339-4340); and \$4,000,000, to remain available until expended for payments as authorized by section 1201(b) of said Act.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 101. In addition to amounts otherwise made available in this title for official reception and representation expenses, a total of not to exceed \$45,000 from funds appropriated to the Department of Justice in this title shall be available to the Attorney General for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

Abortion.

SEC. 102. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term, or in the case of rape: *Provided*, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.

Abortion.

SEC. 103. None of the funds appropriated under this title shall be used to require any person to perform, or facilitate in any way the performance of, any abortion.

SEC. 104. Nothing in the preceding section shall remove the obligation of the Director of the Bureau of Prisons to provide escort services necessary for a female inmate to receive such service outside the Federal facility: *Provided*, That nothing in this section in any way diminishes the effect of section 104 intended to address the philosophical beliefs of individual employees of the Bureau of Prisons.

SEC. 105. Notwithstanding any other provision of law, not to exceed \$10,000,000 of the funds made available in this Act may be used to establish and publicize a program under which publicly advertised, extraordinary rewards may be paid, which shall not be subject to spending limitations contained in sections 3059 and 3072 of title 18, United States Code: *Provided*, That any reward of \$100,000 or more, up to a maximum of \$2,000,000, may not be made without the personal approval of the President or the Attorney General and such approval may not be delegated: *Provided further*, That rewards made pursuant to section 501 of Public Law 107-56 shall not be subject to this section.

SEC. 106. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Justice in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided,

shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation except in compliance with the procedures set forth in that section.

SEC. 107. Section 114 of Public Law 107-77 shall remain in effect during fiscal year 2003.

SEC. 108. Section 286(e) of the Immigration and Nationality Act (8 U.S.C. 1356(e)) is amended by striking paragraph (3) and replacing it with the following:

“(3) The Attorney General shall charge and collect \$3 per individual for the immigration inspection or pre-inspection of each commercial vessel passenger whose journey originated in the United States or in any place set forth in paragraph (1): *Provided*, That this requirement shall not apply to immigration inspection at designated ports of entry of passengers arriving by ferry, or by Great Lakes vessels on the Great Lakes and connecting waterways when operating on a regular schedule. For the purposes of this paragraph, the term ‘ferry’ means a vessel, in other than ocean or coastwise service, having provisions only for deck passengers and/or vehicles, operating on a short run on a frequent schedule between two points over the most direct water route, and offering a public service of a type normally attributed to a bridge or tunnel.”

Fee.

SEC. 109. The Director of the Federal Bureau of Investigation shall appoint a standing advisory panel, reporting directly to the Director, to study, assess, and advise periodically on the research, development, and application of existing and emerging science and technology advances and other topics: *Provided*, That the panel shall not be considered to be a Federal advisory committee for purposes of the Federal Advisory Committee Act.

Establishment.

SEC. 110. Public Law 107-273 is amended—

(1) in section 12222(b), strike “on October 1, 2002” and insert in lieu thereof the following: “on the effective date provided in section 12102(b)”;

42 USC 5781
note.

(2) in section 12223(a), strike “on the date of the enactment of this Act” and insert in lieu thereof the following: “on the effective date provided in section 12102(b)”;

42 USC 5601
note.

(3) in section 12223(b), by replacing “Act” with “subtitle”, and all the matter after “beginning” with “on or after the effective date provided in subsection (a).”.

SEC. 111. The law enforcement training facility described in section 8150 of Public Law 107-248 is hereby established as a permanent training facility.

Establishment.

SEC. 112. The Attorney General, in consultation with the Secretary of Homeland Security, shall provide to the Committees on Appropriations by March 1, 2003 all National Security Entry Exit Registration System documents and materials: (1) used in the creation of the System, including any predecessor programs; (2) assessing the effectiveness of the System as a tool to enhance national security; (3) used to determine the scope of the System, including countries selected for the program, and the gender, age, and immigration status of the persons required to register under the program; (4) regarding future plans to expand the System to additional countries, age groups, women, and persons holding other immigration statuses not already covered; (5) explaining whether the Department of Justice consulted with other Federal

Records.
Deadline.

agencies in the development of the System, and if so, all documents and materials relating to those consultations; (6) concerning policy directives or guidance issued to officials about implementation of the System, including the role of the Federal Bureau of Investigation in conducting national security background checks of registrants; (7) explaining why certain Immigration and Naturalization Service District Offices detained persons with pending status-adjustment applications; and (8) explaining how information gathered during interviews of registrants will be stored, used, or transmitted to other Federal, State, or local agencies.

This title may be cited as the “Department of Justice Appropriations Act, 2003”.

Department of
Commerce and
Related Agencies
Appropriations
Act, 2003.

TITLE II—DEPARTMENT OF COMMERCE AND RELATED AGENCIES

TRADE AND INFRASTRUCTURE DEVELOPMENT

RELATED AGENCIES

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, \$34,999,000, of which \$1,000,000 shall remain available until expended: *Provided*, That not to exceed \$98,000 shall be available for official reception and representation expenses.

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, and not to exceed \$2,500 for official reception and representation expenses, \$54,000,000, to remain available until expended.

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce provided for by law, and for engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms, without regard to 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas; travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 1517; employment of Americans and aliens by contract for services; rental of space abroad for periods not exceeding 10 years, and expenses of alteration, repair,

or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed \$327,000 for official representation expenses abroad; purchase of passenger motor vehicles for official use abroad, not to exceed \$30,000 per vehicle; obtaining insurance on official motor vehicles; and rental of tie lines, \$370,192,000, to remain available until expended, of which \$8,000,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302: *Provided*, That \$67,669,000 shall be for Trade Development, \$31,204,000 shall be for Market Access and Compliance, \$44,229,000 shall be for the Import Administration, \$202,040,000 shall be for the United States and Foreign Commercial Service, and \$25,050,000 shall be for Executive Direction and Administration: *Provided further*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912); and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.

Applicability.

BUREAU OF INDUSTRY AND SECURITY

OPERATIONS AND ADMINISTRATION

For necessary expenses for export administration and national security activities of the Department of Commerce, including costs associated with the performance of export administration field activities both domestically and abroad; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed \$15,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law, \$74,653,000, to remain available until September 30, 2004, of which \$7,250,000 shall be for inspections and other activities related to national security: *Provided*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities: *Provided further*, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments.

Applicability.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, and for trade adjustment assistance, \$290,000,000, to remain available until expended.

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, \$30,765,000: *Provided*, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977.

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organizations, \$28,906,000.

ECONOMIC AND INFORMATION INFRASTRUCTURE

ECONOMIC AND STATISTICAL ANALYSIS

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs of the Department of Commerce, \$72,158,000, to remain available until September 30, 2004.

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, \$183,000,000.

PERIODIC CENSUSES AND PROGRAMS

For necessary expenses related to the 2000 decennial census, \$41,893,000, to remain available until expended: *Provided*, That, of the total amount available related to the 2000 decennial census (\$41,893,000 in new appropriations and \$41,817,000 in deobligated balances from prior years), \$3,461,000 is for Program Development and Management; \$42,651,000 is for Data Content and Products; \$4,630,000 is for Field Data Collection and Support Systems; \$12,826,000 is for Automated Data Processing and Telecommunications Support; \$16,333,000 is for Testing and Evaluation; \$2,472,000 is for activities related to Puerto Rico, the Virgin Islands and Pacific Areas; and \$1,337,000 is for Marketing, Communications and Partnership activities.

In addition, for expenses related to planning, testing, and implementing the 2010 decennial census, \$146,306,000.

In addition, for expenses to collect and publish statistics for other periodic censuses and programs provided for by law, \$183,283,000, to remain available until expended: *Provided*, That regarding engineering and design of a facility at the Suitland Federal Center, quarterly reports regarding the expenditure of funds and project planning, design and cost decisions shall be provided by the Bureau, in cooperation with the General Services Administration, to the Committees on Appropriations of the Senate and the House of Representatives: *Provided further*, That none of the funds provided in this Act or any other Act under the heading “Bureau of the Census, Periodic Censuses and Programs” shall be used to fund the construction and tenant build-out costs of a facility at the Suitland Federal Center.

Reports.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration (NTIA), \$14,700,000, to remain available until expended: *Provided*, That, notwithstanding 31 U.S.C. 1535(d), the Secretary of Commerce shall charge Federal agencies for costs incurred in spectrum management, analysis, and operations, and related services and such fees shall be retained and used as offsetting collections for costs of such spectrum services, to remain available until expended: *Provided further*, That hereafter, notwithstanding any other provision of law, NTIA shall not authorize spectrum use or provide any spectrum functions pursuant to the National Telecommunications and Information Administration Organization Act, 47 U.S.C. 902-903, to any Federal entity without reimbursement as required by NTIA for such spectrum management costs, and Federal entities withholding payment of such cost shall not use spectrum: *Provided further*, That the Secretary of Commerce is authorized to retain and use as offsetting collections all funds transferred, or previously transferred, from other Government agencies for all costs incurred in telecommunications research, engineering, and related activities by the Institute for Telecommunication Sciences of NTIA, in furtherance of its assigned functions under this paragraph, and such funds received from other Government agencies shall remain available until expended.

47 USC 903 note.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For grants authorized by section 392 of the Communications Act of 1934, as amended, \$43,556,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed \$2,478,000 shall be available for program administration as authorized by section 391 of the Act: *Provided further*, That, notwithstanding the provisions of section 391 of the Act, the prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.

INFORMATION INFRASTRUCTURE GRANTS

For grants authorized by section 392 of the Communications Act of 1934, as amended, \$15,503,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed \$3,097,000 shall be available for program administration and other support activities as authorized by section 391: *Provided further*, That, of the funds appropriated herein, not to exceed 5 percent may be available for telecommunications research activities for projects related directly to the development of a national information infrastructure: *Provided further*, That, notwithstanding the requirements of sections 392(a) and 392(c) of the Act, these funds may be used for the planning and construction of telecommunications networks for the provision of educational, cultural, health care, public information, public safety, or other social services: *Provided further*, That, notwithstanding any other provision of law, no entity that receives telecommunications services at preferential rates under section 254(h) of the Act (47 U.S.C. 254(h)) or receives assistance under the regional information sharing systems grant program of the Department of Justice under part M of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796h) may use funds under a grant under this heading to cover any costs of the entity that would otherwise be covered by such preferential rates or such assistance, as the case may be.

UNITED STATES PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

For necessary expenses of the United States Patent and Trademark Office provided for by law, including defense of suits instituted against the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, \$1,015,229,000, to remain available until expended, which amount shall be derived from offsetting collections assessed and collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, and shall be retained and used for necessary expenses in this appropriation: *Provided*, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2003, so as to result in a fiscal year 2003 appropriation from the general fund estimated at \$0: *Provided further*, That during fiscal year 2003, should the total amount of offsetting fee collections be less than \$1,015,229,000, the total amounts available to the United States Patent and Trademark Office shall be reduced accordingly: *Provided further*, That an additional amount not to exceed \$166,771,000 from fees collected in prior fiscal years shall be available for obligation in fiscal year 2003, to remain available until expended: *Provided further*, That from amounts provided herein, not to exceed \$1,000 shall be made available in fiscal year 2003 for official reception and representation expenses.

SCIENCE AND TECHNOLOGY

TECHNOLOGY ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Under Secretary for Technology/Office of Technology Policy, \$9,886,000.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Institute of Standards and Technology, \$359,411,000, to remain available until expended, of which not to exceed \$282,000 may be transferred to the “Working Capital Fund”.

INDUSTRIAL TECHNOLOGY SERVICES

For necessary expenses of the Manufacturing Extension Partnership of the National Institute of Standards and Technology, \$106,623,000, to remain available until expended: *Provided*, That hereafter the Secretary of Commerce is authorized to enter into agreements with one or more nonprofit organizations for the purpose of carrying out collective research and development initiatives pertaining to 15 U.S.C. 278k paragraph (a), and is authorized to seek and accept contributions from public and private sources to support these efforts as necessary.

15 USC 278k
note.

In addition, for necessary expenses of the Advanced Technology Program of the National Institute of Standards and Technology, \$180,000,000, to remain available until expended, of which \$60,700,000 shall be expended for the award of new grants before October 1, 2003.

CONSTRUCTION OF RESEARCH FACILITIES

For construction of new research facilities, including architectural and engineering design, and for renovation and maintenance of existing facilities, not otherwise provided for the National Institute of Standards and Technology, as authorized by 15 U.S.C. 278c–278e, \$66,100,000, to remain available until expended.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including maintenance, operation, and hire of aircraft; grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and relocation of facilities as authorized, \$2,313,519,000, to remain available until September 30, 2004: *Provided*, That fees and donations received by the National Ocean Service for the management of the national marine sanctuaries may be retained and used for

Government
organization.
Deadline.

the salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302: *Provided further*, That, in addition, \$65,000,000 shall be derived by transfer from the fund entitled “Promote and Develop Fishery Products and Research Pertaining to American Fisheries”: *Provided further*, That grants to States pursuant to sections 306 and 306A of the Coastal Zone Management Act of 1972, as amended, shall not exceed \$2,000,000, unless funds provided for “Coastal Zone Management Grants” exceed funds provided in the previous fiscal year: *Provided further*, That if funds provided for “Coastal Zone Management Grants” exceed funds provided in the previous fiscal year, then no State shall receive more than 5 percent or less than 1 percent of the additional funds: *Provided further*, That, of the \$2,395,519,000 provided for in direct obligations under this heading (of which \$2,313,519,000 is appropriated from the General Fund, \$65,000,000 is provided by transfer, and \$17,000,000 is derived from deobligations from prior years), \$417,933,000 shall be for the National Ocean Service, \$580,066,000 shall be for the National Marine Fisheries Service, \$374,740,000 shall be for Oceanic and Atmospheric Research, \$698,767,000 shall be for the National Weather Service, \$150,616,000 shall be for the National Environmental Satellite, Data, and Information Service, and \$173,397,000 shall be for Program Support: *Provided further*, That, of the amount provided under this heading, \$273,022,000 shall be for the conservation activities defined in section 250(c)(4)(K) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That no general administrative charge shall be applied against an assigned activity included in this Act and, further, that any direct administrative expenses applied against an assigned activity shall be limited to 5 percent of the funds provided for that assigned activity so that total National Oceanic and Atmospheric Administration administrative expenses shall not exceed \$243,000,000: *Provided further*, That any use of deobligated balances of funds provided under this heading in previous years shall be subject to the procedures set forth in section 605 of this Act: *Provided further*, That the Secretary of Commerce will designate a National Marine Fisheries Service Regional Office for the Pacific Area within 60 days of enactment of this Act: *Provided further*, That the existing National Marine Fisheries Service Southwest Region and Fisheries Science Center and Northwest Region and Fisheries Science Center shall not be merged or reorganized to form the new National Marine Fisheries Service Pacific Area Regional Office, that the current structure, organization, function, and funding of the Southwest and Northwest Centers will not be changed except for funds that are already dedicated to the Hawaiian Islands, and that each regional organization will have the lead responsibility for its own programs: *Provided further*, That the Secretary of Commerce may enter into cooperative agreements with the Joint and Cooperative Institutes as designated by the Secretary to use the personnel, services, or facilities of such organizations for research, education, training, and outreach.

In addition, for necessary retired pay expenses under the Retired Serviceman’s Family Protection and Survivor Benefits Plan, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), such sums as may be necessary.

PROCUREMENT, ACQUISITION AND CONSTRUCTION

(INCLUDING TRANSFERS OF FUNDS)

For procurement, acquisition and construction of capital assets, including alteration and modification costs, of the National Oceanic and Atmospheric Administration, \$759,030,000, to remain available until March 1, 2006, except for funds appropriated for the National Marine Fisheries Service Honolulu Laboratory and for the National Environmental Satellites, Data, and Information Service, which shall remain available until expended: *Provided*, That unexpended balances of amounts previously made available in the “Operations, Research, and Facilities” account for activities funded under this heading may be transferred to and merged with this account, to remain available until expended for the purposes for which the funds were originally appropriated: *Provided further*, That of the amounts provided for the National Polar-orbiting Operational Environmental Satellite System, funds shall only be made available on a dollar for dollar matching basis with funds provided for the same purpose by the Department of Defense: *Provided further*, That of the amount provided under this heading for expenses necessary to carry out conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, including funds for the Coastal and Estuarine Land Conservation Program, \$76,179,000, to remain available until expended: *Provided further*, That the Secretary shall establish a Coastal and Estuarine Land Conservation Program, for the purpose of protecting important coastal and estuarine areas that have significant conservation, recreation, ecological, historical, or aesthetic values, or that are threatened by conversion from their natural or recreational state to other uses: *Provided further*, That none of the funds provided in this Act or any other Act under the heading “National Oceanic and Atmospheric Administration, Procurement, Acquisition and Construction” shall be used to fund the General Services Administration’s standard construction and tenant build-out costs of a facility at the Suitland Federal Center.

16 USC 1456d
note.

PACIFIC COASTAL SALMON RECOVERY

For necessary expenses associated with the restoration of Pacific salmon populations and the implementation of the 1999 Pacific Salmon Treaty Agreement between the United States and Canada, \$90,000,000: *Provided*, That this amount shall be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

In addition, for a final payment pursuant to the 1999 Pacific Salmon Treaty Agreement, \$40,000,000, of which \$25,000,000 shall be deposited in the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund, and of which \$15,000,000 shall be deposited in the Southern Boundary Restoration and Enhancement Fund: *Provided*, That this amount shall be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

FISHERMEN'S CONTINGENCY FUND

For carrying out the provisions of title IV of Public Law 95-372, not to exceed \$1,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96-339), the Magnuson-Stevens Fishery Conservation and Management Act of 1976, as amended (Public Law 100-627), the American Fisheries Promotion Act (Public Law 96-561) and the International Dolphin Conservation Program Act (Public Law 105-42), to be derived from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed \$1,000, to remain available until expended.

FISHERIES FINANCE PROGRAM ACCOUNT

For the cost of direct loans, \$287,000, as authorized by the Merchant Marine Act of 1936, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$5,000,000 for Individual Fishing Quota loans, and not to exceed \$59,000,000 for Traditional direct loans, of which not less than \$40,000,000 may be used for direct loans to the United States distant water tuna fleet: *Provided further*, That none of the funds made available under this heading may be used for direct loans for any new fishing vessel that will increase the harvesting capacity in any United States fishery.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For expenses necessary for the departmental management of the Department of Commerce provided for by law, including not to exceed \$5,000 for official entertainment, \$44,954,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1-11, as amended by Public Law 100-504), \$20,635,000.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 201. During the current fiscal year, applicable appropriations and funds made available to the Department of Commerce by this Act shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by the Act, and, notwithstanding 31 U.S.C. 3324, may be used for advanced payments not otherwise authorized only upon the certification of officials designated by the Secretary of Commerce that such payments are in the public interest.

SEC. 202. During the current fiscal year, appropriations made available to the Department of Commerce by this Act for salaries and expenses shall be available for hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901–5902).

SEC. 203. Hereafter none of the funds made available by this Act may be used to support the hurricane reconnaissance aircraft and activities that are under the control of the United States Air Force or the United States Air Force Reserve.

SEC. 204. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Commerce in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section: *Provided further*, That the Secretary shall notify the Committees on Appropriations at least 15 days in advance of the acquisition or disposal of any capital asset (including land, structures, and equipment) not specifically provided for in this or any other Commerce, Justice, State Appropriations Act.

Notification.

SEC. 205. Any costs incurred by a department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title or from actions taken for the care and protection of loan collateral or grant property shall be absorbed within the total budgetary resources available to such department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 206. Hereafter the Secretary of Commerce may award contracts for hydrographic, geodetic, and photogrammetric surveying and mapping services in accordance with title IX of the Federal Property and Administrative Services Act of 1949.

33 USC 883l.

SEC. 207. The Secretary of Commerce may use the Commerce franchise fund for expenses and equipment necessary for the maintenance and operation of such administrative services as the Secretary determines may be performed more advantageously as central services, pursuant to section 403 of Public Law 103–356: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made for the purpose of providing capital shall be used to capitalize such fund: *Provided further*, That such fund shall be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount

necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed 4 percent of the total annual income to such fund may be retained in the fund for fiscal year 2003 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment, and for the improvement and implementation of department financial management, ADP, and other support systems: *Provided further*, That such amounts retained in the fund for fiscal year 2003 and each fiscal year thereafter shall be available for obligation and expenditure only in accordance with section 605 of this Act: *Provided further*, That no later than 30 days after the end of each fiscal year, amounts in excess of this reserve limitation shall be deposited as miscellaneous receipts in the Treasury: *Provided further*, That such franchise fund pilot program shall terminate pursuant to section 403(f) of Public Law 103-356.

31 USC 501 note.

Deadline.

Termination date.

SEC. 208. Notwithstanding any other provision of law, of the amounts made available elsewhere in this title to the “National Institute of Standards and Technology, Construction of Research Facilities”, \$14,000,000 is appropriated to fund a cooperative agreement with the Medical University of South Carolina, \$6,000,000 is appropriated to the Thayer School of Engineering for the nanocrystalline materials and biomass research initiative, \$3,000,000 is appropriated to the Institute for Information Infrastructure Protection at the Institute for Security Technology Studies, \$4,000,000 is appropriated for the Institute for Politics, and \$1,260,000 is appropriated to the Franklin Pierce Manse.

SEC. 209. Of the amount available from the fund entitled “Promote and Develop Fishery Products and Research Pertaining to American Fisheries”, \$10,000,000 shall be provided to develop an Alaska seafood marketing program. Such amount shall be made available as a direct lump sum payment to the Alaska Fisheries Marketing Board (hereinafter “Board”) which is hereby established to award grants to market, develop, and promote Alaska seafood and improve related technology and transportation with emphasis on wild salmon, of which 20 percent shall be transferred to the Alaska Seafood Marketing Institute. The Board shall be appointed by the Secretary of Commerce and shall be administered by an Executive Director to be appointed by the Secretary. The Board shall submit an annual report to the Secretary detailing the expenditures of the board.

Alaska.

Grants.

Establishment.

Reports.

SEC. 210. (a) The Secretary of Commerce is authorized to award grants and make direct lump sum payments in support of an international advertising and promotional campaign developed in consultation with the private sector to encourage individuals to travel to the United States consisting of radio, television, and print advertising and marketing programs.

22 USC 2122 note.

(b) The United States Travel and Tourism Promotion Advisory Board (hereinafter “Board”) is established to recommend the appropriate coordinated activities to the Secretary for funding.

Establishment.

(c) The Secretary shall appoint the Board within 30 days of enactment and shall include tourism-related entities he deems appropriate.

(d) The Secretary shall consult with the Board and State and regional tourism officials on the disbursement of funds.

(e) There is authorized to be appropriated \$50,000,000, to remain available until expended, and \$50,000,000 is appropriated to implement this section.

SEC. 211. From funds made available from the “Operations and Training” account, not more than \$50,000 shall be made available to the Maritime Administration for administrative expenses to oversee the implementation of this section for the purpose of recovering economic and national security benefits to the United States following the default under the construction contract described in section 8109 of the Department of Defense Appropriations Act for Fiscal Year 1998 (Public Law 105-56): *Provided*, That the owner of any ship documented under the authority of this section shall offset such appropriation through the payment of fees to the Maritime Administration not to exceed the appropriation and that such fees be deposited as an offsetting collection to this appropriation: *Provided further*, That notwithstanding any other provision of law, one or both ships originally contracted under section 8109 of Public Law 105-56 may be constructed to completion in a shipyard located outside of the United States and the owner thereof (or a related person with respect to that owner) may document 1 or both ships under United States flag with a coastwise endorsement, and notwithstanding any other provision of law, and not later than 2 years after entry into service of the first ship contracted for under section 8109 of Public Law 105-56, that owner (or a related person with respect to that owner) may re-document under United States flag with a coastwise endorsement 1 additional foreign-built cruise ship: *Provided further*, That: (1) the owner of any cruise ship documented under the authority of this section is a citizen of the United States within the meaning of 46 U.S.C. 12102(a), (2) the foreign-built cruise ship re-documented under the authority of this section meets the eligibility requirements for a certificate of inspection under section 1137(a) of Public Law 104-324 and applicable international agreements and guidelines referred to in section 1137(a)(2) thereof and the 1992 Amendments to the Safety of Life at Sea Convention of 1974, and that with respect to the re-documented foreign-built cruise ship, any repair, maintenance, alteration, or other preparation necessary to meet such requirements be performed in a United States shipyard, (3) any non-warranty repair, maintenance, or alteration work performed on any ship documented under the authority of this section shall be performed in a United States shipyard unless the Administrator of the Maritime Administration finds that such services are not available in the United States or if an emergency dictates that the ship proceed to a foreign port for such work, (4) any ship documented under the authority of this section shall operate in regular service transporting passengers between or among the islands of Hawaii and shall not transport passengers in revenue service to ports in Alaska, the Gulf of Mexico, or the Caribbean Sea, except as part of a voyage to or from a shipyard for ship construction, repair, maintenance, or alteration work, (5) no person, nor any ship operating between or among the islands of Hawaii, shall be entitled to the preference contained in the second proviso of section 8109 of Public Law 105-56, and (6) no cruise ship operating in coastwise trade under the authority of this section or constructed under the authority of this section shall be eligible for a guarantee of financing under title XI of the Merchant Marine Act 1936: *Provided further*, That any cruise ship to be documented

Ships and
shipping.

under the authority of this section shall be immediately eligible before documentation of the vessel for the approval contained in section 1136(b) of Public Law 104-324: *Provided further*, That for purposes of this section the term “cruise ship” means a vessel that is at least 60,000 gross tons and not more than 120,000 gross tons (as measured under chapter 143 of title 46, United States Code) and has berth or stateroom accommodations for at least 1,600 passengers, the term “one or both ships” means collectively the partially completed hull and related components, equipment, and parts of whatever kind acquired pursuant to the construction contract described in section 8109 of Public Law 105-56 and intended to be incorporated into the ships constructed thereto, the term “related person” means with respect to a person: a holding company, subsidiary, or affiliate of such person meeting the citizenship requirements of section 12102(a) of title 46, United States Code, and the term “regular service” means the primary service in which the ship is engaged on an annual basis.

Fish and fishing.
Deadline.
Federal Register,
publication.
Applicability.
State listing.

SEC. 212. (a) The Secretary of Commerce shall implement a fishing capacity reduction program for the West Coast groundfish fishery pursuant to section 212 of Public Law 107-206 and 16 U.S.C. 1861a (b)–(e); except that the program may apply to multiple fisheries; except that within 90 days after the date of enactment of this Act, the Secretary shall publish a public notice in the Federal Register and issue an invitation to bid for reduction payments that specifies the contractual terms and conditions under which bids shall be made and accepted under this section; except that section 144(d)(1)(K)(3) of title I, division B of Public Law 106-554 shall apply to the program implemented by this section.

(b) A reduction fishery is eligible for capacity reduction under the program implemented under this section; except that no vessel harvesting and processing whiting in the catcher-processors sector (section 19.660.323(a)(4)(A) of title 50, Code of Federal Regulations) may participate in any capacity reduction referendum or industry fee established under this section.

(c) A referendum on the industry fee system shall occur after bids have been submitted, and such bids have been accepted by the Secretary, as follows: members of the reduction fishery, and persons who have been issued Washington, Oregon, or California Dungeness crab and Pink shrimp permits, shall be eligible to vote in the referendum to approve an industry fee system; referendum votes cast in each fishery shall be weighted in proportion to the debt obligation of each fishery, as calculated in subsection (f) of this section; the industry fee system shall be approved if the referendum votes cast in favor of the proposed system constitute a simple majority of the participants voting; except that notwithstanding 5 U.S.C. 553 and 16 U.S.C. 1861a(e), the Secretary shall not prepare or publish proposed or final regulations for the implementation of the program under this section before the referendum is conducted.

(d) Nothing in this section shall be construed to prohibit the Pacific Fishery Management Council from recommending, or the Secretary from approving, changes to any fishery management plan, in accordance with applicable law; or the Secretary from promulgating regulations (including regulations governing this program), after an industry fee system has been approved by the reduction fishery.

(e) The Secretary shall determine, and state in the public notice published under paragraph (a), all program implementation aspects the Secretary deems relevant.

(f) Any bid submitted in response to the invitation to bid issued by the Secretary under this section shall be irrevocable; the Secretary shall use a bid acceptance procedure that ranks each bid in accordance with this paragraph and with additional criteria, if any, established by the Secretary: for each bid from a qualified bidder that meets the bidding requirements in the public notice or the invitation to bid, the Secretary shall determine a bid score by dividing the bid's dollar amount by the average annual total ex-vessel dollar value of landings of Pacific groundfish, Dungeness crab, and Pink shrimp based on the 3 highest total annual revenues earned from such stocks that the bidder's reduction vessel landed during 1998, 1999, 2000, or 2001. For purposes of this paragraph, the term "total annual revenue" means the revenue earned in a single year from such stocks. The Secretary shall accept each qualified bid in rank order of bid score from the lowest to the highest until acceptance of the next qualified bid with the next lowest bid score would cause the reduction cost to exceed the reduction loan's maximum amount. Acceptance of a bid by the Secretary shall create a binding reduction contract between the United States and the person whose bid is accepted, the performance of which shall be subject only to the conclusion of a successful referendum, except that a person whose bid is accepted by the Secretary under this section shall relinquish all permits in the reduction fishery and any Dungeness crab and Pink shrimp permits issued by Washington, Oregon, or California; except that the Secretary shall revoke the Pacific groundfish permit, as well as all Federal fishery licenses, fishery permits, area, and species endorsements, and any other fishery privileges issued to a vessel or vessels (or to persons on the basis of their operation or ownership of that vessel or vessels) removed under the program.

(g) The Secretary shall establish separate reduction loan sub-amounts and repayment fees for fish sellers in the reduction fishery and for fish sellers in each of the fee-share fisheries by dividing the total ex-vessel dollar value during the bid scoring period of all reduction vessel landings from the reduction fishery and from each of the fee-share fisheries by the total such value of all such landings for all such fisheries; and multiplying the reduction loan amount by each of the quotients resulting from each of the divisions above. Each of the resulting products shall be the reduction loan sub-amount for the reduction fishery and for each of the fee-share fisheries to which each of such products pertains; except that, each fish seller in the reduction fishery and in each of the fee-share fisheries shall pay the fees required by the reduction loan sub-amounts allocated to it under this paragraph; except that, the Secretary may enter into agreements with Washington, Oregon, and California to collect any fees established under this paragraph.

(h) Notwithstanding 46 U.S.C. App. 1279(b)(4), the reduction loan's term shall not be less than 30 years.

(i) It is the sense of the Congress that the States of Washington, Oregon, and California should revoke all relinquishment permits in each of the fee-share fisheries immediately after reduction payment, and otherwise to implement appropriate State fisheries management and conservation provisions in each of the fee-share fisheries that establishes a program that meets the requirements

of 16 U.S.C. 141861a(b)(1)(B) as if it were applicable to fee-share fisheries.

(j) The term “fee-share fishery” means a fishery, other than the reduction fishery, whose members are eligible to vote in a referendum for an industry fee system under paragraph (c). The term “reduction fishery” means that portion of a fishery holding limited entry fishing permits endorsed for the operation of trawl gear and issued under the Federal Pacific Coast Groundfish Fishery Management Plan.

SEC. 213. (a) The National Oceanic and Atmospheric Administration is authorized to enter into a lease arrangement whereby the National Oceanic and Atmospheric Administration will relocate the National Weather Service Forecasting Office in Galveston County, League City, Texas to a Galveston County facility and, in exchange, Galveston County may use the existing National Oceanic and Atmospheric Administration National Weather Service Forecasting Office.

(b) Neither the National Oceanic and Atmospheric Administration National Weather Service nor Galveston County will charge the other rent for use of the space and each will be responsible for the operation, maintenance and renovation costs it incurs.

2 USC 900 note.

SEC. 214. (a) Hereafter, habitat conservation activities, enforcement and surveillance—cooperative enforcement and vessel monitoring, stock assessments—data collection, and highly migratory shark fishery research under the heading, “National Oceanic and Atmospheric Administration, Operations, Research and Facilities”, shall be considered to be within the “Coastal Assistance sub-category” in section 250(c)(4)(K) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(b) For fiscal year 2004 and thereafter, response and restoration activities, Cooperative Research, Protected Species activities, Endangered Species Act—Marine Mammals, Sea Turtles and Other Species, Endangered Species Act—Right Whales, Marine Mammal Protection, and Sea Grant (except for the fellowship program) under the heading, “National Oceanic and Atmospheric Administration, Operations, Research, and Facilities”, shall be considered to be within the “Coastal Assistance sub-category” in section 250(c)(4)(K) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(c) All references to outlays in title VIII of Public Law 106–291 are repealed.

This title may be cited as the “Department of Commerce and Related Agencies Appropriations Act, 2003”.

Judiciary
Appropriations
Act, 2003.

TITLE III—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operation of an automobile for the Chief Justice, not to exceed \$10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; not to exceed \$10,000 for official reception and representation expenses;

and for miscellaneous expenses, to be expended as the Chief Justice may approve, \$45,743,000.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon the Architect as authorized by law, \$41,626,000, which shall remain available until expended.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, \$20,313,000.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges, salaries of the officers and employees of the court, services, and necessary expenses of the court, as authorized by law, \$13,687,000.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, \$3,800,000,000 (including the purchase of firearms and ammunition); of which not to exceed \$27,817,000 shall remain available until expended for space alteration projects and for furniture and furnishings related to new space alteration and construction projects.

In addition, for expenses of the United States Court of Federal Claims associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed \$2,784,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

DEFENDER SERVICES

For the operation of Federal Public Defender and Community Defender organizations; the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended; the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act of 1964 (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel; the compensation and

reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by 28 U.S.C. 1875(d); and for necessary training and general administrative expenses, \$538,461,000, to remain available until expended.

FEEES OF JURORS AND COMMISSIONERS

For fees and expenses of jurors as authorized by 28 U.S.C. 1871 and 1876; compensation of jury commissioners as authorized by 28 U.S.C. 1863; and compensation of commissioners appointed in condemnation cases pursuant to rule 71A(h) of the Federal Rules of Civil Procedure (28 U.S.C. Appendix Rule 71A(h)), \$54,636,000, to remain available until expended: *Provided*, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

COURT SECURITY

For necessary expenses, not otherwise provided for, incident to providing protective guard services for United States courthouses and the procurement, installation, and maintenance of security equipment for United States courthouses and other facilities housing Federal court operations, including building ingress-egress control, inspection of mail and packages, directed security patrols, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100-702), \$268,400,000, of which not to exceed \$10,000,000 shall remain available until expended, to be expended directly or transferred to the United States Marshals Service, which shall be responsible for administering the Judicial Facility Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, \$63,500,000, of which not to exceed \$8,500 is authorized for official reception and representation expenses.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90-219, \$20,856,000; of which \$1,800,000 shall remain available through September 30, 2004, to provide

education and training to Federal court personnel; and of which not to exceed \$1,000 is authorized for official reception and representation expenses.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers' Retirement Fund, as authorized by 28 U.S.C. 377(o), \$27,700,000; to the Judicial Survivors' Annuities Fund, as authorized by 28 U.S.C. 376(c), \$5,200,000; and to the United States Court of Federal Claims Judges' Retirement Fund, as authorized by 28 U.S.C. 178(l), \$2,400,000.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, \$12,090,000, of which not to exceed \$1,000 is authorized for official reception and representation expenses.

GENERAL PROVISIONS—THE JUDICIARY

SEC. 301. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 302. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except "Courts of Appeals, District Courts, and Other Judicial Services, Defender Services" and "Courts of Appeals, District Courts, and Other Judicial Services, Fees of Jurors and Commissioners", shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 303. Notwithstanding any other provision of law, the salaries and expenses appropriation for district courts, courts of appeals, and other judicial services shall be available for official reception and representation expenses of the Judicial Conference of the United States: *Provided*, That such available funds shall not exceed \$11,000 and shall be administered by the Director of the Administrative Office of the United States Courts in the capacity as Secretary of the Judicial Conference.

This title may be cited as the "Judiciary Appropriations Act, 2003".

Department of
State and
Related Agency
Appropriations
Act, 2003.

TITLE IV—DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948, as amended; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, \$3,269,258,000: *Provided*, That, of the amount made available under this heading, not to exceed \$4,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: *Provided further*, That, of the amount made available under this heading, \$292,693,000 shall be available only for public diplomacy international information programs: *Provided further*, That, of the amount made available under this heading, \$500,000 shall be available only for grants to the participating organizations in the War Against Trafficking Alliance for activities and services related to preparation, execution and follow-up for an international conference on sex trafficking: *Provided further*, That the Secretary shall appoint an advisory panel, reporting directly to the Secretary, to assess policy goals and program priorities with regard to United States relations with the countries of Sub-Saharan Africa and to advise the Secretary of any related findings and recommendations: *Provided further*, That this panel shall not be considered to be a Federal advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App): *Provided further*, That funds available under this heading may be available for a United States Government interagency task force to examine, coordinate and oversee United States participation in the United Nations headquarters renovation project: *Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People’s Republic of China unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate are notified of such proposed action.

Sex trafficking.

Establishment.

China.
Notification.

In addition, not to exceed \$1,343,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act, as amended; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational

Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

In addition, for the costs of worldwide security upgrades, \$553,000,000, to remain available until expended.

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, \$183,311,000, to remain available until expended, as authorized: *Provided*, That section 135(e) of Public Law 103-236 shall not apply to funds available under this heading.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, \$29,264,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96-465), as it relates to post inspections.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, \$245,306,000, to remain available until expended: *Provided*, That not to exceed \$2,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized.

REPRESENTATION ALLOWANCES

For representation allowances as authorized, \$6,485,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, \$11,000,000, to remain available until September 30, 2004.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-300), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, \$508,500,000, to remain available until expended as authorized, of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies.

In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, \$755,000,000, to remain available until expended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, \$6,500,000, to remain available until expended as authorized, of which not to exceed \$1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions.

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$612,000, as authorized: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, \$607,000, which may be transferred to and merged with the Diplomatic and Consular Programs account under Administration of Foreign Affairs.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8, \$18,450,000.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, \$138,200,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

22 USC 269a
note.

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, \$866,000,000: *Provided*, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings: *Provided further*, That funds appropriated under this paragraph may be obligated and expended to pay the full United States assessment to the civil budget of the North Atlantic Treaty Organization.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, \$673,710,000,

of which 15 percent shall remain available until September 30, 2004: *Provided*, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers: *Provided further*, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission.

Notification.

Certification.

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

22 USC 269a
note.INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES
AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, \$25,482,000.

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, \$5,450,000, to remain available until expended, as authorized.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103–182, \$9,472,000, of which not to exceed \$9,000

shall be available for representation expenses incurred by the International Joint Commission.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, \$17,100,000: *Provided*, That the United States' share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324.

OTHER

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402), as amended, \$10,444,000, to remain available until expended, as authorized.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, 2003, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 2003, to remain available until expended.

EAST-WEST CENTER

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, \$18,000,000, of which \$2,500,000 shall remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376.

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$42,000,000, to remain available until expended.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For expenses necessary to enable the Broadcasting Board of Governors, as authorized, to carry out international communication activities, \$468,898,000, of which not to exceed \$16,000 may be used for official receptions within the United States as authorized, not to exceed \$35,000 may be used for representation abroad as authorized, and not to exceed \$39,000 may be used for official reception and representation expenses of Radio Free Europe/Radio Liberty; and in addition, notwithstanding any other provision of law, not to exceed \$2,000,000 in receipts from advertising and revenue from business ventures, not to exceed \$500,000 in receipts from cooperating international organizations, and not to exceed \$1,000,000 in receipts from privatization efforts of the Voice of America and the International Broadcasting Bureau, to remain available until expended for carrying out authorized purposes.

BROADCASTING TO CUBA

For necessary expenses to enable the Broadcasting Board of Governors to carry out broadcasting to Cuba, including the purchase, rent, construction, and improvement of facilities for radio and television transmission and reception, and purchase and installation of necessary equipment for radio and television transmission and reception, \$24,996,000, to remain available until expended.

BROADCASTING CAPITAL IMPROVEMENTS

For the purchase, rent, construction, and improvement of facilities for radio transmission and reception, and purchase and installation of necessary equipment for radio and television transmission and reception as authorized, \$12,740,000, to remain available until expended, as authorized.

GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers:

Provided, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. None of the funds made available in this Act may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

SEC. 404. For the purposes of registration of birth, certification of nationality, or issuance of a passport of a United States citizen born in the city of Jerusalem, the Secretary of State shall, upon request of the citizen, record the place of birth as Israel.

Deadline.
Real property.
South Carolina.

SEC. 405. (a) Within 90 days of enactment of this Act, the Secretary of the Navy shall transfer, without compensation, to the Secretary of State administrative jurisdiction over the parcels of real property, together with any improvements thereon, consisting in aggregate of approximately 10 acres at Naval Base, Charleston, South Carolina, described in subsection (b).

(b) The parcels of real property described in this subsection are as follows:

(1) A parcel bounded by Holland Street, Dyess Avenue, and Hobson Avenue to the entrance way immediately west of Building 202.

(2) A parcel bounded on the north by Dyess Avenue comprising Building 644.

(c) The transfer of jurisdiction of real property under subsection (a) shall not effect the validity or term of any lease with respect to such real property in effect as of the date of the transfer.

(d) The Secretary of State shall use the property transferred under subsection (a) for support of diplomatic and consular operations.

(e) The exact acreage and legal description of the property transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Navy.

(f) The Secretary of the Navy may require such additional terms and conditions in connection with the transfer of property under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Establishment.
22 USC 7103
note.

SEC. 406. (a) The Interagency Task Force to Monitor and Combat Trafficking shall establish a Senior Policy Operating Group.

(b) The Operating Group shall consist of the senior officials designated as representatives of the appointed members of the President's Interagency Task Force to Monitor and Combat Trafficking in Persons (established under Executive Order No. 13257 of February 13, 2002).

(c) The Operating Group shall coordinate agency activities regarding policies (including grants and grant policies) involving the international trafficking in persons and the implementation of this division.

(d) The Operating Group shall fully share information regarding agency plans, before and after final agency decisions are made, on all matters regarding grants, grant policies, and other significant actions regarding the international trafficking of persons and the implementation of this division.

(e) The Operating Group shall be chaired by the Director of the Office to Monitor and Combat Trafficking of the Department of State.

(f) The Operating Group shall meet on a regular basis at the call of the chair.

This title may be cited as the “Department of State and Related Agency Appropriations Act, 2003”.

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$98,700,000, to remain available until September 30, 2005.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, \$92,696,000, of which \$13,000,000 shall remain available until expended for capital improvements at the United States Merchant Marine Academy.

SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, \$11,161,000, to remain available until expended.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

For administrative expenses to carry out the guaranteed loan program, not to exceed \$4,126,000, which shall be transferred to and merged with the appropriation for Operations and Training.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received therefore shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE
ABROAD

SALARIES AND EXPENSES

For expenses for the Commission for the Preservation of America's Heritage Abroad, \$499,000, as authorized by section 1303 of Public Law 99-83.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For necessary expenses of the Commission on Civil Rights, including hire of passenger motor vehicles, \$9,096,000: *Provided*, That not to exceed \$50,000 may be used to employ consultants: *Provided further*, That none of the funds appropriated in this paragraph shall be used to employ in excess of four full-time individuals under Schedule C of the Excepted Service exclusive of one special assistant for each Commissioner: *Provided further*, That none of the funds appropriated in this paragraph shall be used to reimburse Commissioners for more than 75 billable days, with the exception of the chairperson, who is permitted 125 billable days.

COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

SALARIES AND EXPENSES

For necessary expenses for the United States Commission on International Religious Freedom, as authorized by title II of the International Religious Freedom Act of 1998 (Public Law 105-292), \$2,884,000, to remain available until expended.

COMMISSION ON OCEAN POLICY

SALARIES AND EXPENSES

For the necessary expenses of the Commission on Ocean Policy, \$2,000,000, to remain available until expended.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For necessary expenses of the Commission on Security and Cooperation in Europe, as authorized by Public Law 94-304, \$1,582,000, to remain available until expended as authorized by section 3 of Public Law 99-7.

CONGRESSIONAL-EXECUTIVE COMMISSION ON THE PEOPLE'S
REPUBLIC OF CHINA

SALARIES AND EXPENSES

For necessary expenses of the Congressional-Executive Commission on the People's Republic of China, as authorized, \$1,380,000, including not more than \$3,000 for the purpose of official representation, to remain available until expended.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); non-monetary awards to private citizens; and not to exceed \$33,000,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act of 1964, as amended, sections 6 and 14 of the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, \$308,822,000: *Provided*, That the Commission is authorized to make available for official reception and representation expenses not to exceed \$2,500 from available funds.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901-5902; not to exceed \$600,000 for land and structure; not to exceed \$500,000 for improvement and care of grounds and repair to buildings; not to exceed \$4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, \$271,000,000, of which not to exceed \$300,000 shall remain available until September 30, 2004, for research and policy studies: *Provided*, That \$269,000,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, as amended, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation estimated at \$2,000,000: *Provided further*, That any offsetting collections received in excess of \$269,000,000 in fiscal year 2003 shall remain available until expended, but shall not be available for obligation until October 1, 2003.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902, \$16,700,000: *Provided*, That not to exceed \$2,000 shall be available for official reception and representation expenses.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$2,000 for official reception and representation expenses, \$176,608,000, to remain available until expended: *Provided*, That not to exceed \$300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended: *Provided further*, That, notwithstanding any other provision of law, not to exceed \$168,100,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, and offsetting collections derived from fees sufficient to implement and enforce the do-not-call provisions of the Telemarketing Sales Rule, 16 C.F.R. Part 310, promulgated under the Telephone Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.), estimated at \$18,100,000, shall be collected pursuant to this authority: *Provided further*, That all offsetting collections shall be credited to this appropriation, used for necessary expenses, and remain available until expended: *Provided further*, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2003, so as to result in a final fiscal year 2003 appropriation from the general fund estimated at not more than \$8,508,000: *Provided further*, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242; 105 Stat. 2282-2285).

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, \$338,848,000, of which \$9,500,000 is to provide supplemental funding for basic field programs, and related administration, for service areas (including a merged or reconfigured service area) that will receive less funding under the Legal Services Corporation Act for fiscal year 2003 than the area received for fiscal year 2002, due to use of data from the 2000 Census, and of which \$310,048,000 is for basic field programs and required independent audits; \$2,600,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; \$13,300,000 is for management and administration; and \$3,400,000 is for client self-help and information technology.

ADMINISTRATIVE PROVISION—LEGAL SERVICES CORPORATION

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502,

503, 504, 505, and 506 of Public Law 105–119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2002 and 2003, respectively, and except that section 501(a)(1) of Public Law 104–134 (110 Stat. 1321–51, et seq.) shall not apply to the use of the \$9,500,000 to address loss of funding due to Census-based reallocations.

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission, \$3,050,000, of which \$500,000 shall remain available until September 30, 2004.

NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION

For necessary expenses of the National Veterans Business Development Corporation as authorized under section 33(a) of the Small Business Act, as amended, \$2,000,000.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed \$3,000 for official reception and representation expenses, \$716,350,000; of which not to exceed \$10,000 may be used toward funding a permanent secretariat for the International Organization of Securities Commissions; and of which not to exceed \$100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives and staff to exchange views concerning developments relating to securities matters, development and implementation of cooperation agreements concerning securities matters and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings including: (1) such incidental expenses as meals taken in the course of such attendance; (2) any travel and transportation to or from such meetings; and (3) any other related lodging or subsistence: *Provided*, That fees and charges authorized by sections 6(b) of the Securities Exchange Act of 1933 (15 U.S.C. 77f(b)), and 13(e), 14(g) and 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78m(e), 78n(g), and 78ee) shall be credited to this account as offsetting collections: *Provided further*, That not to exceed \$716,350,000 of such offsetting collections shall be available until expended for necessary expenses of this account: *Provided further*, That the total amount appropriated under this heading from the general fund for fiscal year 2003 shall be reduced as such offsetting fees are received so as

to result in a final total fiscal 2003 appropriation from the general fund estimated at not more than \$0.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law 105-135, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed \$3,500 for official reception and representation expenses, \$314,457,000: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: *Provided further*, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations: *Provided further*, That \$89,000,000 shall be available to fund grants for performance in fiscal year 2003 or fiscal year 2004 as authorized.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$12,422,000.

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$3,726,000, to be available until expended; and for the cost of guaranteed loans, \$85,360,000, as authorized by 15 U.S.C. 631 note, of which \$45,000,000 shall remain available until September 30, 2004: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year 2003 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended, shall not exceed \$4,500,000,000, as provided under section 20(h)(1)(B)(ii) of the Small Business Act: *Provided further*, That during fiscal year 2003 commitments for general business loans authorized under section 7(a) of the Small Business Act, as amended, shall not exceed \$10,000,000,000 without prior notification of the Committees on Appropriations of the House of Representatives and Senate in accordance with section 605 of this Act: *Provided further*, That during fiscal year 2003 commitments to guarantee loans for debentures and participating securities under section 303(b) of the Small Business Investment Act of 1958, as amended, shall not exceed the levels established by section 20(i)(1)(C) of the Small Business Act.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$129,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

DISASTER LOANS PROGRAM ACCOUNT

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, \$73,140,000, to remain available until expended: *Provided*, That such costs, including the cost of

modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct loan program, \$118,354,000, which may be transferred to and merged with appropriations for Salaries and Expenses, of which \$500,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program and shall be transferred to and merged with appropriations for the Office of Inspector General; of which \$108,000,000 is for direct administrative expenses of loan making and servicing to carry out the direct loan program; and of which \$9,854,000 is for indirect administrative expenses: *Provided*, That any amount in excess of \$9,854,000 to be transferred to and merged with appropriations for Salaries and Expenses for indirect administrative expenses shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

STATE JUSTICE INSTITUTE

SALARIES AND EXPENSES

For necessary expenses of the State Justice Institute, as authorized by the State Justice Institute Authorization Act of 1992 (Public Law 102–572; 106 Stat. 4515–4516), \$3,000,000: *Provided*, That not to exceed \$2,500 shall be available for official reception and representation expenses.

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Contracts.
Public
information.

SEC. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid,

the remainder of the Act and the application of each provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Notifications.

SEC. 605. (a) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects (including construction projects), or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

SEC. 606. None of the funds made available in this Act may be used for the construction, repair (other than emergency repair), overhaul, conversion, or modernization of vessels for the National Oceanic and Atmospheric Administration in shipyards located outside of the United States.

SEC. 607. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant

to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 608. None of the funds made available in this Act may be used to implement, administer, or enforce any guidelines of the Equal Employment Opportunity Commission covering harassment based on religion, when it is made known to the Federal entity or official to which such funds are made available that such guidelines do not differ in any respect from the proposed guidelines published by the Commission on October 1, 1993 (58 Fed. Reg. 51266).

Religious
harassment.

SEC. 609. None of the funds made available by this Act may be used for any United Nations undertaking when it is made known to the Federal official having authority to obligate or expend such funds: (1) that the United Nations undertaking is a peace-keeping mission; (2) that such undertaking will involve United States Armed Forces under the command or operational control of a foreign national; and (3) that the President's military advisors have not submitted to the President a recommendation that such involvement is in the national security interests of the United States and the President has not submitted to the Congress such a recommendation.

SEC. 610. (a) None of the funds appropriated or otherwise made available by this Act shall be expended for any purpose for which appropriations are prohibited by section 609 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999.

(b) The requirements in subparagraphs (A) and (B) of section 609 of that Act shall continue to apply during fiscal year 2003.

Applicability.

SEC. 611. None of the funds appropriated or otherwise made available by this Act or any other Act may be used to implement, enforce, or otherwise abide by the Memorandum of Agreement signed by the Federal Trade Commission and the Antitrust Division of the Department of Justice on March 5, 2002.

SEC. 612. Any costs incurred by a department or agency funded under this Act resulting from personnel actions taken in response to funding reductions included in this Act shall be absorbed within the total budgetary resources available to such department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 613. Of the funds appropriated in this Act under the heading "Office of Justice Programs—State and Local Law Enforcement Assistance", not more than 90 percent of the amount to be awarded to an entity under the Local Law Enforcement Block Grant shall be made available to such an entity when it is made known to the Federal official having authority to obligate or expend such funds that the entity that employs a public safety officer (as such term is defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968) does not provide such a public safety officer who retires or is separated from service due to injury suffered as the direct and proximate result of a

personal injury sustained in the line of duty while responding to an emergency situation or a hot pursuit (as such terms are defined by State law) with the same or better level of health insurance benefits at the time of retirement or separation as they received while on duty.

Tobacco and
tobacco products.

SEC. 614. Hereafter, none of the funds provided by this Act shall be available to promote the sale or export of tobacco or tobacco products, or to seek the reduction or removal by any foreign country of restrictions on the marketing of tobacco or tobacco products, except for restrictions which are not applied equally to all tobacco or tobacco products of the same type.

SEC. 615. (a) None of the funds appropriated or otherwise made available by this Act shall be expended for any purpose for which appropriations are prohibited by section 616 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999, as amended.

Applicability.

(b) The requirements in subsections (b) and (c) of section 616 of that Act shall continue to apply during fiscal year 2003.

SEC. 616. None of the funds appropriated pursuant to this Act or any other provision of law may be used for: (1) the implementation of any tax or fee in connection with the implementation of 18 U.S.C. 922(t); and (2) any system to implement 18 U.S.C. 922(t) that does not require and result in the destruction of any identifying information submitted by or on behalf of any person who has been determined not to be prohibited from owning a firearm.

42 USC 10601
note.

SEC. 617. Notwithstanding any other provision of law, amounts deposited or available in the Fund established under 42 U.S.C. 10601 in any fiscal year in excess of \$600,000,000 shall not be available for obligation until the following fiscal year, with the exception of emergency appropriations made available by Public Law 107-38 and transferred to the Fund.

Discrimination.

SEC. 618. None of the funds made available to the Department of Justice in this Act may be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.

Notification.

SEC. 619. None of the funds appropriated or otherwise made available to the Department of State and the Department of Justice shall be available for the purpose of granting either immigrant or nonimmigrant visas, or both, consistent with the Secretary's determination under section 243(d) of the Immigration and Nationality Act, to citizens, subjects, nationals, or residents of countries that the Attorney General has determined deny or unreasonably delay accepting the return of citizens, subjects, nationals, or residents under that section: *Provided*, That the Attorney General shall notify the Secretary of State in every instance when a foreign country denies or unreasonably delays accepting an alien who is a citizen, subject, national, or resident of that country after the Attorney General asks whether the Government will accept the alien under section 243 of the Immigration and Nationality Act.

Prisons and
prisoners.

SEC. 620. None of the funds made available to the Department of Justice in this Act may be used for the purpose of transporting an individual who is a prisoner pursuant to conviction for crime under State or Federal law and is classified as a maximum or high security prisoner, other than to a prison or other facility

certified by the Federal Bureau of Prisons as appropriately secure for housing such a prisoner.

SEC. 621. (a) Hereafter, none of the funds appropriated by this Act may be used by Federal prisons to purchase cable television services, to rent or purchase videocassettes, videocassette recorders, or other audiovisual or electronic equipment used primarily for recreational purposes.

Prisons and
prisoners.

(b) The preceding sentence does not preclude the renting, maintenance, or purchase of audiovisual or electronic equipment for inmate training, religious, or educational programs.

SEC. 622. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 623. Of the funds appropriated in this Act for the Departments of Commerce, Justice, and State, the Judiciary, and the Small Business Administration, \$100,000 shall be available to each Department or agency only to implement telecommuting programs: *Provided*, That, 6 months after the date of enactment of this Act and every 6 months thereafter, each Department or agency shall provide a report to the Committees on Appropriations on the status of telecommuting programs, including the number of Federal employees eligible for, and participating in, such programs: *Provided further*, That each Department or agency shall designate a “Telework Coordinator” to be responsible for overseeing the implementation of telecommuting programs and serve as a point of contact on such programs for the Committees on Appropriations.

5 USC 6120 note.

Deadline.
Reports.

SEC. 624. The paragraph under the heading “Small Business Administration—Business Loans Program Account” in chapter 2 of division B of Public Law 107–117 (115 Stat. 2297) is amended by inserting “or section 7(a) of the Small Business Act (15 U.S.C. 636(a))” after “September 11, 2001”.

SEC. 625. For additional amounts under the heading “Small Business Administration, Salaries and Expenses”, \$2,000,000 shall be available for a grant to the Innovation and Commercialization Center; \$2,000,000 shall be available for the Mississippi State University MAF/TIGER database project; \$1,000,000 shall be for the Black Hills Rural Tourism Marketing Program; \$1,500,000 shall be for the Center for Tourism Research; \$3,125,000 shall be for the National Inventor’s Hall of Fame; \$3,175,000 shall be for the Boston Museum of Science; \$2,000,000 shall be for the Tuck School and Minority Business Development Agency Partnership; \$2,000,000 shall be for the Oklahoma International Trade Processing Center; \$300,000 shall be for the Providence, Rhode Island Center for Women and Enterprise; \$500,000 shall be for the Ogontz Revitalization Corporation; \$500,000 shall be for the Idaho Virtual Incubator, Phase III; \$1,600,000 shall be for the Adelante grant; \$300,000 shall be for the Immigration Services project in Iowa; \$2,000,000 shall be for the Microdevice Fabrication Facility; \$700,000 shall be for the Carvers Bay Library; \$1,000,000 shall be for technical upgrades for the Northwest Center for Engineering, Science, and Technology; \$200,000 shall be for the Southern New Mexico High Technology Consortium; \$1,000,000 shall be for the American Museum of Natural History; \$200,000 shall be for the Program for International Education and Training; \$2,000,000 shall be available for a grant to the St. Louis Enterprise Center in

St. Louis County, Missouri to expand programs, operations and facilities to assist in business incubation; \$400,000 shall be available for a grant for the Promesa Enterprises to provide back office services and infrastructure support to community-based organizations in the Bronx, New York; \$700,000 shall be available for a grant to the New York City Department of Parks, working in conjunction with Youth Ministries for Peace and Justice, for developing a facility in New York City's Starlight Park; \$300,000 shall be available for a grant to the Urban Justice Center to provide legal assistance to groups engaged in community development in low-income neighborhoods; \$650,000 shall be available for a grant to CAP Services of Stevens Point, Wisconsin to purchase and renovate property; \$200,000 shall be available for a grant for the Promesa Foundation in South Bronx, New York to provide community growth funding; \$400,000 shall be available for a grant to the Lower East Side Girls Club of New York to provide for facility development; \$1,100,000 shall be available for a grant to J.F. Drake State Technical College in Huntsville, Alabama to construct and equip a media center in support of local business needs; \$1,100,000 shall be available for a grant to the City of Los Angeles, California to develop a facility to support downtown business development; \$1,100,000 shall be available for a grant to the MountainMade Foundation to fulfill its charter purposes and to continue the initiative developed by the NTTC for outreach and promotion, business and sites development, the education of artists and craftspeople, and to promote small businesses, artisans and their products through market development, advertisement, commercial sale and other promotional means; \$700,000 shall be available for a grant to Lord Fairfax Community College for workforce development programs; \$700,000 shall be available for a grant to the Village of Edgar, Wisconsin to purchase and redevelop property as a small business park to support local agriculture; \$500,000 shall be available for a grant to the West Virginia High Technology Consortium to develop a small business commercialization grant program; \$250,000 shall be available for a grant to Johnstown Area Regional Industries in Pennsylvania to develop small business technology centers; \$250,000 shall be available for a grant to the Economic Growth Connection of Westmoreland to establish a Paperless Procurement grant program; \$350,000 shall be available for a grant to the Fayette County, Pennsylvania Community Action Agency for the Republic Incubator Project; \$1,000,000 shall be available for a grant to the Shenandoah Valley Discovery Museum to establish a new facility; \$500,000 shall be available for a grant to the University of Tennessee at Chattanooga for the Riverbend Technology Institute for the technology incubator project; \$500,000 shall be available for a grant to the California State University, San Bernardino for development of the Center for the Commercialization of Advanced Technology; \$1,000,000 shall be available for a grant to the Rhode Island School of Design for the modernization of a building to establish a small business incubator; \$500,000 shall be available for a grant to the University of Scranton to establish an Electronic Business Technology Center; \$500,000 shall be available for a grant to Experience Works!, Incorporated for small business program activities; \$500,000 shall be available for a grant to Wilberforce University to improve technology systems; \$500,000 shall be available for a grant to Millikin University for facilities development for the Business and Technology Center; \$500,000

shall be available for a grant to the Michael J. Quill Irish Cultural and Sports Center for facilities development; \$2,600,000 shall be available for a grant to Iowa State University for the development of a research park biologics facility; \$1,000,000 shall be available for a grant to the Southern Kentucky Tourism Development Association for continuation of a regional tourism promotion initiative; \$450,000 shall be available for a grant to the Bronx Council on the Arts to help promote stabilization of small arts organizations; \$500,000 shall be available for a grant to Southern Kentucky Rehabilitation Industries for internal development; \$250,000 shall be available for a grant to Johnstown Area Regional Industries in Pennsylvania to continue the workforce development training program; \$500,000 shall be available for a grant to the City of Monticello, Kentucky for commercial revitalization activities; \$1,500,000 shall be available for a grant to Shenandoah University to develop a historical and tourism development facility; \$500,000 shall be available for a grant to the City of Merrill, Wisconsin to purchase and redevelop industrial property to support economic growth; \$2,500,000 shall be available for a grant to the Virginia Community College System (VCCS) for improvement of distance learning programs; \$750,000 shall be available for a grant to Soundview Community in Action for a technology access and business improvement project; \$100,000 shall be available for a grant to the Gospel Rescue Ministries for facilities renovation; \$450,000 shall be available for a grant to the Pregones Theater in the South Bronx, New York for construction improvements; \$100,000 shall be available for a grant to the Atoka Preservation Society for facility restoration activities; \$500,000 shall be available for a grant to the Virginia Science Museum for marine science and other environmental program activities at Belmont Bay; \$500,000 shall be available for a grant to the Infotonics Center of Excellence for small business incubation activities; \$500,000 shall be available for a grant to the Chicago Field Museum to renovate and develop a facility; \$500,000 shall be available for a grant to the Cedarbridge Development Urban Renewal Corporation for office complex development activities; and \$500,000 shall be available for a grant to the City of Belvidere, Illinois to establish a Small Business Agriculture-Technology Incubator and New Use Economy Information Center: *Provided*, That section 629 of Public Law 107-77 is amended with respect to a grant of: (1) \$500,000 to Johnstown Area Regional Industries for the High Technology Initiative and Wireless/Digital Technology Program by deleting the word “for” after “Industries” and inserting the words “to provide technical and financial assistance under a High Technology Initiative and Wireless Digital Technology Program.”; (2) \$2,000,000 to the Los Angeles Conservancy by adding the phrase “, including the use of subgrants and other forms of financial assistance” after “rebuilding and revitalization.”; (3) \$500,000 for a grant to Yonkers, New York by deleting “Yonkers, New York” and inserting “the Yonkers Industrial Development Agency”; and (4) \$450,000 to the Southern Kentucky Rehabilitation Industries by deleting the words “financial assistance and small business development” after “for” and inserting “technology upgrades”: *Provided further*, That, any grant made by the Small Business Administration to the MountainMade Foundation during fiscal year 2002 or to the NTTC at Wheeling Jesuit University during fiscal years 1998 through 2002 may be used by such entity to promote small businesses

Applicability.

and artisans, and their products, through market development, advertisement, commercial sale, and other promotional means: *Provided further*, That the preceding proviso shall apply to promotional activities occurring on or after October 1, 1997.

SEC. 626. Any amounts previously appropriated for the Port of Anchorage for an intermodal marine facility and access thereto shall be transferred to and administered by the Administrator for the Maritime Administration including non-Federal contributions. Such amounts shall be subject only to conditions and requirements required by the Maritime Administration.

TITLE VII—RESCISSIONS

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading, \$78,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the unobligated balances available under this heading, \$50,874,000 are rescinded.

IMMIGRATION AND NATURALIZATION SERVICE

IMMIGRATION EMERGENCY FUND

(RESCISSION)

Of the unobligated balances available under this heading, \$580,000 are rescinded.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL IMPACT ASSISTANCE

(RESCISSION)

Of the unobligated balances available under this heading, \$7,000,000 are rescinded.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM ACCOUNT

(RESCISSION)

Of the unobligated balances available under this heading from prior year appropriations, \$920,000 are rescinded.

RELATED AGENCIES

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the unobligated balances available under this heading, \$5,700,000 are rescinded.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the unobligated balances available under this heading from prior year appropriations, \$13,750,000 are rescinded.

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the unobligated balances available under this heading from prior year appropriations, \$10,500,000 are rescinded.

This division may be cited as the “Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2003”.

DIVISION C—DISTRICT OF COLUMBIA APPROPRIATIONS,
2003

District of
Columbia
Appropriations
Act, 2003.

JOINT RESOLUTION

Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia and related agencies for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

For a Federal payment to the District of Columbia, to be deposited into a dedicated account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, \$17,000,000, to remain available until expended: *Provided*, That such funds, including any interest accrued thereon, may be used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of-State tuition at public institutions of higher education, or to pay up to \$2,500 each year at eligible private institutions of higher education: *Provided further*, That the awarding of such funds may be prioritized on the basis of a resident’s academic merit, the income and need of eligible students and such other factors

as may be authorized: *Provided further*, That the District of Columbia government shall maintain a dedicated account for the Resident Tuition Support Program that shall consist of the Federal funds appropriated to the Program in this Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and any interest earned in this or any fiscal year: *Provided further*, That the account shall be under the control of the District of Columbia Chief Financial Officer who shall use those funds solely for the purposes of carrying out the Resident Tuition Support Program: *Provided further*, That the Resident Tuition Support Program Office and the Office of the Chief Financial Officer shall provide a quarterly financial report to the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose therefor: *Provided further*, That not more than 7 percent of the total amount appropriated for this program may be used for administrative expenses.

Reports.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY
COSTS IN THE DISTRICT OF COLUMBIA

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, \$15,000,000, to remain available until expended, to reimburse the District of Columbia for the costs of public safety expenses related to security events in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions: *Provided*, That any amount provided under this heading shall be available only after notice of its proposed use has been transmitted by the President to Congress and such amount has been apportioned pursuant to chapter 15 of title 31, United States Code: *Provided further*, That the Office of Management and Budget shall, in consultation with the United States Park Police, the National Park Service, the Secret Service, the Federal Bureau of Investigation, the United States Protective Service, the Department of State, and the General Services Administration, review the National Capital Planning Commission study on “Designing for Security in the Nation’s Capital” and report to the Committees on Appropriations of the House of Representatives and Senate on the steps these agencies will take to improve the appearance of security measures in the District of Columbia in accordance with the National Capital Planning Commission recommendations: *Provided further*, That the report shall be submitted no later than April 11, 2003 and shall include the recommendations of each agency.

Reports.

Deadline.

FEDERAL PAYMENT FOR HOSPITAL BIOTERRORISM PREPAREDNESS IN
THE DISTRICT OF COLUMBIA

For a Federal payment to support hospital bioterrorism preparedness in the District of Columbia, \$10,000,000, of which \$5,000,000 shall be for the Children’s National Medical Center in the District of Columbia for the expansion of quarantine facilities and the establishment of a decontamination facility, and \$5,000,000 shall be for the Washington Hospital Center for construction of containment facilities.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, \$161,943,000, to be allocated as follows: for the District of Columbia Court of Appeals, \$8,551,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, \$81,339,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Court System, \$40,402,000, of which not to exceed \$1,500 is for official reception and representation expenses; and \$31,651,000 for capital improvements for District of Columbia courthouse facilities: *Provided*, That funds made available for capital improvements shall be expended consistent with the General Services Administration master plan study and building evaluation report: *Provided further*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate: *Provided further*, That funds made available for capital improvements may remain available until September 30, 2004: *Provided further*, That 30 days after providing written notice to the Committees on Appropriations of the House of Representatives and Senate, the District of Columbia Courts may reallocate not more than \$1,000,000 of the funds provided under this heading among the items and entities funded under such heading: *Provided further*, That notwithstanding section 446 of the District of Columbia Home Rule Act or any provision of subchapter III of chapter 13 of title 31, United States Code, the use of interest earned on the Federal payment made to the District of Columbia Courts under the District of Columbia Appropriations Act, 1998, by the Courts during fiscal year 1998 shall not constitute a violation of such Act or such subchapter.

Contracts.
Reports.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

For payments authorized under section 11-2604 and section 11-2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Court of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual agreements to provide guardian ad litem representation, training, technical assistance and/or such other services as are necessary to improve the quality of guardian ad litem representation, and payments for counsel authorized under section 21-2060, D.C. Official Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), \$17,100,000, to remain available until expended: *Provided*, That \$1,500,000 of this appropriation is to

Contracts.
Reports.

provide guardians ad litem to abused and neglected children: *Provided further*, That the funds provided in this Act under the heading “Federal Payment to the District of Columbia Courts” (other than the \$31,651,000 provided under such heading for capital improvements for District of Columbia courthouse facilities) may also be used for payments under this heading: *Provided further*, That in addition to the funds provided under this heading, the Joint Committee on Judicial Administration in the District of Columbia shall use funds provided in this Act under the heading “Federal Payment to the District of Columbia Courts” (other than the \$31,651,000 provided under such heading for capital improvements for District of Columbia courthouse facilities), to make payments described under this heading for obligations incurred during any fiscal year: *Provided further*, That funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: *Provided further*, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER
SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

For salaries and expenses, including the transfer and hire of motor vehicles, of the Court Services and Offender Supervision Agency for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, \$154,707,000, of which not to exceed \$2,000 is for official receptions related to offender and defendant support programs; \$95,682,000 shall be for necessary expenses of Community Supervision and Sex Offender Registration, to include expenses relating to the supervision of adults subject to protection orders or the provision of services for or related to such persons; \$23,070,000 shall be transferred to the Public Defender Service; and \$35,955,000 shall be available to the Pretrial Services Agency: *Provided*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: *Provided further*, That notwithstanding chapter 33 of title 40, United States Code, the Director may acquire by purchase, lease, condemnation, or donation, and renovate as necessary, Building Number 17, 1900 Massachusetts Avenue, Southeast, Washington, District of Columbia to house or supervise offenders and defendants, with funds made available for this purpose in Public Law 107-96: *Provided further*, That the Director is authorized to accept and use gifts in the form of in-kind contributions

of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: *Provided further*, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous proviso, and shall make such records available for audit and public inspection.

Records.
Public
information.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA DEPARTMENT OF TRANSPORTATION

For a Federal payment to the District of Columbia Department of Transportation, \$1,000,000: *Provided*, That such funds will be used to implement transportation systems management initiatives and strategies recommended in the October 2001 report by the Interagency Task Force of the National Capital Planning Commission in coordination with the National Capital Planning Commission.

FEDERAL PAYMENT TO THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

For a Federal payment to the Chief Financial Officer of the District of Columbia, \$40,300,000: *Provided*, That these funds shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act: *Provided further*, That each entity that receives funding under this heading shall submit to the Committees on Appropriations of the House of Representatives and Senate a report due April 30, 2003, on the activities carried out with such funds.

Reports.
Deadline.

FEDERAL PAYMENT FOR WATERFRONT IMPROVEMENTS

For a Federal payment to the District of Columbia Department of Housing and Community Development, \$2,800,000 to continue improvements on the historic Potomac Southwest Waterfront: *Provided*, That the Department shall submit to the Committees on Appropriations of the House of Representatives and Senate a report due April 30, 2003, on the activities carried out with such funds.

Reports.
Deadline.

FEDERAL PAYMENT FOR ASBESTOS REMEDIATION

For a Federal payment to the General Services Administration (GSA), \$1,000,000 to reimburse Fairfax County, Virginia for the remediation of asbestos on the former site of the Lorton Correctional Complex: *Provided*, That GSA shall submit to the Committees on Appropriations of the House of Representatives and Senate a report due April 30, 2003, on the activities carried out with such funds.

Reports.
Deadline.

FEDERAL PAYMENT TO THE FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT

For a Federal payment to the District of Columbia Fire and Emergency Medical Services Department, \$2,000,000 to repair, renovate, and rehabilitate fire stations in need of capital improvements: *Provided*, That the Department shall submit to the Committees on Appropriations of the House of Representatives and Senate a report due April 30, 2003, on the activities carried out with such funds.

Reports.
Deadline.

FEDERAL PAYMENT FOR SPECIAL EDUCATION

For a Federal payment to the District of Columbia Public Education System, \$3,000,000, to remain available until expended to establish special education satellite facilities in the District of Columbia.

FEDERAL PAYMENT FOR THE FAMILY LITERACY PROGRAM

For a Federal payment to the District of Columbia, \$4,000,000 for the Family Literacy Program to address the needs of literacy-challenged parents while endowing their children with an appreciation for literacy and strengthening familial ties.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND
SEWER AUTHORITY

For a Federal payment to the District of Columbia Water and Sewer Authority, \$50,000,000, to remain available until expended, to begin implementing the Combined Sewer Overflow Long-Term Plan: *Provided*, That the District of Columbia Water and Sewer Authority provides a 100 percent match for the fiscal year 2003 Federal contribution.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE IN
THE DISTRICT OF COLUMBIA

For a Federal payment to the District of Columbia for implementation of the Anacostia Waterfront Initiative, \$5,000,000, to remain available until expended, for environmental and infrastructure costs related to development of parks and recreation facilities on the Anacostia River.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR CAPITAL
DEVELOPMENT

For a Federal payment to the District of Columbia for capital development, \$10,150,000, to remain available until expended, of which \$150,000 shall be for renovations at Eastern Market and \$10,000,000 shall be for the Unified Communications Center.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR PUBLIC
CHARTER SCHOOL FACILITIES

For a Federal payment to the District of Columbia for public charter school facilities, \$17,000,000, to remain available until expended, of which \$4,000,000 shall be used to supplement the per pupil facilities allocation to public charter schools in fiscal year 2003; \$5,000,000 shall be for the direct loan fund for charter school improvement; and \$8,000,000 shall be for the credit enhancement revolving fund.

TITLE II—DISTRICT OF COLUMBIA FUNDS

OPERATING EXPENSES

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided: *Provided*, That notwithstanding any other provision of law, except as provided in section 450A of the District of Columbia Home Rule Act and section 119 of this Act (D.C. Official Code, sec. 1-204.50a), the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 2003 under this heading shall not exceed the lesser of the sum of the total revenues of the District of Columbia for such fiscal year or \$6,944,522,000 (of which \$3,618,411,000 shall be from local funds, \$1,712,498,000 shall be from Federal funds, and \$873,313,000 shall be from other funds): *Provided further*, That this amount may be increased by proceeds of one-time transactions, which are expended for emergency or unanticipated operating or capital needs: *Provided further*, That such increases shall be approved by enactment of local District law and shall comply with all reserve requirements contained in the District of Columbia Home Rule Act as amended by this Act: *Provided further*, That the Chief Financial Officer of the District of Columbia shall take such steps as are necessary to assure that the District of Columbia meets these requirements, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year 2003, except that the Chief Financial Officer may not reprogram for operating expenses any funds derived from bonds, notes, or other obligations issued for capital projects.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, \$307,173,000 (including \$207,971,000 from local funds, \$80,854,000 from Federal funds, and \$18,348,000 from other funds): *Provided*, That not to exceed \$2,500 for the Mayor, \$2,500 for the Chairman of the Council of the District of Columbia, \$2,500 for the City Administrator, and \$2,500 for the Office of the Chief Financial Officer shall be available from this appropriation for official purposes: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: *Provided further*, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally generated revenues: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Office of the Chief Technology Officer's delegated small purchase authority shall be \$500,000: *Provided further*, That the District of Columbia government may not require the Office of the Chief Technology Officer to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do

not exceed \$500,000: *Provided further*, That not to exceed \$500,000 of the funds in the District of Columbia Antitrust Fund established pursuant to section 2 of the District of Columbia Antitrust Act of 1980 (D.C. Law 3-169; D.C. Official Code, sec. 28-4516), not to exceed \$100,000 of the funds in the Antifraud Fund established pursuant to section 820 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6-85; D.C. Official Code, sec. 2-308.20), and not to exceed \$910,000 of the funds in the District of Columbia Consumer Protection Fund established pursuant to section 1402 of the District of Columbia Budget Support Act for fiscal year 2001 (D.C. Law 13-172; D.C. Official Code, sec. 28-3911) are hereby made available for the use of the Office of the Corporation Counsel of the District of Columbia until September 30, 2004, in accordance with the laws establishing these funds.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, \$244,358,000 (including \$56,872,000 from local funds, \$97,796,000 from Federal funds, and \$89,690,000 from other funds), of which \$15,000,000 collected by the District of Columbia in the form of BID tax revenue shall be paid to the respective BIDs pursuant to the Business Improvement Districts Act of 1996 (D.C. Law 11-134; D.C. Official Code, sec. 2-1215.01 et seq.), and the Business Improvement Districts Amendment Act of 1997 (D.C. Law 12-26; D.C. Official Code, sec. 2-1215.15 et seq.): *Provided*, That such funds are available for acquiring services provided by the General Services Administration: *Provided further*, That Business Improvement Districts shall be exempt from taxes levied by the District of Columbia: *Provided further*, That \$725,000, of which no amount may be expended for administrative expenses, shall be available to the Department of Employment Services when the Council Committee on Public Services approves a spending plan prepared and submitted, by the agency, to the Committee on Public Services for its approval.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, \$622,531,000 (including \$602,678,000 from local funds, \$11,329,000 from Federal funds, and \$8,524,000 from other funds): *Provided*, That not to exceed \$500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That not less than \$170,000 shall be for the Corrections Information Council, established by section 11201(g) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Official Code, sec. 24-101(h)), to support its operations and perform its duties: *Provided further*, That not less than \$169,000 shall be for the Criminal Justice Coordinating Council, established by the Criminal Justice Coordinating Council for the District of Columbia Establishment Act of 2001 (D.C. Law 14-28; D.C. Official Code, sec. 22-4231 et seq.), to support its operations and perform its duties: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding

General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved.

PUBLIC EDUCATION SYSTEM

(INCLUDING TRANSFERS OF FUNDS)

Public education system, including the development of national defense education programs, \$1,206,169,000 (including \$939,174,000 from local funds, \$208,470,000 from Federal funds, \$31,525,000 from other funds, and not to exceed \$27,000,000 from the Medicaid and Special Education Reform Fund established pursuant to the Medicaid and Special Education Reform Fund Establishment Act of 2002 (D.C. Act 14-403)), \$17,000,000 from local funds, previously appropriated in this Act as a Federal payment, and such sums as may be derived from interest earned on funds contained in the dedicated account established by the Chief Financial Officer of the District of Columbia, for resident tuition support at public and private institutions of higher learning for eligible District of Columbia residents, to be allocated as follows:

(1) DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—\$902,936,000 (including \$713,494,000 from local funds, \$150,800,000 from Federal funds, \$11,642,000 from other funds, and not to exceed \$27,000,000 from the Medicaid and Special Education Reform Fund established pursuant to the Medicaid and Special Education Reform Fund Establishment Act of 2002 (D.C. Act 14-403)) shall be available for District of Columbia Public Schools: *Provided*, That notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public School employees shall be a non-negotiable item for collective bargaining purposes: *Provided further*, That this appropriation shall not be available to subsidize the education of any nonresident of the District of Columbia at any District of Columbia public elementary and secondary school during fiscal year 2003 unless the nonresident pays tuition to the District of Columbia at a rate that covers 100 percent of the costs incurred by the District of Columbia which are attributable to the education of the nonresident (as established by the Superintendent of the District of Columbia Public Schools): *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia Public Schools on July 1, 2003, an amount equal to 10 percent of the total amount provided for the District of Columbia Public Schools in the proposed budget of the District of Columbia for fiscal year 2004 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for the District of Columbia Public Schools under the District of Columbia Appropriations Act, 2004: *Provided further*, That not to exceed \$2,500 for the Superintendent of Schools shall be available from this appropriation for official purposes.

(2) STATE EDUCATION OFFICE.—\$49,687,000 (including \$22,594,000 from local funds, \$26,917,000 from Federal funds,

and \$176,000 from other funds), shall be available for the State Education Office: *Provided*, That of the amounts provided to the State Education Office, \$500,000 from local funds shall remain available until June 30, 2004 for an audit of the student enrollment of each District of Columbia Public School and of each District of Columbia public charter school.

Deadline.

(3) DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOLS.—\$142,711,000 (including \$125,711,000 from local funds and \$17,000,000 from Federal funds) shall be available for District of Columbia public charter schools: *Provided*, That there shall be quarterly disbursement of funds to the District of Columbia public charter schools, with the first payment to occur within 15 days of the beginning of the fiscal year: *Provided further*, That if the entirety of this allocation has not been provided as payments to any public charter school currently in operation through the per pupil funding formula, the funds shall be available for public education in accordance with section 2403(b)(2) of the District of Columbia School Reform Act of 1995 (D.C. Official Code, sec. 38-1804.03(b)(2)): *Provided further*, That of the amounts made available to District of Columbia public charter schools, \$25,000 shall be made available to the Office of the Chief Financial Officer as authorized by section 2403(b)(5) of the District of Columbia School Reform Act of 1995 (D.C. Official Code, sec. 38-1804.03(b)(6)): *Provided further*, That \$589,000 of this amount shall be available to the District of Columbia Public Charter School Board for administrative costs: *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia public charter schools on July 1, 2003, an amount equal to 25 percent of the total amount provided for payments to public charter schools in the proposed budget of the District of Columbia for fiscal year 2004 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for such payments under the District of Columbia Appropriations Act, 2004.

(4) UNIVERSITY OF THE DISTRICT OF COLUMBIA.—\$81,180,000 (including \$49,462,000 from local funds, \$12,668,000 from Federal funds, and \$19,050,000 from other funds) shall be available for the University of the District of Columbia: *Provided*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 2003, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the University of the District of Columbia on July 1, 2003, an amount equal to 10 percent of the total amount provided for the University of the District of Columbia in the proposed budget of the District of Columbia for fiscal year 2004 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided

for the University of the District of Columbia under the District of Columbia Appropriations Act, 2004: *Provided further*, That not to exceed \$2,500 for the President of the University of the District of Columbia shall be available from this appropriation for official purposes.

(5) DISTRICT OF COLUMBIA PUBLIC LIBRARIES.—\$27,363,000 (including \$26,216,000 from local funds, \$610,000 from Federal funds, and \$537,000 from other funds) shall be available for the District of Columbia Public Libraries: *Provided*, That not to exceed \$2,000 for the Public Librarian shall be available from this appropriation for official purposes.

(6) COMMISSION ON THE ARTS AND HUMANITIES.—\$2,292,000 (including \$1,697,000 from local funds, \$475,000 from Federal funds, and \$120,000 from other funds) shall be available for the Commission on the Arts and Humanities.

HUMAN SUPPORT SERVICES

(INCLUDING TRANSFER OF FUNDS)

Human support services, \$2,451,818,000 (including \$1,002,284,000 from local funds, \$1,373,680,000 from Federal funds, \$52,987,000 from other funds, and \$22,867,000 from the Medicaid and Special Education Reform Fund established pursuant to the Medicaid and Special Education Reform Fund Establishment Act of 2002 (D.C. Act 14-403)): *Provided*, That the funds available from the Medicaid and Special Education Reform Fund are allocated as follows: \$7,072,000 for Child and Family Services, \$5,795,000 for the Department of Human Services, and \$10,000,000 for the Department of Mental Health: *Provided further*, That \$27,959,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That \$7,000,000 of this appropriation, to remain available until expended, shall be deposited in the Addiction Recovery Fund, established pursuant to section 5 of the Choice in Drug Treatment Act of 2000 (D.C. Law 13-146; D.C. Official Code, sec. 7-3004) and used exclusively for the purpose of the Drug Treatment Choice Program established pursuant to section 4 of the Choice in Drug Treatment Act of 2000 (D.C. Law 13-146; D.C. Official Code, sec. 7-3003): *Provided further*, That no less than \$2,000,000 of this appropriation shall be available exclusively for the purpose of funding the pilot substance abuse program for youth ages 16 through 21 years established pursuant to section 4212 of the Pilot Substance Abuse Program for Youth Act of 2001 (D.C. Law 14-28; D.C. Official Code, sec. 7-3101): *Provided further*, That \$3,209,000 of this appropriation, to remain available until expended, shall be deposited in the Interim Disability Assistance Fund established pursuant to section 201 of the District of Columbia Public Assistance Act of 1982 (D.C. Law 4-101; D.C. Official Code, sec. 4-202.01), to be used exclusively for the Interim Disability Assistance program and the purposes for that program set forth in section 407 of the District of Columbia Public Assistance Act of 1982 (D.C. Law 13-252; D.C. Official Code, sec. 4-204.07): *Provided further*, That no less than \$500,000 of this appropriation shall be available exclusively for the Mobile Crisis Intervention Program for Kids: *Provided further*, That the amount available under this heading in Public Law 107-96 for Interim Disability Assistance shall remain available until expended: *Provided further*,

That \$37,500,000 in local funds, to remain available until expended, shall be deposited in the Medicaid and Special Education Reform Fund.

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and leasing of passenger-carrying vehicles, \$320,357,000 (including \$304,363,000 from local funds, \$5,669,000 from Federal funds, and \$10,325,000 from other funds): *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

RESERVE

For replacement of funds expended, if any, during fiscal year 2002 from the budget reserve established pursuant to section 202(j) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (D.C. Official Code, sec. 47-392.02(j)), \$70,000,000 from local funds.

EMERGENCY AND CONTINGENCY RESERVE FUNDS

For the emergency reserve fund and the contingency reserve fund under section 450A of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.50a), such amounts from local funds as are necessary to meet the fiscal year 2003 minimum balance requirements for such funds under such section.

REPAYMENT OF LOANS AND INTEREST

For payment of principal, interest, and certain fees directly resulting from borrowing by the District of Columbia to fund District of Columbia capital projects as authorized by sections 462, 475, and 490 of the District of Columbia Home Rule Act (D.C. Official Code, secs. 1-204.62, 1-204.75, and 1-204.90), \$260,951,000 from local funds: *Provided*, That for equipment leases, the Mayor may finance \$14,300,000 of equipment cost, plus cost of issuance not to exceed 2 percent of the par amount being financed on a lease purchase basis with a maturity not to exceed 5 years.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the \$331,589,000 general fund accumulated deficit as of September 30, 1990, \$39,300,000 from local funds, as authorized by section 461(a) of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.61(a)).

PAYMENT OF INTEREST ON SHORT-TERM BORROWING

For payment of interest on short-term borrowing, \$1,000,000 from local funds.

CERTIFICATES OF PARTICIPATION

For principal and interest payments on the District's Certificates of Participation, issued to finance the ground lease underlying

the building located at One Judiciary Square, \$7,950,000 from local funds.

SETTLEMENTS AND JUDGMENTS

For making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government, \$22,822,000: *Provided*, That this appropriation shall not be construed as modifying or affecting the provisions of section 103 of this Act.

WILSON BUILDING

For expenses associated with the John A. Wilson Building, \$4,194,000 from local funds.

WORKFORCE INVESTMENTS

For workforce investments, \$48,186,000 from local funds, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for which employees are properly payable.

NON-DEPARTMENTAL AGENCY

To account for anticipated costs that cannot be allocated to specific agencies during the development of the proposed budget, including anticipated employee health insurance cost increases and contract security costs, \$5,799,000 from local funds.

EMERGENCY PLANNING AND SECURITY COSTS

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, \$15,000,000, from funds previously appropriated in this Act as a Federal payment, to remain available until expended, to reimburse the District of Columbia for the costs of public safety expenses related to security events in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions: *Provided*, That any amount provided under this heading shall be available only after notice of its proposed use has been transmitted by the President to Congress and such amount has been apportioned pursuant to chapter 15 of title 31, United States Code.

President.

ENTERPRISE AND OTHER FUNDS

WATER AND SEWER AUTHORITY

For operation of the Water and Sewer Authority, \$253,743,000 from other funds, of which \$43,800,000 shall be apportioned for repayment of loans and interest incurred for capital improvement projects (\$18,094,000 payable to the District's debt service fund and \$25,706,000 payable for other debt service).

For construction projects, \$392,458,000, to be distributed as follows: \$213,669,000 for the Blue Plains Wastewater Treatment

Plant, \$24,539,000 for the sewer program, \$56,561,000 for the combined sewer program, \$50,000,000 Federal payment for the Combined Sewer Overflow Long-Term Plan, \$5,635,000 for the stormwater program, \$34,054,000 for the water program, and \$8,000,000 for the capital equipment program: *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation account shall apply to projects approved under this appropriation account.

Applicability.

WASHINGTON AQUEDUCT

For operation of the Washington Aqueduct, \$57,847,000 from other funds.

STORMWATER PERMIT COMPLIANCE ENTERPRISE FUND

For operation of the Stormwater Permit Compliance Enterprise Fund, \$3,100,000 from other funds.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act, 1982, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia (D.C. Law 3-172; D.C. Official Code, sec. 3-1301 et seq. and sec. 22-1716 et seq.), \$232,881,000: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

SPORTS AND ENTERTAINMENT COMMISSION

For the Sports and Entertainment Commission, \$20,510,000, of which \$15,510,000 is from other funds and \$5,000,000 is from Federal funds appropriated earlier in this Act as a Federal Payment for the Anacostia Waterfront Initiative.

DISTRICT OF COLUMBIA RETIREMENT BOARD

For the District of Columbia Retirement Board, established pursuant to section 121 of the District of Columbia Retirement Reform Act of 1979 (D.C. Official Code, sec. 1-711), \$13,388,000 from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided*, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an itemized accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

Reports.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund,
\$78,700,000 from other funds.

NATIONAL CAPITAL REVITALIZATION CORPORATION

For the National Capital Revitalization Corporation, \$6,745,000
from other funds.

CAPITAL OUTLAY

(INCLUDING RESCISSIONS)

For construction projects, an increase of \$925,011,000, of which \$555,097,000 shall be from local funds, \$48,132,000 from Highway Trust funds, and \$321,782,000 from Federal funds, and a rescission of \$253,991,000 from local funds appropriated under this heading in prior fiscal years, for a net amount of \$671,020,000, to remain available until expended: *Provided*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That the District of Columbia Public Libraries shall allocate capital funds, from existing resources, in fiscal year 2003 for the planning and design of a new Francis Gregory Public Library.

TITLE III—GENERAL PROVISIONS

SEC. 101. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 102. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That in the case of the Council of the District of Columbia, funds may be expended with the authorization of the Chairman of the Council.

SEC. 103. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Official Code, sec. 47-1812.11(c)(3)).

SEC. 104. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 105. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit

the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 106. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, and salary are not available for inspection by the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Council of the District of Columbia, or their duly authorized representative.

SEC. 107. (a) Except as provided in subsection (b), no part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

(b) The District of Columbia may use local funds provided in this Act to carry out lobbying activities on any matter other than—

(1) the promotion or support of any boycott; or

(2) statehood for the District of Columbia or voting representation in Congress for the District of Columbia.

(c) Nothing in this section may be construed to prohibit any elected official from advocating with respect to any of the issues referred to in subsection (b).

Reports.

SEC. 108. At the start of fiscal year 2003 and any subsequent fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate the actual borrowings and spending progress compared with projections.

Notifications.

SEC. 109. (a) None of the funds provided under this Act to the agencies funded by this Act, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for an agency through a reprogramming of funds which—

(1) creates new programs;

(2) eliminates a program, project, or responsibility center;

(3) establishes or changes allocations specifically denied, limited or increased under this Act;

(4) increases funds or personnel by any means for any program, project, or responsibility center for which funds have been denied or restricted;

(5) reestablishes any program or project previously deferred through reprogramming;

(6) augments any existing program, project, or responsibility center through a reprogramming of funds in excess of \$1,000,000 or 10 percent, whichever is less; or

(7) increases by 20 percent or more personnel assigned to a specific program, project or responsibility center,

unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 30 days in advance of the reprogramming.

(b) None of the local funds contained in this Act may be available for obligation or expenditure for an agency through a transfer of any local funds from one appropriation heading to another unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 30 days in advance of the transfer, except that in no event may the amount of any funds transferred exceed 4 percent of the local funds in the appropriation.

SEC. 110. Consistent with the provisions of section 1301(a) of title 31, United States Code, appropriations under this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law. Applicability.

SEC. 111. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2–139; D.C. Official Code, sec. 1–601.01 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1–204.22(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code. Applicability.

SEC. 112. No later than 30 days after the end of the first quarter of fiscal year 2003, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate the new fiscal year 2003 revenue estimates as of the end of such quarter. These estimates shall be used in the budget request for fiscal year 2004. The officially revised estimates at midyear shall be used for the midyear report. Deadline.
Reports.

SEC. 113. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6–85; D.C. Official Code, sec. 2–303.03), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical, but only if the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and has been reviewed and certified by the Chief Financial Officer of the District of Columbia.

SEC. 114. (a) In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by such Act. Deadline.

(b) For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, the term “program, project, and activity” shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall Applicability.

not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 115. (a)(1) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 2003 and any subsequent fiscal year if—

(A) the Mayor approves the acceptance and use of the gift or donation (except as provided in paragraph (2)); and

(B) the entity uses the gift or donation to carry out its authorized functions or duties.

(2) The Council of the District of Columbia and the District of Columbia courts may accept and use gifts without prior approval by the Mayor.

Records.
Public
information.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a), and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term “entity of the District of Columbia government” includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 116. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3-171; D.C. Official Code, sec. 1-123).

Abortion.

SEC. 117. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

Domestic
partners.

SEC. 118. None of the Federal funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9-114; D.C. Official Code, sec. 32-701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 119. (a) Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(b) No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to subsection (a) until—

Reports.

(1) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

Deadline.

(2) the Council within 15 calendar days after receipt of the report submitted under paragraph (1) has reviewed and approved the acceptance, obligation, and expenditure of such grant.

(c) No amount may be obligated or expended from the general fund or other funds of the District of Columbia government in anticipation of the approval or receipt of a grant under subsection (b)(2) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such subsection.

(d) The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia and to the Committees on Appropriations of the House of Representatives and Senate not later than 15 days after the end of the quarter covered by the report.

Reports.

Deadline.

SEC. 120. (a) Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For purposes of this paragraph, the term "official duties" does not include travel between the officer's or employee's residence and workplace, except in the case of—

(1) an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department;

(2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day;

(3) the Mayor of the District of Columbia; and

(4) the Chairman of the Council of the District of Columbia.

(b) The Chief Financial Officer of the District of Columbia shall submit by March 1, 2003 an inventory, as of September 30, 2002, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.

Deadline.
Records.

SEC. 121. No officer or employee of the District of Columbia government (including any independent agency of the District of Columbia, but excluding the Office of the Chief Technology Officer, the Office of the Chief Financial Officer of the District of Columbia, and the Metropolitan Police Department) may enter into an agreement in excess of \$2,500 for the procurement of goods or services on behalf of any entity of the District government until the officer or employee has conducted an analysis of how the procurement of the goods and services involved under the applicable regulations and procedures of the District government would differ from the procurement of the goods and services involved under the Federal supply schedule and other applicable regulations and procedures of the General Services Administration, including an analysis of any differences in the costs to be incurred and the time required to obtain the goods or services.

SEC. 122. None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government for fiscal year 2003 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, sec. 2-302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year using the format, terminology, and classifications contained in the law making the appropriations for the year and its legislative history.

SEC. 123. (a) None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

(b) Nothing in this section bars the District of Columbia Corporation Counsel from reviewing or commenting on briefs in private lawsuits, or from consulting with officials of the District government regarding such lawsuits.

SEC. 124. (a) None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

(b) Any individual or entity who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this Act.

SEC. 125. None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District of Columbia) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and the officer's agency as a result of this Act (and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted. The Chief Financial Officer of the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and Senate by the 10th day after the end of each quarter a summary list showing each report, the due date, and the date submitted to the Committees.

Deadline.
Reports.

SEC. 126. (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any tetrahydrocannabinols derivative.

Drugs and drug
abuse.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.

Contraceptives.

SEC. 127. Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing

the issue of the provision of contraceptive coverage by health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a “conscience clause” which provides exceptions for religious beliefs and moral convictions.

SEC. 128. (a) If the Superior Court of the District of Columbia or the District of Columbia Court of Appeals does not make a payment described in subsection (b) prior to the expiration of the 45-day period which begins on the date the Court receives a completed voucher for a claim for the payment, interest shall be assessed against the amount of the payment which would otherwise be made to take into account the period which begins on the day after the expiration of such 45-day period and which ends on the day the Court makes the payment.

(b) A payment described in this subsection is—

(1) a payment authorized under section 11–2604 and section 11–2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act);

(2) a payment for counsel appointed in proceedings in the Family Court of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Official Code; or

(3) a payment for counsel authorized under section 21–2060, D.C. Official Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986).

(c) The chief judges of the Superior Court of the District of Columbia and the District of Columbia Court of Appeals shall establish standards and criteria for determining whether vouchers submitted for claims for payments described in subsection (b) are complete, and shall publish and make such standards and criteria available to attorneys who practice before such Courts.

Standards.
Publication.

(d) Nothing in this section shall be construed to require the assessment of interest against any claim (or portion of any claim) which is denied by the Court involved.

(e) This section shall apply with respect to claims received by the Superior Court of the District of Columbia or the District of Columbia Court of Appeals during fiscal year 2003 and any subsequent fiscal year.

Applicability.

SEC. 129. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate quarterly reports addressing the following issues—

Reports.

(1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets;

(2) access to substance and alcohol abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs;

(3) management of parolees and pre-trial violent offenders, including the number of halfway house escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes to be provided in consultation with the Court Services and Offender Supervision Agency for the District of Columbia;

(4) education, including access to special education services and student achievement to be provided in consultation with the District of Columbia Public Schools and the District of Columbia public charter schools;

(5) improvement in basic District services, including rat control and abatement;

(6) application for and management of Federal grants, including the number and type of grants for which the District was eligible but failed to apply and the number and type of grants awarded to the District but for which the District failed to spend the amounts received; and

(7) indicators of child well-being.

Deadline.
Budget.

SEC. 130. No later than 30 calendar days after the date of the enactment of this Act, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the Council of the District of Columbia a revised appropriated funds operating budget in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.42), for all agencies of the District of Columbia government for fiscal year 2003 that is in the total amount of the approved appropriation and that realigns all budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

SEC. 131. None of the funds contained in this Act may be used to issue, administer, or enforce any order by the District of Columbia Commission on Human Rights relating to docket numbers 93-030-(PA) and 93-031-(PA).

SEC. 132. None of the Federal funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 133. In addition to any other authority to pay claims and judgments, any department, agency, or instrumentality of the District government may pay the settlement or judgment of a claim or lawsuit in an amount less than \$10,000, in accordance with the Risk Management for Settlements and Judgments Amendment Act of 2000 (D.C. Law 13-172; D.C. Official Code, sec. 2-402).

SEC. 134. All funds from the Crime Victims Compensation Fund, established pursuant to section 16 of the Victims of Violent Crime Compensation Act of 1996 (D.C. Law 11-243; D.C. Official Code, sec. 4-514) ("Compensation Act"), that are designated for outreach activities pursuant to section 16(d)(2) of the Compensation Act shall be deposited in the Crime Victims Assistance Fund, established pursuant to section 16a of the Compensation Act, for the purpose of outreach activities, and shall remain available until expended.

SEC. 135. Notwithstanding any other law, the District of Columbia Courts shall transfer to the general treasury of the District of Columbia all fines levied and collected by the Courts in cases charging Driving Under the Influence and Driving While Impaired. The transferred funds shall remain available until expended and shall be used by the Office of the Corporation Counsel for enforcement and prosecution of District traffic alcohol laws

in accordance with section 10(b)(3) of the District of Columbia Traffic Control Act (D.C. Official Code, sec. 50-2201.05(b)(3)).

SEC. 136. Section 47-363(a-1) of the District of Columbia Official Code is amended by adding at the end the following new paragraph:

“(3)(A) After the adoption of the annual budget for a fiscal year that is not a control year, no reprogramming of amounts in the budget may occur unless—

“(i) the Mayor submits a request for such reprogramming to the Council and the Chief Financial Officer of the District of Columbia;

“(ii) the Chief Financial Officer transmits to the Council a statement certifying the availability of funds for the reprogramming and containing an analysis of the effect of the reprogramming on the financial plan and budget for the fiscal year; and

“(iii) the Council approves the request after receiving the statement described in clause (ii), but only if any additional expenditures provided under the request are offset by reductions in expenditures for another activity.

“(B) If the Chief Financial Officer does not transmit to the Council the statement described in subparagraph (A)(ii) during the 15-day period which begins on the date the Chief Financial Officer receives the request for the reprogramming from the Mayor, the Chief Financial Officer shall be deemed to have transmitted the statement to the Council. Upon written notice to the Mayor and Council, the Chief Financial Officer may extend the time period to transmit the statement and analysis to the Council, not to exceed 10 additional days.

“(C) In this paragraph, the term ‘control year’ has the meaning given such term in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (D.C. Official Code, sec. 47-393(4)).”.

SEC. 137. From the local funds appropriated under this Act, any agency of the District government may transfer to the Office of Labor Relations and Collective Bargaining (OLRCB) such amounts as may be necessary to pay for representation by OLRCB in third-party cases, grievances, and dispute resolution, pursuant to an intra-District agreement with OLRCB. These amounts shall be available for use by OLRCB to reimburse the cost of providing the representation.

SEC. 138. (a) Section 9001(1) of title 5, United States Code, is amended by adding before the period “(other than an employee of the District of Columbia Courts)”.

(b) Section 11-1726, District of Columbia Code, is amended as follows:

(1) in subsection (b)(1), by adding at the end: “(F) Chapter 90 (relating to long-term care insurance).”.

(2) in subsection (c)(1), by adding at the end: “(D) Chapter 90 (relating to long-term care insurance).”.

SEC. 139. Of the amount appropriated as a Federal payment to the District of Columbia Courts in the District of Columbia Appropriations Act, 2002, that remain available through September 30, 2003, \$560,000 are hereby transferred to the District of Columbia Child and Family Services Agency for child abuse services.

Deadline. Reports.	<p>SEC. 140. No later than June 2, 2003, the Comptroller General shall prepare and submit to the Committees on Appropriations of the House of Representatives and Senate, a detailed analysis of the national effort to establish adequate charter school facilities including a comparison to the efforts in the District of Columbia.</p>
Reports.	<p>SEC. 141. The Mayor of the District of Columbia and the Chairman of the Council of the District of Columbia, in consultation with the General Services Administration, shall conduct an assessment of all buildings currently held in surplus and those that might be made available within 1 year of the date of enactment of this Act: <i>Provided</i>, That such assessment include a survey of the space available, a listing of appropriate uses, a listing of potential occupants, and the renovations or construction necessary to accommodate proposed uses: <i>Provided further</i>, That within 180 days of enactment, the Mayor shall report to the Committees on Appropriations of the House of Representatives and Senate the findings of such assessment along with a plan for occupying at least 50 percent of the space available at the time such report is submitted: <i>Provided further</i>, That assignments of space included in this plan shall be in compliance with preferences outlined in the D.C. School Reform Act.</p>
Deadline.	<p>SEC. 142. The Mayor of the District of Columbia, in administering funds provided under the heading “Federal Payment for Incentives for Adoption of Children” in Public Law 106-113, as modified by Public Law 107-96, shall establish and fulfill the following performance measures within nine months of the date of enactment of this Act: (i) the Chief Financial Officer of the District of Columbia shall certify that not less than 50 percent of the funds provided for attorney fees and home studies have been expended; (ii) the Mayor shall establish an outreach program to inform adoptive families and children without parents about the scholarship fund established with these funds; (iii) the Mayor shall establish the location, necessary personnel and mission of the adoptive family resource center in the District of Columbia; (iv) the Mayor shall identify not less than 25 percent of the eligible children in the District of Columbia foster care system with special needs and obligate not less than 25 percent of the funds provided in Public Law 106-113 for adoption incentives and support for children with special needs: <i>Provided</i>, That the Mayor of the District of Columbia and the Chairman of the Council of the District of Columbia shall provide quarterly reports beginning on the date of enactment of this Act to the Committees on Appropriations of the House of Representatives and Senate, detailing the expenditure of funds provided for the promotion of adoption and performance in actually promoting adoption; and (v) the Mayor and Child and Family Services Agency of the District of Columbia shall increase the number of waiting children listed in the Child and Family Services Agency of the District of Columbia adoption photo-listing by 75 percent.</p>
Certification.	
Reports.	
Establishment.	<p>SEC. 143. (a)(1) There is established within the District of Columbia, under the authority of the Department of Banking and Financial Institutions, an Office of Public Charter School Financing and Support.</p> <p>(2) The Office shall have the following three functions:</p>

(A) To administer the credit enhancement fund for public charter schools under section 603(e) of the Student Loan Marketing Association Reorganization Act of 1996, subject to the provisions of such section.

(B) To administer the Direct Loan Fund for Charter School Improvement under subsection (b), subject to the provisions of such subsection.

(C) To develop, implement and provide oversight for other public charter school financing programs and support services as requested by the Mayor and the Council of the District of Columbia.

(3) The functions described in paragraph (2) may be provided by the Office directly or under contract with a qualified provider.

(b)(1) There is established within the District of Columbia a Direct Loan Fund for Charter School Improvement.

(2) The Direct Loan Fund for Charter School Improvement shall be administered by the Office of Charter School Financing and Support, except that no loan may be made under this subsection without the approval of the committee described in section 603(e)(3)(C)(iii) of the Student Loan Marketing Association Reorganization Act of 1996 (20 U.S.C. 1155(e)(3)(C)(iii)).

(3) Funds distributed under this subsection shall be for construction, purchase, renovation, and maintenance of charter school facilities.

(4) Loans distributed under this subsection shall not exceed \$2,000,000 per charter school.

(5) The Office of Charter School Financing and Support shall determine what interest rates and terms apply to loans granted under this subsection. In determining the rates and terms of a loan granted to a charter school, the Office of Charter School Financing and Support should do its best to provide low interest options and flexible terms.

(6) To be eligible for a loan under this subsection, an applicant shall be a public charter school with a charter in effect pursuant to the District of Columbia School Reform Act of 1995 which meets or exceeds its performance goals as outlined in its originating charter.

(7) In repaying a loan granted under this subsection, a debtor may use facility maintenance funds granted to them by the District of Columbia Public Schools.

(c) Section 603(e)(3) of the Student Loan Marketing Association Reorganization Act of 1996 (20 U.S.C. 1155(e)(3)) is amended—

(1) in subparagraph (B)(ii) and subparagraph (C)(iii), by striking “The Mayor” and inserting “Subject to subparagraph (F), the Mayor”; and

(2) by adding at the end the following new subparagraph:

“(F) ROLE OF OFFICE OF PUBLIC CHARTER SCHOOL FINANCING AND SUPPORT.—During fiscal year 2003 and each succeeding fiscal year, the Office of Public Charter School Financing and Support shall be responsible for receiving applications, making payments, and otherwise administering this paragraph, except that no grant may be made under this paragraph without the approval of the committee described in subparagraph (C)(iii).”.

SEC. 144. None of the funds contained in this Act may be made available to pay—

(1) the fees of an attorney who represents a party in an action or an attorney who defends any action, including an administrative proceeding, brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) in excess of \$4,000 for that action; or

(2) the fees of an attorney or firm whom the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either through an attorney, officer or employee of the firm, in any special education diagnostic services, schools, or other special education service providers.

Certification.

SEC. 145. The Chief Financial Officer of the District of Columbia shall require attorneys in special education cases brought under the Individuals with Disabilities Act (IDEA) in the District of Columbia to certify in writing that the attorney or representative rendered any and all services for which they receive awards, including those received under a settlement agreement or as part of an administrative proceeding, under the IDEA from the District of Columbia: *Provided*, That as part of the certification, the Chief Financial Officer of the District of Columbia require all attorneys in IDEA cases to disclose any financial, corporate, legal, memberships on boards of directors, or other relationships with any special education diagnostic services, schools, or other special education service providers to which the attorneys have referred any clients as part of this certification: *Provided further*, That the Chief Financial Officer shall prepare and submit quarterly reports to the Committees on Appropriations of the Senate and the House of Representatives on the certification of and the amount paid by the government of the District of Columbia, including the District of Columbia Public Schools, to attorneys in cases brought under IDEA: *Provided further*, That the Inspector General of the District of Columbia may conduct investigations to determine the accuracy of the certifications.

Reports.

SEC. 146. (a) Section 2403(b) of the District of Columbia School Reform Act of 1995 (sec. 38-1804.03(b), D.C. Official Code) is amended to read as follows:

“(b) PAYMENT TO CHARTER SCHOOLS FROM CHARTER SCHOOL FUND.—

“(1) ESTABLISHMENT OF FUND.—The ‘New Charter School Fund’, as established in the general fund of the District of Columbia prior to the date of the enactment of the District of Columbia Appropriations Act, 2003, shall be redesignated as the ‘Charter School Fund’.

“(2) CONTENTS OF FUND.—The Charter School Fund shall consist of the following amounts:

“(A) Unexpended and unobligated amounts appropriated from local funds for public charter schools for any fiscal year that reverted to the general fund of the District of Columbia, but only to the extent that the balance of the Charter School Fund for the fiscal year involved is less than—

“(i) \$10,000,000, in the case of fiscal year 2002;

or

“(ii) \$5,000,000, in the case of fiscal year 2003 and each succeeding fiscal year.

“(B) Any interest earned on such amounts.

“(3) EXPENDITURES FROM FUND.—Amounts in the Charter School Fund shall be used to make payments during a fiscal year to any public charter school operating in the District of Columbia during the fiscal year whose total audited enrollment (including enrollment in special needs categories) exceeds the student enrollment which served as the basis for determining the school’s annual payment under this Act for the year.

“(4) FORM OF PAYMENT.—Payments under this subsection shall be made by electronic funds transfer from the Charter School Fund to a bank designated by a public charter school.

“(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Chief Financial Officer of the District of Columbia such sums as may be necessary to carry out this subsection for each fiscal year.”.

(b) Notwithstanding any other provision of law, \$5,000,000 from the Charter School Fund established pursuant to section 2403(b) of the District of Columbia School Reform Act of 1995 (D.C. Official Code, sec. 38–1804.03(b)), as amended by subsection (a), shall be deposited not later than 15 days after the date of the enactment of this Act into the credit enhancement revolving fund established pursuant to section 603(e) of the Student Loan Marketing Association Reorganization Act of 1996 (20 U.S.C. 1155(e)).

Deadline.

This division may be cited as the “District of Columbia Appropriations Act, 2003”.

DIVISION D—ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 2003

Energy and
Water
Development
Appropriations
Act, 2003.

JOINT RESOLUTION

Making appropriations for energy and water development for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, shore protection, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore

protection, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, \$135,019,000, to remain available until expended: *Provided*, That in conducting the Southwest Valley Flood Damage Reduction Study, Albuquerque, New Mexico, the Secretary of the Army, acting through the Chief of Engineers, shall include an evaluation of flood damage reduction measures that would otherwise be excluded from the feasibility analysis based on policies regarding the frequency of flooding, the drainage areas, and the amount of runoff: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use funds appropriated herein to determine the advisability of undertaking restoration, modification, or modernization of the Great Lakes Navigational System, including the St. Lawrence Seaway; as provided for in section 456 of Public Law 106-53 (113 Stat. 332): *Provided further*, That in making such determination, the Secretary of the Army, acting through the Chief of Engineers, may partner with the St. Lawrence Seaway Development Corporation and Transport Canada or another designated representative of the Government of Canada and may accept from such partners cash, in-kind services, or any combination thereof, to be expended or used by the Secretary in addition to the funds identified herein for the purpose of making such determination.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), \$1,756,012,000, to remain available until expended, of which such sums as are necessary for the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund, as authorized by Public Law 104-303; and of which such sums as are necessary pursuant to Public Law 99-662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for the Lock and Dam 11, Mississippi River, Iowa; Lock and Dam 12, Mississippi River, Iowa; Lock and Dam 24, Mississippi River, Illinois and Missouri; Lock and Dam 3, Mississippi River, Minnesota; and London Locks and Dam, Kanawha River, West Virginia, projects; and of which funds are provided for the following projects in the amounts specified:

San Timoteo Creek (Santa Ana River Mainstem), California, \$7,000,000;

Southern and Eastern Kentucky, Kentucky, \$3,000,000; and

Clover Fork, City of Cumberland, Town of Martin, Pike County (including Levisa Fork and Tug Fork Tributaries), Bell County, Harlan County in accordance with the Draft Detailed Report dated January 2002, Floyd County, Martin County, and Johnson County, Kentucky, elements of the Levisa and

Tug Forks of the Big Sandy River and Upper Cumberland River, Kentucky, \$26,100,000: *Provided*, That, using \$200,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to continue work on the Bois Brule Drainage and Levee District, Missouri, design deficiency project under the terms and conditions specified in Public Law 107-66: *Provided further*, That using \$9,744,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to continue construction of the Dallas Floodway Extension, Texas, project, including the Cadillac Heights feature, generally in accordance with the Chief of Engineers report dated December 7, 1999: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$4,000,000 of the funds appropriated herein to undertake the Bowie County Levee, Texas, project, which is defined as Alternative B, Local Sponsor Option, in the Corps of Engineers document entitled Bowie County Local Flood Protection, Red River, Texas, Project Design Memorandum No. 1, Bowie County Levee, dated April 1997: *Provided further*, That cost sharing for the Bowie County Levee, Texas, project shall be in accordance with the provisions of the Flood Control Act of 1946: *Provided further*, That the Secretary of the Army is directed to accept advance funds, pursuant to section 11 of the River and Harbor Act of 1925, from the non-Federal sponsor of the Los Angeles Harbor, California, project authorized by section 101(b)(5) of Public Law 106-541, which are needed to maintain the project schedule: *Provided further*, That using \$1,000,000 of the funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to conduct, at full Federal expense, technical studies of individual ditch systems identified by the State of Hawaii, and to assist the State in diversification by helping to define the cost of repairing and maintaining selected ditch systems: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$1,000,000 of the funds appropriated herein to continue construction of the navigation project at Kaunapali Harbor, Hawaii: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$2,000,000 of the funds provided herein for Dam Safety and Seepage/Stability Correction Program to continue construction of seepage control features at Waterbury Dam, Vermont: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$13,400,000 of the funds appropriated herein to proceed with planning, engineering, design or construction of the Grundy, Buchanan County, and Dickenson County, Virginia, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River Project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$5,500,000 of the funds appropriated herein to proceed with the planning, engineering, design or construction of the Lower Mingo County, Upper Mingo County, Wayne County, McDowell County, West Virginia, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River Project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed

to continue the Dickenson County Detailed Project Report as generally defined in Plan 4 of the Huntington District Engineer's Draft Supplement to the Section 202 General Plan for Flood Damage Reduction dated April 1997, including all Russell Fork tributary streams within the County and special considerations as may be appropriate to address the unique relocations and resettlement needs for the flood prone communities within the County: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the construction of the Seward Harbor, Alaska, project, in accordance with the Report of the Chief of Engineers, dated June 8, 1999, and the economic justification contained therein: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the construction of the Wrangell Harbor, Alaska, project in accordance with the Chief of Engineer's report dated December 23, 1999: *Provided further*, That, of the funds provided herein, \$3,000,000 shall be made available for the Galena Bank Stabilization Project in Galena, Alaska: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to use \$5,000,000 of Construction, General funding as provided herein for construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River, at an estimated total cost of \$100,000,000, which shall be cost-shared in accordance with section 103 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 2213), except that the funds shall not become available unless the Secretary of the Army determines that an emergency (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) exists with respect to the emergency need for the outlet and reports to Congress that the construction is technically sound and environmentally acceptable, and in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.): *Provided further*, That the justification for the emergency outlet shall be fully described, including the analysis of the benefits and costs, in the project plan documents: *Provided further*, That the plans for the emergency outlet shall be reviewed and, to be effective, shall contain assurances provided by the Secretary of State, that the project will not violate the Treaty Between the United States and Great Britain Relating to the Boundary Waters Between the United States and Canada, signed at Washington, January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the "Boundary Waters Treaty of 1909"): *Provided further*, That the Secretary of the Army shall submit the final plans and other documents for the emergency outlet to Congress: *Provided further*, That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the portion of the feasibility study of the Devils Lake Basin, North Dakota, authorized under the Energy and Water Development Appropriations Act, 1993 (Public Law 102-377), that addresses the needs of the area for stabilized lake levels through inlet controls, or to otherwise study any facility or carry out any activity that would permit the transfer of water from the Missouri River Basin into Devils Lake.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS,
ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND
TENNESSEE

For expenses necessary for prosecuting work of flood control, rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a and 702g-1), \$344,574,000, to remain available until expended: *Provided*, That the Secretary of the Army, acting through the Chief of Engineers, using \$10,000,000 of the funds provided herein, is directed to continue design and real estate activities and to initiate the pump supply contract for the Yazoo Basin, Yazoo Backwater Pumping Plant, Mississippi: *Provided further*, That the pump supply contract shall be performed by awarding continuing contracts in accordance with 33 U.S.C. 621.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, \$1,940,167,000, to remain available until expended, of which such sums as become available in the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662, may be derived from that Fund, and of which such sums as become available from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l), may be derived from that account for construction, operation, and maintenance of outdoor recreation facilities: *Provided*, That using \$888,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake recreation improvements associated with the pool raise at Waco Lake, Texas: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$3,160,000 of the funds appropriated herein to undertake work to expand or improve recreational facilities and undertake environmental restoration activities at the Hansen Dam Recreation Area, California, consistent with the Hansen Dam Recreation Area Master Plan: *Provided further*, That of funds appropriated herein, for the Intracoastal Waterway, Delaware River to Chesapeake Bay, Delaware and Maryland, the Secretary of the Army, acting through the Chief of Engineers, is directed to reimburse the State of Delaware for normal operation and maintenance costs incurred by the State of Delaware for the SR1 Bridge from station 58+00 to station 293+00 between October 1, 2002, and September 30, 2003: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use funds appropriated herein to rehabilitate the existing dredged material disposal site for the project for navigation, Bodega Bay Harbor, California, and to initiate maintenance dredging of the Federal channel: *Provided further*, That the Secretary shall make suitable material excavated from the site as part of the rehabilitation effort available to the non-Federal sponsor, at no

cost to the Federal Government, for use by the non-Federal sponsor in the development of public facilities.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane response, and emergency shore protection and related activities, \$15,000,000, to remain available until expended.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, \$139,000,000, to remain available until expended.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

For expenses necessary to clean up contamination from sites throughout the United States resulting from work performed as part of the Nation's early atomic energy program, \$145,000,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers, activities of the Humphreys Engineer Center Support Activity, the Institute for Water Resources, and headquarters support functions at the USACE Finance Center, \$155,151,000, to remain available until expended: *Provided*, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the division offices: *Provided further*, That none of these funds shall be available to support an office of congressional affairs within the executive office of the Chief of Engineers.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for official reception and representation expenses (not to exceed \$5,000); and during the current fiscal year the Revolving Fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. Agreements proposed for execution by the Assistant Secretary of the Army for Civil Works or the United States Army Corps of Engineers after the date of the enactment of this Act pursuant to section 4 of the Rivers and Harbor Act of 1915, Public Law 64–291; section 11 of the River and Harbor Act of 1925, Public Law 68–585; the Civil Functions Appropriations Act, 1936, Public Law 75–208; section 215 of the Flood Control Act of 1968, as amended, Public Law 90–483; sections 104, 203, and 204 of the Water Resources Development Act of 1986, as amended, Public Law 99–662; section 206 of the Water Resources Development Act

of 1992, as amended, Public Law 102-580; section 211 of the Water Resources Development Act of 1996, Public Law 104-303; and any other specific project authority, shall be limited to credits and reimbursements per project not to exceed \$10,000,000 in each fiscal year, and total credits and reimbursements for all applicable projects not to exceed \$50,000,000 in each fiscal year.

SEC. 102. None of the funds appropriated in this or any other Act may be used by the United States Army Corps of Engineers to support activities, including reconnaissance and feasibility studies, and planning, engineering and design, related to the Chicago Harbor Visitors Center.

SEC. 103. ST. GEORGES BRIDGE, DELAWARE. None of the funds made available in this Act may be used to carry out any activity relating to closure or removal of the St. Georges Bridge across the Intracoastal Waterway, Delaware River to Chesapeake Bay, Delaware and Maryland, including a hearing or any other activity relating to preparation of an environmental impact statement concerning the closure or removal.

SEC. 104. Section 595(h)(1) of Public Law 106-53 is amended by striking “\$25,000,000” and inserting in lieu thereof “\$100,000,000”. 113 Stat. 384.

SEC. 105. ST. PAUL ISLAND HARBOR, ST. PAUL, ALASKA TECHNICAL CORRECTIONS. Section 101(b)(3) of Public Law 104-303 (the Water Resources Development Act of 1996), (110 Stat. 3667) is amended by—

(1) striking “\$18,981,000” and inserting in lieu thereof “\$52,300,000”; and

(2) striking “\$12,239,000” and inserting in lieu thereof “\$45,558,000”.

SEC. 106. ABIQUIU DAM, NEW MEXICO. Section 1112 of Public Law 99-662 (the Water Resources Development Act of 1986), (100 Stat. 4232) is amended by striking “\$2,700,000” and inserting in lieu thereof “\$10,000,000”.

SEC. 107. The project for flood control, Las Vegas Wash and Tributaries (Flamingo and Tropicana Washes), Nevada, authorized by section 101(13) of Public Law 102-580 is modified to include as a part of the project channel crossings that are necessary for those existing and proposed highways and roads shown on the Clark County Comprehensive Plan Transportation Element, approved by the Clark County Board of County Commissioners on October 1, 1996. The performance of work required for construction of such channel crossings and the costs incurred in performing such work shall be considered part of the non-Federal sponsor's responsibility to provide lands, easements, and rights-of-way, and to perform relocations for the project. Costs incurred in performing such work may not exceed \$16,000,000.

SEC. 108. ATLANTIC INTRACOASTAL WATERWAY BRIDGE REPLACEMENT AT GREAT BRIDGE, CHESAPEAKE, VIRGINIA. The project for replacement of the bridge at Great Bridge, Chesapeake, Virginia, authorized by section 339(h) of Public Law 104-59 is modified to authorize the Secretary to construct the project at an estimated cost of \$46,000,000.

SEC. 109. None of the funds appropriated in this Act, or any other Act, shall be used to study or implement any plans privatizing, divesting or transferring of any Civil Works missions, functions, or responsibilities for the United States Army Corps of Engineers

to other government agencies without specific direction in a subsequent Act of Congress.

SEC. 110. The project for flood control for Terminus Dam, Kaweah River, California, authorized by section 101(b)(5) of the Water Resources Development Act of 1996, is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of \$50,000,000, with an estimated Federal share of \$28,600,000 and an estimated non-Federal share of \$21,400,000.

SEC. 111. The project for flood control, Little Calumet River Basin (Cady Marsh Ditch), Indiana, authorized by section 401(a) of Public Law 99-662 is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of \$23,146,000, with an estimated Federal cost of \$17,359,000 and an estimated non-Federal cost of \$5,787,000.

SEC. 112. The non-Federal interest shall receive credit toward the non-Federal share of the cost of the feasibility study for work performed prior to the date that the Secretary of the Army, acting through the Chief of Engineers, enters into the feasibility cost-sharing agreement with the non-Federal sponsor for the Indiana Harbor Environmental Dredging, Indiana, feasibility study. The Secretary shall provide credit for work only if the Secretary determines such work integral to the feasibility study.

SEC. 113. In satisfaction of any normal requirement for mitigation identified by the pending Environmental Impact Study for the deepening of the Brownsville Navigation Channel, Texas, the Secretary of the Army, acting through the Chief of Engineers, shall provide credit to the Brownsville Navigation District for work performed before the completion of the Environmental Impact Study to restore the wetlands at Bahia Grande, Lower Laguna Madre, and Vadia Ancha. Such credit shall be at a ratio determined by the Secretary, considering the environmental value of the wetlands impacted by the project and the environmental value of the restored wetlands. The Secretary shall provide credit for work only if the Secretary determines such work integral to the project.

SEC. 114. The Secretary of the Army, acting through the Chief of Engineers, shall carry out the project for inland navigation, Chickamauga Lock and Dam, Tennessee, substantially in accordance with the plans, and subject to the conditions, described in the report of the Chief of Engineers, dated May 30, 2002, except that the Secretary shall construct the project in accordance with the plan that includes a 110-foot by 600-foot replacement lock at a total cost of \$267,167,000. The costs of such construction shall be paid one-half from amounts appropriated from the general fund of the Treasury and one-half from amounts appropriated from the Inland Waterways Trust Fund.

SEC. 115. The Secretary of the Army, acting through the Chief of Engineers, shall conduct a study for the James River, Greene County, Missouri, project for flood damage reduction, Greene County, Missouri, and, if the Secretary determines that such project is feasible, may carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

SEC. 116. Section 101(a)(21), "Amite River and Tributaries, Louisiana," of the Water Resources Development Act of 1999 is amended in subsection (a)(21) by striking "\$112,900,000" and inserting "\$150,257,000", and by striking "\$39,500,000" and inserting "\$52,589,950".

SEC. 117. None of the funds appropriated in this or any other Act may be used by the United States Army Corps of Engineers to support activities related to the proposed Ridge Landfill in Tuscarawas County, Ohio.

SEC. 118. Section 101(a)(19) of the Water Resources Development Act of 1999 is hereby amended to increase the total project cost to \$78,879,000 with an estimated Federal cost of \$51,271,000 and an estimated non-Federal cost of \$27,608,000 in accordance with the Corps of Engineers Post Authorization Change Report, dated January 2003, as amended by the Chief of Engineers.

113 Stat. 277.

SEC. 119. The Secretary of the Army, acting through the Chief of Engineers, is authorized to credit toward the non-Federal share of the cost of the Savannah Harbor Expansion, Georgia, project, authorized by section 101(b)(9) of the Water Resources Development Act of 1999, an amount equal to the Federal share of the costs incurred by the non-Federal interests subsequent to project authorization to the extent that the Secretary determines that such costs were necessary to ensure compliance with the conditions of the project authorization.

SEC. 120. The project for aquatic ecosystem restoration, Rose Bay, Volusia County, Florida, being carried out under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330), is modified to direct the Secretary of the Army, acting through the Chief of Engineers, to credit toward the non-Federal share of the cost of the project the costs incurred by the Florida Department of Transportation in constructing that portion of the United States Highway 1 bridge that the Secretary determines is required for the proper functioning of the project.

SEC. 121. The Secretary of the Army, acting through the Chief of Engineers, shall modify the shoreline management plan for Lake Cumberland, Kentucky, to allow for construction of a privately owned moorage facility at Woodson Bend Peninsula on the South Fork of the Cumberland River at Lake Cumberland.

SEC. 122. The non-Federal sponsor shall receive credit in an amount not to exceed \$10,000,000 toward their share of the cost of Des Moines Recreational River and Greenbelt, Iowa, projects for work performed by the sponsor, or others on behalf of the sponsor, including planning, design, and construction performed after October 1, 2002, provided the Secretary of the Army, acting through the Chief of Engineers, determines that such work is completed in accordance with United States Army Corps of Engineers standards and procedures and is integral to the Des Moines Recreational River and Greenbelt project.

SEC. 123. The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas, authorized by section 101(a)(24) of Public Law 106-53, is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project substantially in accordance with the plans and subject conditions, recommended in a final report of the Chief of Engineers if a favorable report of the Chief is completed by December 31, 2003, at a total project cost of \$73,380,000 with an estimated Federal cost of \$45,304,000 and an estimated non-Federal cost of \$28,076,000. The non-Federal interest shall receive credit toward the non-Federal share of project costs for construction work performed by the non-Federal interest before execution of the project cooperation agreement if the Secretary finds that the

work performed by the non-Federal interest is integral to the project.

SEC. 124. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to design and construct portions of the Long Lake Environmental Restoration Project, Indiana, that are located on non-federally owned land in accordance with section 206 of Public Law 104-303, as amended. Notwithstanding the provisions of section 206, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to design and construct all the components of the Long Lake, Indiana, environmental restoration project that are located on Federal land at full Federal expense as identified in the Long Lake, Indiana, Reconnaissance Report, dated October 2002, and as further modified by subsequent study. After completion of the project, the Secretary of the Army shall seek reimbursement from the Secretary of the Interior of an amount equal to the costs of the project allocated to benefits to the Indiana Dunes National Lakeshore.

113 Stat. 343.

SEC. 125. Section 514 of the Water Resources Development Act of 1999 is amended by striking “2000 and 2001” in subsection (g) and inserting “2003 and 2004”.

113 Stat. 383.

SEC. 126. Section 595 of the Water Resources Development Act of 1999 is amended by striking “Sec. 595. Rural Nevada and Montana.” and inserting in lieu thereof “Sec. 595. Rural Nevada, Montana, and Idaho.” and in (b) strike “and Montana.” and insert in lieu thereof “, Montana, and Idaho.” and in (c) strike “and Montana,” and insert in lieu thereof “, Montana, and Idaho,” and in (h)(1) strike “and” and insert after (h)(2) “and; (3) \$25,000,000 for Idaho;”.

SEC. 127. SOUTHERN AND EASTERN KENTUCKY. (a) PROJECT PURPOSES.—Section 531(b) of the Water Resources Development Act of 1996 (110 Stat. 3773) is amended by inserting before “and resource” the following: “, environmental restoration,”.

(b) DEFINITION.—Section 531(g) of such Act (110 Stat. 3774) is amended by inserting after “Lee,” the following: “Bath, Rowan,”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 531(h) of such Act (110 Stat. 3774; 113 Stat. 348) is amended by striking “\$25,000,000” and inserting “\$40,000,000”.

SEC. 128. With respect to the pre-construction engineering and design for the environmental dredging project at Ashtabula River, Ohio, for which funds are made available under this heading, the non-Federal interest shall receive credit toward the non-Federal share of the cost of the pre-construction engineering and design work performed in-kind after the date of execution of the design agreement.

106 Stat. 4847.

SEC. 129. Section 313(h)(2) of the Water Resources Development Act of 1992 is amended by striking “Armstrong, Beford, Blair, Cambria, Clearfield, Fayette, Franklin, Fulton, Huntingdon, Indiana, Juniata, Mifflin, Somerset, Snyder and Westmoreland Counties” and inserting “Allegheny, Armstrong, Beford, Blair, Cambria, Clearfield, Fayette, Franklin, Fulton, Greene, Huntingdon, Indiana, Juniata, Mifflin, Somerset, Snyder, Washington, and Westmoreland Counties”.

Sec. 130. HERRING CREEK-TALL TIMBERS, MARYLAND. (a) IN GENERAL.—Using funds made available by this Act, the Secretary of the Army, acting through the Chief of Engineers, may provide immediate corrective maintenance to the project at Herring Creek-Tall Timbers, Maryland, at full Federal expense.

(b) INCLUSIONS.—The corrective maintenance described in subsection (a), and any other maintenance performed after the date of enactment of this Act with respect to the project described in that subsection, may include repair or replacement, as appropriate, of the foundation and structures adjacent and structurally integral to the project.

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For carrying out activities authorized by the Central Utah Project Completion Act, \$34,902,000, to remain available until expended, of which \$11,259,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, \$1,326,000, to remain available until expended.

BUREAU OF RECLAMATION

The following appropriations shall be expended to execute authorized functions of the Bureau of Reclamation:

WATER AND RELATED RESOURCES

(INCLUDING TRANSFER OF FUNDS)

For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, Indian tribes, and others, \$813,491,000, to remain available until expended, of which \$36,400,000 shall be available for transfer to the Upper Colorado River Basin Fund and \$34,327,000 shall be available for transfer to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund; of which \$4,600,000 shall be for on-reservation water development, feasibility studies, and related administrative costs under Public Law 106–163; and of which not more than \$500,000 is for high priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C. 1706: *Provided*, That such transfers may be increased or decreased within the overall appropriation under this heading: *Provided further*, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C. 460l–6a(i) shall be derived from that Fund or account: *Provided further*, That funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which contributed: *Provided further*, That funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for

43 USC 2241.

the same purposes as the sums appropriated under this heading: *Provided further*, That \$10,000,000 of the funds appropriated herein shall be deposited in the San Gabriel Basin Restoration Fund established by section 110 of division B, title I of Public Law 106–554, as amended: *Provided further*, That funds available for expenditure for the Departmental Irrigation Drainage Program may be expended by the Bureau of Reclamation for site remediation on a non-reimbursable basis: *Provided further*, That section 301 of Public Law 102–250, Reclamation States Emergency Drought Relief Act of 1991, as amended, is amended further by inserting “2002, and 2003” in lieu of “and 2002”: *Provided further*, That the Bureau of Reclamation is authorized hereafter to negotiate and enter into financial assistance agreements with public and private agencies, organizations, and institutions for activities under the Lake Tahoe Regional Wetlands Development Program: *Provided further*, That the costs associated with such activities will be non-reimbursable.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, \$48,904,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f), and 3406(c)(1) of Public Law 102–575, to remain available until expended: *Provided*, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575.

POLICY AND ADMINISTRATION

For necessary expenses of policy, administration, and related functions in the Office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, \$54,870,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 16 passenger motor vehicles, of which 12 are for replacement only.

GENERAL PROVISIONS

DEPARTMENT OF THE INTERIOR

43 USC 373d.

SEC. 201. In order to increase opportunities for Indian tribes to develop, manage, and protect their water resources, in fiscal year 2003 and thereafter, the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to enter into grants and cooperative agreements with any Indian tribe, institution of higher education, national Indian organization, or tribal organization pursuant to 31 U.S.C. 6301–

6308. Nothing in this Act is intended to modify or limit the provisions of the Indian Self Determination Act (25 U.S.C. 45 et seq.).

SEC. 202. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the “Cleanup Program—Alternative Repayment Plan” and the “SJVDP—Alternative Repayment Plan” described in the report entitled “Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995”, prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.

SEC. 203. Section 212 of the Energy and Water Development Appropriations Act, 2001 (114 Stat. 1441B-13) is amended as follows:

(1) In subsection (a)(2)—

(A) by inserting “all real and personal property rights and interests associated with such conduits and canals, all water rights of whatever nature or kind associated therewith, and” before “all recreational facilities”; and

(B) by inserting “and improvements” after “recreational facilities”.

(2) In subsection (b)—

(A) by striking “as soon as practicable after date of enactment of this Act” and inserting “by no later than June 30, 2003,”; and

(B) by inserting “including all real and personal property rights, water rights, and facilities held by or appropriated to the United States” after “all right, title, and interest in and to the Sly Park Unit to the District”.

(3) In subsection (c)—

(A) by striking “The Secretary” and inserting “(1) Subject to paragraph (2), the Secretary”;

(B) by inserting “and subsequent interim renewal contracts associated therewith” after “contract number 14-06-200-949IR3”; and

(C) by adding at the end the following:

“(2) The amount the Secretary is authorized to receive under paragraph (1) shall be reduced by an amount equal to any payments received by the United States from the District under the contracts referred to in paragraph (1) in the period beginning on the date of the enactment of this Act and ending on the date of conveyance of the Sly Park Unit under this section.”.

SEC. 204. Section 110(a)(3)(A)(i) of division B of the Miscellaneous Appropriations Act, 2001 (as enacted into law by section 1(a)(4) of Public Law 106-554), is further amended by inserting

“, including all expenditures made by the Central Basin Municipal Water District between February 11, 1993, and December 21, 2000” before the semicolon.

SEC. 205. None of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to purchase or lease water in the Middle Rio Grande or the Carlsbad Projects in New Mexico unless said purchase or lease is in compliance with the purchase requirements of section 202 of Public Law 106-60.

SEC. 206. Funds under this title for Drought Emergency Assistance shall be made available primarily for leasing of water for specified drought related purposes from willing lessors, in compliance with existing State laws and administered under State water priority allocation. Such leases may be entered into with an option to purchase: *Provided*, That such purchase is approved by the State in which the purchase takes place and the purchase does not cause economic harm within the State in which the purchase is made.

SEC. 207. RESTORATION OF FISH, WILDLIFE, AND ASSOCIATED HABITATS IN WATERSHEDS OF CERTAIN LAKES. (a) IN GENERAL.—In carrying out section 2507 of Public Law 107-171, the Secretary of the Interior, acting through the Commissioner of Reclamation, shall—

(1) subject to paragraph (3), provide water and assistance under that section only for the Pyramid, Summit, and Walker Lakes in the State of Nevada;

(2) use \$1,000,000 for the creation of a fish hatchery at Walker Lake to benefit the Walker River Paiute Tribe; and

(3) use \$2,000,000 to provide grants, to be divided equally, to the State of Nevada, the State of California, the Truckee Meadows Water Authority, and the Pyramid Lake Paiute Tribe, to implement the Truckee River Settlement Act, Public Law 101-618.

(b) ADMINISTRATION.—The Secretary of the Interior, acting through the Commissioner of Reclamation, may provide financial assistance to State and local public agencies, Indian tribes, nonprofit organizations, and individuals to carry out this section and section 2507 of Public Law 107-171.

43 USC 373a
note.

SEC. 208. The Commissioner of the Bureau of Reclamation is directed to increase the use of the private sector in performing planning, engineering and design work for Bureau of Reclamation projects to 10 percent in fiscal year 2003, and in each subsequent year until the level of work is at least 40 percent for the planning, engineering and design work conducted by the Bureau of Reclamation.

SEC. 209. Using previously appropriated funds, the Bureau of Reclamation is directed to undertake activities related to the development of the North Central Montana Rural Water Supply System. Such sums shall remain available, without fiscal year limitation, until expended.

42 USC 10301
note.

SEC. 210. Section 8 of Public Law 104-298 (the Water Desalination Act of 1996) is amended further by—

(1) in paragraph (a) by striking “2002” and inserting in lieu thereof “2004”; and

(2) in paragraph (b) by striking “2002” and inserting in lieu thereof “2004”.

SEC. 211. (a) NORTH LAS VEGAS WATER REUSE PROJECT.—

(1) AUTHORIZATION.—The Secretary of the Interior, in cooperation with the appropriate local authorities, may participate in the design, planning, and construction of the North Las Vegas Water Reuse Project (hereinafter referred to as the “Project”) to reclaim and reuse water in the service area of the North Las Vegas Utility Division Service Area of the City of North Las Vegas and County of Clark, Nevada.

(2) COST SHARE.—The Federal share of the cost of the Project shall not exceed 25 percent of the total cost.

(3) LIMITATION.—Funds provided by the Secretary shall not be used for the operation or maintenance of the Project.

(4) FUNDING.—Funds appropriated pursuant to section 1631 of the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h-13) may be used for the Project.

(b) RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT.—Design, planning, and construction of the Project authorized by this Act shall be in accordance with, and subject to the limitations contained in, the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h et seq.), as amended.

SEC. 212. None of the funds appropriated or otherwise made available in this division or any prior Energy and Water Development Appropriations Act may be used for the settlement agreement of Sumner Peck Ranch, Inc. v. Bureau of Reclamation (Civ. No F-91-048 OWW (E.D. Cal)).

SEC. 213. Section 201(d) of the Salton Sea Reclamation Act of 1998 (Public Law 105-372) is amended by striking “\$3,000,000” and inserting “\$10,000,000”.

112 Stat. 3381.

SEC. 214. The Secretary of the Interior, acting through the Bureau of Reclamation, shall conduct a feasibility study of options for additional water storage in the Yakima River Basin, Washington, with emphasis on the feasibility of storage of Columbia River water in the potential Black Rock Reservoir and the benefit of additional storage to endangered and threatened fish, irrigated agriculture, and municipal water supply. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

SEC. 215. The Secretary of the Interior, in carrying out CALFED-related activities, may undertake feasibility studies for Sites Reservoir, Los Vaqueros Reservoir Enlargement, and Upper San Joaquin Storage projects. These storage studies should be pursued along with ongoing environmental and other projects in a balanced manner.

TITLE III

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY SUPPLY

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy supply activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation

of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$701,477,000, to remain available until expended.

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$215,100,000, to remain available until expended.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

For necessary expenses to maintain, decontaminate, decommission, and otherwise remediate uranium processing facilities, \$456,539,000, of which \$340,329,000, shall be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, all of which shall remain available until expended.

SCIENCE

For Department of Energy expenses including the purchase, construction and acquisition of plant and capital equipment, and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not to exceed 28 passenger motor vehicles for replacement only, \$3,305,894,000, to remain available until expended.

NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, \$145,000,000, to remain available until expended and to be derived from the Nuclear Waste Fund: *Provided*, That not to exceed \$2,500,000 shall be provided to the State of Nevada solely for expenditures, other than salaries and expenses of State employees, to conduct scientific oversight responsibilities and participate in licensing activities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended: *Provided further*, That \$7,000,000 shall be provided to affected units of local governments, as defined in Public Law 97-425, to conduct appropriate activities pursuant to the Act: *Provided further*, That the distribution of the funds as determined by the units of local government shall be approved by the Department of Energy: *Provided further*, That the funds for the State of Nevada shall be made available solely to the Nevada Division of Emergency Management by direct payment and units of local government by direct payment: *Provided further*, That within 90 days of the completion of each Federal fiscal year, the Nevada Division of Emergency Management and the Governor of the State of Nevada and each local entity shall provide certification to the

Deadline.
Nevada.
Certification.

Department of Energy that all funds expended from such payments have been expended for activities authorized by Public Law 97-425 and this Act. Failure to provide such certification shall cause such entity to be prohibited from any further funding provided for similar activities: *Provided further*, That none of the funds herein appropriated may be: (1) used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for lobbying activity as provided in 18 U.S.C. 1913; (2) used for litigation expenses; or (3) used to support multi-State efforts or other coalition building activities inconsistent with the restrictions contained in this Act: *Provided further*, That all proceeds and recoveries realized by the Secretary in carrying out activities authorized by the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, including but not limited to, any proceeds from the sale of assets, shall be available without further appropriation and shall remain available until expended.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed \$35,000), \$207,404,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department for miscellaneous revenues estimated to total \$120,000,000 in fiscal year 2003 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation from the General Fund estimated at not more than \$87,404,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$37,671,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including

the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed one for replacement only), \$5,954,204,000, to remain available until expended: *Provided*, That \$12,000,000 is authorized to be appropriated for Project 03-D-102, LANL administration building, Los Alamos National Laboratory, Los Alamos, New Mexico: *Provided further*, That \$113,000,000 is authorized to be appropriated for Project 01-D-108, Microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico.

DEFENSE NUCLEAR NONPROLIFERATION

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense, Defense Nuclear Nonproliferation activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$1,113,630,000, to remain available until expended.

NAVAL REACTORS

For Department of Energy expenses necessary for naval reactors activities to carry out the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition (by purchase, condemnation, construction, or otherwise) of real property, plant, and capital equipment, facilities, and facility expansion, \$706,790,000, to remain available until expended.

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Office of the Administrator of the National Nuclear Security Administration, including official reception and representation expenses (not to exceed \$12,000), \$330,929,000, to remain available for obligation until September 30, 2003.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental restoration and waste management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of not to exceed 24 passenger motor vehicles, for replacement only, \$5,470,180,000, to remain available until expended.

DEFENSE FACILITIES CLOSURE PROJECTS

For expenses of the Department of Energy to accelerate the closure of defense environmental management sites, including the purchase, construction, and acquisition of plant and capital equipment and other necessary expenses, \$1,138,314,000, to remain available until expended.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

For Department of Energy expenses for privatization projects necessary for atomic energy defense environmental management activities authorized by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), \$158,399,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$546,554,000, to remain available until expended.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, \$315,000,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93–454, are approved for official reception and representation expenses in an amount not to exceed \$1,500.

During fiscal year 2003, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER
ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, \$4,534,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, up to \$14,463,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain

available until expended for the sole purpose of making purchase power and wheeling expenditures.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER
ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed \$1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, \$27,378,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed \$16,455,000 in reimbursements, to remain available until expended: *Provided*, Notwithstanding the provisions of 31 U.S.C. 3302, that up to \$1,512,000 collected by the Southwestern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE,
WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed \$1,500, \$168,858,000, to remain available until expended, of which \$158,605,000 shall be derived from the Department of the Interior Reclamation Fund: *Provided*, That of the amount herein appropriated, \$6,100,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992: *Provided further*, That up to \$156,124,000 collected by the Western Area Power Administration pursuant to the Flood Control Act of 1944 and the Reclamation Project Act of 1939 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: *Provided further*, That, of the amounts appropriated in Public Law 107-66, not less than \$400,000 to be spent as described in House Report 107-258 under this heading shall be nonreimbursable: *Provided further*, That, of the amount appropriated in Public Law 107-66 for corridor review and environmental review required for the construction of a 230 kv transmission line between Belfield and Hettinger, not less than \$200,000 shall be provided for corridor review and environmental review for the construction of a high voltage line in Western North Dakota that would facilitate the upgrade of the Miles City DC tie.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydro-electric facilities at the Falcon and Amistad Dams, \$2,734,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed \$3,000), \$192,000,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, not to exceed \$192,000,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2003 shall be retained and used for necessary expenses in this account, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as revenues are received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation from the General Fund estimated at not more than \$0.

42 USC 7171
note.

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

SEC. 301. (a) None of the funds appropriated by this Act may be used to award a management and operating contract, or a contract for environmental remediation or waste management in excess of \$100 million in annual funding at a current or former management and operating contract site or facility, or award a significant extension or expansion to an existing management and operating contract, or other contract covered by this section, unless such contract is awarded using competitive procedures or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

Contracts.

(b) Within 30 days of formally notifying an incumbent contractor that the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the Subcommittees of the waiver and setting forth, in specificity, the substantive reasons why the Secretary believes the requirement for competition should be waived for this particular award.

Deadline.
Reports.

SEC. 302. None of the funds appropriated by this Act may be used to—

- (1) develop or implement a workforce restructuring plan that covers employees of the Department of Energy; or

(2) provide enhanced severance payments or other benefits for employees of the Department of Energy, under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 42 U.S.C. 7274h).

SEC. 303. None of the funds appropriated by this Act may be used to augment the \$21,183,000 made available for obligation by this Act for severance payments and other benefits and community assistance grants under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 42 U.S.C. 7274h) unless the Department of Energy submits a reprogramming request subject to approval by the appropriate congressional committees.

SEC. 304. None of the funds appropriated by this Act may be used to prepare or initiate Requests For Proposals (RFPs) for a program if the program has not been funded by Congress.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 305. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 306. None of the funds in this or any other Act for the Administrator of the Bonneville Power Administration may be used to enter into any agreement to perform energy efficiency services outside the legally defined Bonneville service territory, with the exception of services provided internationally, including services provided on a reimbursable basis, unless the Administrator certifies in advance that such services are not available from private sector businesses.

Public
information.

SEC. 307. When the Department of Energy makes a user facility available to universities and other potential users, or seeks input from universities and other potential users regarding significant characteristics or equipment in a user facility or a proposed user facility, the Department shall ensure broad public notice of such availability or such need for input to universities and other potential users. When the Department of Energy considers the participation of a university or other potential user as a formal partner in the establishment or operation of a user facility, the Department shall employ full and open competition in selecting such a partner. For purposes of this section, the term “user facility” includes, but is not limited to: (1) a user facility as described in section 2203(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 13503(a)(2)); (2) a National Nuclear Security Administration Defense Programs Technology Deployment Center/User Facility; and (3) any other Departmental facility designated by the Department as a user facility.

42 USC 7274r.

SEC. 308. The Administrator of the National Nuclear Security Administration may authorize the plant manager of a covered nuclear weapons production plant to engage in research, development, and demonstration activities with respect to the engineering and manufacturing capabilities at such plant in order to maintain and enhance such capabilities at such plant: *Provided*, That of the amount allocated to a covered nuclear weapons production plant each fiscal year from amounts available to the Department of Energy for such fiscal year for national security programs, not more than an amount equal to 2 percent of such amount may

be used for these activities: *Provided further*, That for purposes of this section, the term “covered nuclear weapons production plant” means the following:

- (1) the Kansas City Plant, Kansas City, Missouri;
- (2) the Y-12 Plant, Oak Ridge, Tennessee;
- (3) the Pantex Plant, Amarillo, Texas; and
- (4) the Savannah River Plant, South Carolina.

SEC. 309. The Administrator of the National Nuclear Security Administration may authorize the manager of the Nevada Operations Office to engage in research, development, and demonstration activities with respect to the development, test, and evaluation capabilities necessary for operations and readiness of the Nevada Test Site: *Provided*, That of the amount allocated to the Nevada Operations Office each fiscal year from amounts available to the Department of Energy for such fiscal year for national security programs at the Nevada Test Site, not more than an amount equal to 2 percent of such amount may be used for these activities.

SEC. 310. Section 310 of the Energy and Water Development Appropriations Act, 2000 (Public Law 106-60), is hereby repealed.

42 USC 7257
note.

SEC. 311. Funds appropriated by this or any other Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2003 until the enactment of the Intelligence Authorization Act for fiscal year 2003.

SEC. 312. None of the funds in this Act may be used to dispose of transuranic waste in the Waste Isolation Pilot Plant which contains concentrations of plutonium in excess of 20 percent by weight for the aggregate of any material category on the date of enactment of this Act, or is generated after such date. For the purposes of this section, the material categories of transuranic waste at the Rocky Flats Environmental Technology Site include: (1) ash residues; (2) salt residues; (3) wet residues; (4) direct repackaging residues; and (5) scrub alloy as referenced in the “Final Environmental Impact Statement on Management of Certain Plutonium Residues and Scrub Alloy Stored at the Rocky Flats Environmental Technology Site”.

SEC. 313. Funds appropriated in Public Law 107-66 for the Kachemak Bay submarine cable project may be available to reimburse the local sponsor for the Federal share of the project costs assumed by the local sponsor prior to final passage of that Act.

SEC. 314. STAY AND REINSTATEMENT OF FERC LICENSE NO. 11393. (a) Upon the request of the licensee for FERC Project No. 11393, the Federal Energy Regulatory Commission shall issue an order staying the license.

(b) Upon the request of the licensee for FERC Project No. 11393, but not later than 6 years after the date that the Federal Energy Regulatory Commission receives written notice that construction of the Swan-Tyee transmission line is completed, the Federal Energy Regulatory Commission shall issue an order lifting the stay and make the effective date of the license the date on which the stay is lifted.

Deadline.

(c) Upon request of the licensee for FERC Project No. 11393 and notwithstanding the time period specified in section 13 of the Federal Power Act for the commencement of construction, the Commission shall, after reasonable notice and in accordance with

the good faith, due diligence, and public interest requirements of that section, extend the time period during which licensee is required to commence the construction of the project for not more than one 2-year time period.

SEC. 315. (a) None of the funds made available under the accounts “non-defense environmental management”, “uranium facilities maintenance and remediation”, “defense environmental restoration and waste management”, or “defense facilities closure projects” may be obligated at a Department of Energy site or laboratory, or in association with a site or laboratory, if the effect of such would result in the Department of Energy exceeding for that site or laboratory the comparable current-year level of funding, or the amount of the fiscal year 2003 budget request, whichever is greater.

(b) The limitation of subsection (a) will not apply to a site or laboratory after such time that the Department has entered into a site performance management plan for that site or laboratory consistent with the intent of the Department’s environmental management acceleration and reform initiative.

SEC. 316. Notwithstanding any other provision of law, the National Nuclear Security Administration is prohibited from taking any actions adversely affecting employment at the Nevada Operations Office for a period of not less than 365 days, unless the Administrator seeks and is granted a waiver, in writing, from the House and Senate Committees on Appropriations.

SEC. 317. Notwithstanding the provisions of any other law, using funds appropriated in this title, the Secretary of Energy shall proceed with planning and analyses for external regulation of the Department’s laboratories under the Office of Science as directed in the statement of managers accompanying this bill.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, and, for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, \$71,290,000, to remain available until expended.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-456, section 1441, \$19,000,000, to remain available until expended.

DELTA REGIONAL AUTHORITY

SALARIES AND EXPENSES

For necessary expenses of the Delta Regional Authority and to carry out its activities, as authorized by the Delta Regional Authority Act of 2000, notwithstanding section 382N of said Act, \$8,000,000, to remain available until expended.

DENALI COMMISSION

For expenses of the Denali Commission including the purchase, construction and acquisition of plant and capital equipment as necessary and other expenses, \$48,000,000, to remain available until expended.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including official representation expenses (not to exceed \$15,000), and purchase of promotional items for use in the recruitment of individuals for employment, \$578,184,000, to remain available until expended: *Provided*, That of the amount appropriated herein, \$24,900,000 shall be derived from the Nuclear Waste Fund: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections estimated at \$520,087,000 in fiscal year 2003 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation estimated at not more than \$58,097,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$6,800,000, to remain available until expended: *Provided*, That revenues from licensing fees, inspection services, and other services and collections estimated at \$6,392,000 in fiscal year 2003 shall be retained and be available until expended, for necessary salaries and expenses in this account notwithstanding 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation estimated at not more than \$408,000.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100-203, section 5051, \$3,200,000, to be derived from the Nuclear Waste Fund, and to remain available until expended.

TITLE V

GENERAL PROVISIONS

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913.

SEC. 502. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 503. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

42 USC 3121
note.

SEC. 504. Section 309 of title III—Denali Commission of division C—Other Matters of Public Law 105–277, as amended, is further amended by striking “2003” and inserting “2008”.

SEC. 505. EXTENSION OF PROHIBITION OF OIL AND GAS DRILLING IN THE GREAT LAKES. Section 503 of the Energy and Water Development Appropriations Act, 2002 (115 Stat. 512), is amended by striking “2002 and 2003” and inserting “2002 through 2005”.

SEC. 506. CLARIFICATION OF INDEMNIFICATION TO PROMOTE ECONOMIC DEVELOPMENT. Title 42 U.S.C. 7274g is amended in subsection (b)(2), by adding the following new subparagraph:

“(D) Any successor, assignee, transferee, lender or lessee of a person or entity described in subparagraphs (A) through (C).”.

Deadline.
Budget.

SEC. 507. The Director of the Office of Management and Budget shall transmit to the Congress by April 1, 2003, a cross-cut budget displaying, by fiscal year, all CALFED Bay-Delta Program related expenditures by the Federal Government, actual and projected, for fiscal years 1996 through 2004.

This division may be cited as the “Energy and Water Development Appropriations Act, 2003”.

DIVISION E—FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS APPROPRIATIONS, 2003Foreign
Operations,
Export
Financing, and
Related
Programs
Appropriations
Act, 2003.

JOINT RESOLUTION

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country, other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act, that has detonated a nuclear explosive after the date of the enactment of this Act: *Provided further*, That notwithstanding section 1(c) of Public Law 103–428, as amended, sections 1(a) and (b) of Public Law 103–428 shall remain in effect through September 30, 2003.

12 USC 635 note.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$512,900,000, to remain available until September 30, 2006: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until September 30, 2021 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 2003, 2004, 2005, and 2006: *Provided further*, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, and related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof.

ADMINISTRATIVE EXPENSES

Termination
date.
12 USC 635a
note.

For administrative expenses to carry out the direct and guaranteed loan and insurance programs, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$30,000 for official reception and representation expenses for members of the Board of Directors, \$68,300,000: *Provided*, That the Export-Import Bank may accept, and use, payment or services provided by transaction participants for legal, financial, or technical services in connection with any transaction for which an application for a loan, guarantee or insurance commitment has been made: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2003.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$39,885,000: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, \$24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961, to be derived by transfer from the Overseas Private Investment Corporation Non-Credit Account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2003 and 2004: *Provided further*, That such sums shall remain available through fiscal year 2011 for the disbursement of direct and guaranteed loans obligated in fiscal year 2003, and through fiscal year 2012 for the disbursement of direct and guaranteed loans obligated in fiscal year 2004.

In addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$44,512,000, to remain available until September 30, 2004.

In addition, for an additional amount for “Trade and Development Agency” for trade capacity building assistance, \$2,500,000, to remain available until September 30, 2003: *Provided*, That any funds made available by this paragraph shall be made available subject to the regular notification procedures of the Committees on Appropriations.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2003, unless otherwise specified herein, as follows:

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, health, and family planning/reproductive health activities, in addition to funds otherwise available for such purposes, \$1,836,500,000, to remain available until September 30, 2005: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health, nutrition, water and sanitation programs which directly address the needs of mothers and children, and related education programs; (4) assistance for displaced and orphaned children; (5) programs for the prevention, treatment, and control of, and research on, HIV/AIDS, tuberculosis, malaria, polio and other infectious diseases; and (6) family planning/reproductive health: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance, except that funds may be made available for such assistance for ongoing health activities: *Provided further*, That of the funds appropriated under this heading, not to exceed \$150,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of child survival, maternal and family planning/reproductive health, and infectious disease programs: *Provided further*, That the following amounts should be allocated as follows: \$324,000,000 for child survival and maternal health; \$27,000,000 for vulnerable children; \$591,500,000 for HIV/AIDS including not less than \$18,000,000 which should be made available to support the development of microbicides as a means for combating HIV/AIDS; \$155,500,000 for other infectious diseases; \$368,500,000 for family planning/reproductive health, including in areas where population growth threatens biodiversity or endangered species; and \$120,000,000 for UNICEF: *Provided further*, That of the funds

appropriated under this heading, and in addition to funds allocated under the previous proviso, not less than \$250,000,000 shall be made available, notwithstanding any other provision of law, for a United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, and shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That the cumulative amount of United States contributions to the Global Fund may not exceed the total resources provided by other donors and available for use by the Global Fund: *Provided further*, That of the funds appropriated under this heading that are available for HIV/AIDS programs and activities, up to \$10,500,000 should be made available for the International AIDS Vaccine Initiative, and up to \$100,000,000 should be made available for the International Mother and Child HIV Prevention Initiative: *Provided further*, That of the funds appropriated under this heading, up to \$60,000,000 may be made available for a United States contribution to The Vaccine Fund, and up to \$6,000,000 may be transferred to and merged with funds appropriated by this Act under the heading “Operating Expenses of the United States Agency for International Development” for costs directly related to international health, but funds made available for such costs may not be derived from amounts made available for contribution under the preceding provisos: *Provided further*, That notwithstanding any other provision of this Act, funds appropriated under this heading that are available for child survival and health programs shall be apportioned to the United States Agency for International Development, and the authority of sections 632(a) or 632(b) of the Foreign Assistance Act of 1961, or any comparable provision of law, may not be used to transfer or allocate any part of such funds to the Department of Health and Human Services including any office of that agency, except that the authority of those sections may be used to transfer or allocate up to \$25,000,000 of such funds to the Centers for Disease Control and Prevention: *Provided further*, That of the funds appropriated under this heading, \$5,000,000 shall be made available to continue to support the provision of wheelchairs for needy persons in developing countries: *Provided further*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this Act may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions: *Provided further*, That none of the funds made available under this Act may be used to lobby for or against abortion: *Provided further*, That in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use

Abortion.
Sterilization.

Family planning.

of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committees on Appropriations a report containing a description of such violation and the corrective action taken by the Agency: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That the funds under this heading that are available for the treatment and prevention of HIV/AIDS should also include programs and activities that are designed to maintain and preserve the families of those persons living with HIV/AIDS and to reduce the numbers of orphans created by HIV/AIDS.

Deadline.
Reports.

DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103, 105, 106, and 131, and chapter 10 of part I of the Foreign Assistance Act of 1961, \$1,389,000,000, to remain available until September 30, 2004: *Provided*, That none of the funds appropriated under title II of this Act that are managed by or allocated to the United States Agency for International Development's Global Development Secretariat, may be made available except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That \$159,000,000 should be allocated for

trade capacity building: *Provided further*, That \$218,000,000 should be allocated for basic education, of which \$20,000,000 should be made available only for programs to increase the professional competence of national and regional education administrators: *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna: *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed \$32,500, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the aggregate amount of the funds appropriated by this Act that are made available for agriculture and rural development programs, \$25,000,000 should be made available for plant biotechnology research and development: *Provided further*, That not less than \$2,300,000 should be made available for core support for the International Fertilizer Development Center: *Provided further*, That of the funds appropriated under this heading, not less than \$18,000,000 should be made available for the American Schools and Hospitals Abroad program: *Provided further*, That of the funds appropriated by this Act, \$100,000,000 shall be made available for drinking water supply projects and related activities.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$230,000,000, to remain available until expended.

In addition, for assistance for Afghanistan, \$60,000,000 to remain available until expended: *Provided*, That these funds shall be used for humanitarian and reconstruction assistance for the Afghan people including health and education programs, housing, to improve the status of women, infrastructure, and assistance for victims of war and displaced persons.

TRANSITION INITIATIVES

For necessary expenses for international disaster rehabilitation and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, \$50,000,000, to remain available until expended, to support transition to democracy and to long-term development of countries in crisis: *Provided*, That such support may include assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict: *Provided further*, That the United States Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to beginning a new program of assistance.

Reports.
Deadline.

DEVELOPMENT CREDIT AUTHORITY

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans and loan guarantees, as authorized by sections 108 and 635 of the Foreign Assistance Act of 1961, funds may be derived by transfer from funds appropriated by this

Act to carry out part I of such Act and under the heading “Assistance for Eastern Europe and the Baltic States”: *Provided*, That such funds when added to the funds transferred pursuant to the authority contained under this heading in Public Law 107-115, shall not exceed \$24,500,000, which shall be made available only for micro and small enterprise programs, urban programs, and other programs which further the purposes of part I of the Act: *Provided further*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading. In addition, for administrative expenses to carry out credit programs administered by the United States Agency for International Development, \$7,591,000, which may be transferred to and merged with the appropriation for Operating Expenses of the United States Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2007.

Applicability.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY
FUND

For payment to the “Foreign Service Retirement and Disability Fund”, as authorized by the Foreign Service Act of 1980, \$45,200,000.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$572,000,000: *Provided*, That none of the funds appropriated under this heading and under the heading “Capital Investment Fund” may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the United States Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: *Provided further*, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed \$1,000,000.

Reports.
Deadline.

CAPITAL INVESTMENT FUND

For necessary expenses for overseas construction and related costs, and for the procurement and enhancement of information technology and related capital investments, pursuant to section 667, \$43,000,000, to remain available until expended: *Provided*, That this amount is in addition to funds otherwise available for such purposes: *Provided further*, That of the funds appropriated under this heading, up to \$10,000,000 may be made available for costs related to the construction of temporary, secure facilities for United States Agency for International Development personnel

in Afghanistan: *Provided further*, That the Administrator of the United States Agency for International Development shall assess fair and reasonable rental payments for the use of space by employees of other United States Government agencies in buildings constructed using funds appropriated under this heading, and such rental payments shall be deposited into this account as an offsetting collection: *Provided further*, That the rental payments collected pursuant to the previous proviso and deposited as an offsetting collection shall be available for obligation only pursuant to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the assignment of United States Government employees or contractors to space in buildings constructed using funds appropriated under this heading shall be subject to the concurrence of the Administrator of the United States Agency for International Development: *Provided further*, That funds appropriated under this heading shall be available for obligation only pursuant to the regular notification procedures of the Committees on Appropriations.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, \$33,300,000, to remain available until September 30, 2004, which sum shall be available for the Office of the Inspector General of the United States Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Israel. Deadline.	For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,270,000,000, to remain available until September 30, 2004: <i>Provided</i> , That of the funds appropriated under this heading, not less than \$600,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act: <i>Provided further</i> , That not less than \$615,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than \$200,000,000 shall be provided as Commodity Import Program assistance: <i>Provided further</i> , That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country and that Israel enters into a side letter agreement in an amount proportional to the fiscal year 1999 agreement: <i>Provided further</i> , That of the funds appropriated under this heading, \$250,000,000 should be made available for assistance for Jordan: <i>Provided further</i> , That of the funds appropriated under this heading, up to \$1,000,000 should be used to further legal reforms in the West Bank and Gaza, including judicial training on commercial disputes and ethics: <i>Provided further</i> , That not to exceed \$200,000,000 of the funds appropriated under this heading in this Act may be made available for the costs, as defined in
Egypt.	
President. Israel.	

section 502 of the Congressional Budget Act of 1974, of modifying direct loans and guarantees for Pakistan: *Provided further*, That not to exceed \$15,000,000 of the funds appropriated under this heading in Public Law 107-206, the Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States, FY 2002, may be made available for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and guarantees for Jordan: *Provided further*, That not less than \$15,000,000 of the funds appropriated under this heading shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus: *Provided further*, That not less than \$35,000,000 of the funds appropriated under this heading shall be made available for assistance for Lebanon to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon: *Provided further*, That notwithstanding section 534(a) of this Act, funds appropriated under this heading that are made available for assistance for the Central Government of Lebanon shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the Government of Lebanon should enforce the custody and international pickup orders, issued during calendar year 2001, of Lebanon's civil courts regarding abducted American children in Lebanon: *Provided further*, That of the funds appropriated under this heading, \$60,000,000 shall be made available for the United States Agency for International Development for assistance for Indonesia: *Provided further*, That of the funds appropriated under this heading, not less than \$25,000,000 shall be made available for assistance for the Democratic Republic of Timor-Leste of which up to \$1,000,000 may be available for administrative expenses of the United States Agency for International Development: *Provided further*, That of the funds appropriated under this heading, not less than \$2,000,000 should be made available for assistance for countries to implement and enforce the Kimberley Process Certification Scheme: *Provided further*, That \$3,000,000 should be made available for the international youth exchange program for secondary school students from countries with significant Muslim populations: *Provided further*, That funds appropriated under this heading may be used, notwithstanding any other provision of law, to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese Government forces and its militia allies, and the provision of such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That in the previous proviso, the term "assistance" includes non-lethal, non-food aid such as blankets, medicine, fuel, mobile clinics, water drilling equipment, communications equipment to notify civilians of aerial bombardment, non-military vehicles, tents, and shoes: *Provided further*, That of the funds appropriated under this heading, not less than \$10,000,000 should be made available during fiscal year 2003 for a contribution to the Special Court for Sierra Leone: *Provided further*, That with respect to funds appropriated under this heading in this Act or prior Acts making appropriations for foreign operations, export

Cyprus.

Lebanon.

Timor-Leste.

financing, and related programs, the responsibility for policy decisions and justifications for the use of such funds, including whether there will be a program for a country that uses those funds and the amount of each such program, shall be the responsibility of the Secretary of State and the Deputy Secretary of State and this responsibility shall not be delegated.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, \$25,000,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 2004.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$525,000,000, to remain available until September 30, 2004, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: *Provided*, That funds made available for assistance for Kosovo from funds appropriated under this heading and under the headings “Economic Support Fund” and “International Narcotics Control and Law Enforcement” should not exceed 15 percent of the total resources pledged by all donors for calendar year 2003 for assistance for Kosovo as of March 31, 2003: *Provided further*, That none of the funds made available under this Act for assistance for Kosovo shall be made available for large scale physical infrastructure reconstruction: *Provided further*, That of the funds made available under this heading for assistance for Kosovo, up to \$1,000,000 should be made available for assistance to support training programs for Kosovar women: *Provided further*, That not less than \$5,000,000 shall be made available for assistance for the Baltic States: *Provided further*, That of the funds made available under this heading for assistance for Bulgaria, \$2,000,000 should be made available to enhance safety at nuclear power plants.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund’s disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the United States Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(e) The provisions of section 529 of this Act shall apply to funds made available under subsection (d) and to funds appropriated under this heading: *Provided*, That notwithstanding any provision of this or any other Act, including provisions in this subsection regarding the application of section 529 of this Act, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts and made available for the economic revitalization program in Bosnia may be used in Eastern Europe and the Baltic States to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989.

Applicability.

(f) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between state sponsors of terrorism and terrorist organizations and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapters 11 and 12 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, \$760,000,000, to remain available until September 30, 2004: *Provided*, That the provisions of such chapters shall apply to funds appropriated by this paragraph: *Provided further*, That of the funds made available for the Southern Caucasus region, notwithstanding any other provision of law, funds may be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh: *Provided further*, That of the funds appropriated under this heading, not less than \$1,500,000 should be available only to meet the health and other assistance needs of victims of trafficking in persons: *Provided further*, That of the funds appropriated under this heading \$17,500,000 shall be made available solely for assistance for the Russian Far East: *Provided further*, That, notwithstanding any other provision of law, funds appropriated under this heading in this Act or prior Acts making appropriations for foreign operations, export financing, and related programs, that are made available pursuant to the provisions of section 807 of the FREEDOM Support Act (Public Law

Termination date.

Applicability.

102–511) shall be subject to a 6 percent ceiling on administrative expenses.

(b) Of the funds appropriated under this heading that are made available for assistance for Ukraine, not less than \$20,000,000 should be made available for nuclear reactor safety initiatives, and not less than \$1,500,000 shall be made available for coal mine safety programs, including mine ventilation and fire prevention and control.

(c) Of the funds appropriated under this heading, not less than \$90,000,000 shall be made available for assistance for Armenia.

(d)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 60 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation:

(A) has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability; and

(B) is providing full access to international non-government organizations providing humanitarian relief to refugees and internally displaced persons in Chechnya.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases, child survival activities, or assistance for victims of trafficking in persons; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(e) Of the funds appropriated under this heading, not less than \$60,000,000 should be made available, in addition to funds otherwise available for such purposes, for assistance for child survival, basic education, environmental and reproductive health/family planning, and to combat HIV/AIDS, tuberculosis and other infectious diseases, and for related activities.

(f) None of the funds appropriated under this heading may be made available for assistance for the Government of Ukraine unless the Secretary of State determines and certifies to the Committees on Appropriations that, since September 30, 2000, the Government of Ukraine has not facilitated or engaged in arms sales or arms transfers to Iraq: *Provided*, That this paragraph shall not apply to assistance to combat infectious diseases, nuclear safety programs and activities, or assistance for victims of trafficking in persons, and to activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(g) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201 or non-proliferation assistance;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

For necessary expenses to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, \$16,200,000, to remain available until September 30, 2004.

AFRICAN DEVELOPMENT FOUNDATION

For necessary expenses to carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, \$18,689,000, to remain available until September 30, 2004: *Provided*, That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the board of directors of the Foundation: *Provided further*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both prior to and following enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the \$250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committees on Appropriations after each time such waiver authority is exercised.

Applicability.

Reports.

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$297,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2004: *Provided further*, That the Director of the Peace Corps may make appointments or assignments, or extend current appointments or assignments, to permit United States citizens to serve for periods in excess of 5 years in the case of individuals whose appointment or assignment, such as regional safety security officers and employees within the Office of the Inspector General, involves the safety of Peace Corps volunteers: *Provided further*, That the Director of the Peace Corps may make such appointments or assignments notwithstanding the provisions of section 7 of the Peace Corps

Act limiting the length of an appointment or assignment, the circumstances under which such an appointment or assignment may exceed 5 years, and the percentage of appointments or assignments that can be made in excess of 5 years.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$197,000,000, to remain available until expended: *Provided*, That during fiscal year 2003, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated under this heading, not less than \$5,000,000 shall be apportioned directly to the Department of the Treasury, International Affairs Technical Assistance, to be used for financial crimes and law enforcement technical assistance programs: *Provided further*, That of the funds appropriated under this heading, \$10,000,000 should be made available for the demand reduction program: *Provided further*, That of the funds appropriated under this heading, \$10,000,000 should be made available for anti-trafficking in persons programs, including trafficking prevention, protection and assistance for victims, and prosecution of traffickers: *Provided further*, That of the funds appropriated under this heading, not more than \$24,180,000 may be available for administrative expenses.

ANDEAN COUNTERDRUG INITIATIVE

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961 to support counterdrug activities in the Andean region of South America, \$700,000,000, to remain available until expended: *Provided*, That in addition to the funds appropriated under this heading and subject to the regular notification procedures of the Committees on Appropriations, the President may make available up to an additional \$31,000,000 for the Andean Counterdrug Initiative, which may be derived from funds appropriated under the heading “International Narcotics Control and Law Enforcement” in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs: *Provided further*, That in fiscal year 2003, funds available to the Department of State for assistance to the Government of Colombia shall be available to support a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC), and to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations: *Provided further*, That this authority shall cease to be effective if the Secretary of State has credible evidence that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of

Colombia.

paramilitary and guerrilla organizations: *Provided further*, That the President shall ensure that if any helicopter procured with funds under this heading is used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, such helicopter shall be immediately returned to the United States: *Provided further*, That none of the funds appropriated by this Act may be made available to support a Peruvian air interdiction program until the Secretary of State and Director of Central Intelligence certify to the Congress, 30 days before any resumption of United States involvement in a Peruvian air interdiction program, that an air interdiction program that permits the ability of the Peruvian Air Force to shoot down aircraft will include enhanced safeguards and procedures to prevent the occurrence of any incident similar to the April 20, 2001 incident: *Provided further*, That the Secretary of State, in consultation with the Administrator of the United States Agency for International Development, shall provide to the Committees on Appropriations not later than 45 days after the date of the enactment of this Act and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project, or activity: *Provided further*, That of the amount appropriated under this heading, not less than \$250,000,000 shall be apportioned directly to the United States Agency for International Development, to be used for economic and social programs: *Provided further*, That of the funds appropriated under this heading and under the heading “Foreign Military Financing Program”, not less than \$5,000,000 should be made available to support a Colombian Armed Forces unit dedicated to apprehending the leaders of paramilitary organizations: *Provided further*, That of the funds made available for assistance for Colombia under this heading, up to \$3,000,000 should be made available for commercially developed, web monitoring software, and training on the usage thereof, for the Colombian National Police: *Provided further*, That of the funds made available for assistance for Colombia under this heading, not less than \$1,500,000 should be made available for vehicles, equipment, and other assistance for the human rights unit of the Procurador General: *Provided further*, That not more than 20 percent of the funds appropriated by this Act that are used for the procurement of chemicals for aerial coca and poppy fumigation programs may be made available for such programs unless the Secretary of State, after consultation with the Administrator of the Environmental Protection Agency (EPA), certifies to the Committees on Appropriations that: (1) the herbicide mixture is being used in accordance with EPA label requirements for comparable use in the United States and any additional controls recommended by the EPA for this program, and with the Colombian Environmental Management Plan for aerial fumigation; (2) the herbicide mixture, in the manner it is being used, does not pose unreasonable risks or adverse effects to humans or the environment; (3) complaints of harm to health or licit crops caused by such fumigation are evaluated and fair compensation is being paid for meritorious claims; and such funds may not be made available for such purposes unless programs are being implemented by the United States Agency for International Development, the Government of Colombia, or other organizations, in consultation with local communities, to provide alternative sources of income in areas where security permits for small-acreage growers whose

President.

Deadline.
Reports.

illicit crops are targeted for fumigation: *Provided further*, That section 482(b) of the Foreign Assistance Act of 1961 shall not apply to funds appropriated under this heading: *Provided further*, That assistance provided with funds appropriated under this heading that is made available notwithstanding section 482(b) of the Foreign Assistance Act of 1961, as amended, shall be made available subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the provisions of section 3204(b) through (d) of Public Law 106-246, as amended by Public Law 107-115, shall be applicable to funds appropriated for fiscal year 2003: *Provided further*, That no United States Armed Forces personnel or United States civilian contractor employed by the United States will participate in any combat operation in connection with assistance made available by this Act for Colombia: *Provided further*, That of the funds appropriated under this heading, not less than \$3,500,000 shall be made available for assistance for the Colombian National Park Service for training, equipment, and other assistance to protect Colombia's national parks and reserves: *Provided further*, That of the funds appropriated under this heading, not more than \$15,680,000 may be available for administrative expenses of the Department of State, and not more than \$4,500,000 may be available, in addition to amounts otherwise available for such purposes, for administrative expenses of the United States Agency for International Development.

Applicability.

Colombia.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$787,000,000, which shall remain available until expended: *Provided*, That not more than \$16,565,000 may be available for administrative expenses: *Provided further*, That not less than \$60,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel: *Provided further*, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE
FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as

amended (22 U.S.C. 2601(c)), \$26,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED
PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism, demining and related programs and activities, \$306,400,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, chapter 9 of part II of the Foreign Assistance Act of 1961, section 504 of the FREEDOM Support Act, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, the destruction of small arms, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, and section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), consistent with the provisions of section 562 of this Act, and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further*, That of this amount not to exceed \$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so following consultation with the appropriate committees of Congress: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That of the funds made available for demining and related activities, not to exceed \$675,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program: *Provided further*, That the Secretary of State is authorized to provide not to exceed \$250,000 for public-private partnerships for mine action by grant, cooperative agreement, or contract.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), \$10,800,000, to remain available until expended, which shall be available notwithstanding any other provision of law.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$80,000,000, of which up to \$3,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for military education and training for Guatemala may only be available for expanded international military education and training and funds made available for Algeria, Nigeria and Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations.

FOREIGN MILITARY FINANCING PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Israel.
Egypt.

Deadline.

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$4,072,000,000: *Provided*, That of the funds appropriated under this heading, not less than \$2,100,000,000 shall be available for grants only for Israel, and not less than \$1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than \$550,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That except as provided in the following proviso, none of the funds appropriated by this paragraph may be made available for helicopters and related support costs for Colombia: *Provided further*, That up to \$93,000,000 of the funds appropriated by this paragraph may be transferred to and merged with funds appropriated under the heading “Andean Counterdrug Initiative” for helicopters, training and other assistance for the Colombian Armed Forces for security for the Cano Limon pipeline: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements

has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the “Foreign Military Sales Financing Program” in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than \$38,000,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than \$356,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2003 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: *Provided further*, That foreign military financing program funds estimated to be outlaid for Egypt during fiscal year 2003 shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York within 30 days of enactment of this Act.

Egypt.
Deadline.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$115,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, \$147,812,533, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility,

by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, \$850,000,000, to remain available until expended.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE
AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, \$1,631,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$7,609,793.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the Inter-American Investment Corporation, by the Secretary of the Treasury, \$18,351,667, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS
MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the fund, \$24,590,667, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended, \$97,886,133, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, \$5,104,473, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$79,602,688.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, \$108,073,333, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,804,955 for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$123,328,178.

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

For the United States contribution by the Secretary of the Treasury to increase the resources of the International Fund for Agricultural Development, \$15,003,667, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$195,150,000: *Provided*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): *Provided further*, That of the funds appropriated under this heading, not less than \$500,000 should be made available for a United States contribution to the International Coffee Organization (ICO) if the United States becomes a member of the ICO prior to June 1, 2003: *Provided further*, That if the United States does not rejoin the International Coffee Organization by June 1, 2003, the amount allocated under the previous proviso should be made available for the United Nations Center for Human Settlements (UN-HABITAT) in addition to other funds made available for UN-HABITAT under this heading.

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled “International Disaster Assistance” and “United States Emergency Refugee and Migration Assistance Fund”, not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PRIVATE AND VOLUNTARY ORGANIZATIONS

22 USC 2151u
note.

SEC. 502. (a) None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the Administrator of the United States Agency for International Development, after informing the Committees on Appropriations, may, on a case-by-case basis, waive the restriction contained in this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency.

(b) Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$100,500 shall be for official residence expenses of the United States Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed \$5,000 shall be for entertainment expenses of the United States Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed \$125,000 shall be available for representation allowances for the United States Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed \$2,000 shall be available for entertainment expenses and not to exceed \$125,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed \$50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed \$2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available

for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading “Trade and Development Agency”, not to exceed \$2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for “Nonproliferation, Anti-terrorism, Demining and Related Programs”) pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents: *Provided further*, That assistance or other financing under this Act or under prior foreign operations, export financing, and related programs appropriations Acts may be provided for humanitarian and relief assistance for Iraq notwithstanding the provisions of this section or any other provision of law, including comparable provisions contained in prior foreign operations, export financing, and related programs appropriations Acts, if the President determines that the provision of assistance or other financing for Iraq is important to the national security interests of the United States: *Provided further*, That such assistance or financing shall be subject to the regular notification procedures of the Committees on Appropriations, except that notifications shall be transmitted at least 5 days in advance of obligations of funds: *Provided further*, That the President shall submit a report to the Committees on Appropriations on the status of the allocation, obligation and expenditure of funds made available for Iraq not later than every 60 days during fiscal year 2003, beginning on March 1, 2003: *Provided further*, That each such report shall include information on programs, projects, and activities that are being funded or will be funded with such assistance or financing, and the departments and agencies responsible for managing each such program, project, and activity: *Provided further*, That the authority of the second proviso of this section to provide assistance for Iraq shall expire on the date of enactment of the first subsequent supplemental appropriations Act for fiscal year 2003 that contains supplemental funding for appropriations accounts contained in this Act.

President.
Reports.
Deadline.

Expiration date.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by decree or military coup: *Provided*, That assistance may be resumed to such

government if the President determines and certifies to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office: *Provided further*, That the provisions of this section shall not apply to assistance to promote democratic elections or public participation in democratic processes: *Provided further*, That funds made available pursuant to the previous provisos shall be subject to the regular notification procedures of the Committees on Appropriations.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. (a) None of the funds made available by this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

(b) Notwithstanding subsection (a), in addition to transfers made by, or authorized elsewhere in, this Act, funds appropriated by this Act to carry out the purposes of the Foreign Assistance Act of 1961 may be allocated or transferred to agencies of the United States Government pursuant to the provisions of sections 109, 610, and 632 of the Foreign Assistance Act of 1961.

(c) None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, not less than five days prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

(d) Any agreement for the transfer or allocation of funds appropriated by this Act, or prior Acts, entered into between the United States Agency for International Development and another agency of the United States Government under the authority of section 632(a) of the Foreign Assistance Act of 1961 or any comparable provision of law, shall expressly provide that the Office of the Inspector General for the agency receiving the transfer or allocation of such funds shall perform periodic program and financial audits of the use of such funds: *Provided*, That funds transferred under such authority may be made available for the cost of such audits.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this section may not be used in fiscal year 2003.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, 11, and 12 of part I, section 667, chapter 4 of part II of the

Foreign Assistance Act of 1961, as amended, section 23 of the Arms Export Control Act, and funds provided under the heading “Assistance for Eastern Europe and the Baltic States”, shall remain available for an additional 4 years from the date on which the availability of such funds would otherwise have expired, if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to the government of any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to the government of such country by the United States pursuant to a program for which funds are appropriated under this Act unless the President determines, following consultations with the Committees on Appropriations, that assistance to such country is in the national interest of the United States.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

22 USC 262h
note.

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for “Child Survival and Health Programs Fund”, “Development Assistance”, “International Organizations and Programs”, “Trade and Development Agency”, “International Narcotics Control and Law Enforcement”, “Andean Counterdrug Initiative”, “Assistance for Eastern Europe and the Baltic States”, “Assistance for the Independent States of the Former Soviet Union”, “Economic Support Fund”, “Peacekeeping Operations”, “Capital Investment Fund”, “Operating Expenses of the United States Agency for International Development”, “Operating Expenses of the United States Agency for International Development Office of Inspector General”, “Nonproliferation, Anti-terrorism, Demining and Related Programs”, “Foreign Military Financing Program”, “International Military Education and Training”, “Peace Corps”, and “Migration and Refugee Assistance”, shall be available for obligation for activities, programs, projects, type of material assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Committees on Appropriations of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section

or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL
ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2004.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading “Assistance for the Independent States of the Former Soviet Union” shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures. Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading “Assistance for the Independent States of the Former Soviet Union” shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading “Assistance for the Independent States of the Former Soviet Union” shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading “Assistance for the Independent States of the Former Soviet Union” for the Russian Federation, Armenia, Georgia, and Ukraine shall be subject to

22 USC 5814
note.

the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the heading “Assistance for the Independent States of the Former Soviet Union” and under comparable headings in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2003, for programs under title I of this Act may be transferred

between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or the Democratic Republic of the Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, “program, project, and activity” shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, “program, project, and activity” shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the United States Agency for International Development “program, project, and activity” shall also be considered to include central, country, regional, and program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

Reports.
Deadline.

CHILD SURVIVAL AND HEALTH ACTIVITIES

SEC. 522. Up to \$13,500,000 of the funds made available by this Act for assistance under the heading “Child Survival and Health Programs Fund”, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the United States Agency for International Development for the purpose of carrying out activities under that heading: *Provided*, That up to \$3,500,000 of the funds made available by this Act for assistance under the heading “Development Assistance” may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, HIV/AIDS may be made available notwithstanding any other provision of law: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the

assistance is for child survival and related programs: *Provided further*, That of the funds appropriated under title II of this Act, not less than \$446,500,000 shall be made available for family planning/reproductive health.

AFGHANISTAN

SEC. 523. Of the funds appropriated by title II of this Act, not less than \$295,500,000 shall be made available for humanitarian, reconstruction, and related assistance for Afghanistan: *Provided*, That of the funds made available pursuant to this section, not less than \$50,000,000 should be from funds appropriated under the heading “Economic Support Fund” for rehabilitation of primary roads, implementation of the Bonn Agreement and women’s development, of which not less than \$5,000,000 is to support activities coordinated by the Afghan Ministry of Women’s Affairs, including the establishment and support of multi-service women’s centers in Afghanistan: *Provided further*, That of the funds made available pursuant to this section from “Development Assistance”, “International Disaster Assistance” and “Transition Initiatives”, high priority should be placed on girls’ and women’s education, health, legal and social rights, economic opportunities, and political participation by women: *Provided further*, That assistance should be made available to communities and families that were adversely affected by the military operations: *Provided further*, That of the funds made available pursuant to this section, up to \$9,850,000 may be transferred to and merged with funds appropriated by this Act under the headings “Operating Expenses of the United States Agency for International Development” and “Operating Expenses of the United States Agency for International Development Inspector General”.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees if such defense articles are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or are valued (in terms of original acquisition cost) at \$7,000,000 or more, or if notification is required elsewhere in this Act for the use of appropriated funds for specific countries that would receive such excess defense articles: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act, except funds appropriated under the headings “Trade and Development Agency”, “International Military Education and Training”, “Foreign Military Financing Program”, “Migration and Refugee Assistance”, “Peace

Corps”, and “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY PROGRAMS

SEC. 526. (a) Notwithstanding any other provision of law, of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, not less than \$15,000,000 shall be made available for assistance for activities to support democracy, human rights, and the rule of law in the People’s Republic of China, Hong Kong and Tibet: *Provided*, That not to exceed \$3,000,000 may be made available to nongovernmental organizations to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in the Tibetan Autonomous Region and in other Tibetan communities in China: *Provided further*, That funds appropriated under the heading “Economic Support Fund” should be made available for assistance for Taiwan for the purposes of furthering political and legal reforms: *Provided further*, That such funds shall only be made available to the extent that they are matched from sources other than the United States Government: *Provided further*, That funds made available pursuant to the authority of this subsection shall be subject to the regular notification procedures of the Committees on Appropriations.

(b) In addition to the funds made available in subsection (a), of the funds appropriated by this Act under the heading “Economic Support Fund” not less than \$15,000,000 shall be made available for programs and activities to foster democracy, human rights, civic education, women’s development, press freedoms, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to United States efforts to respond to, deter, or prevent acts of international terrorism: *Provided*, That funds made available pursuant to the authority of this subsection should support new initiatives or bolster ongoing programs and activities in those countries: *Provided further*, That not less than \$3,000,000 should be made available for programs and activities that provide professional training for journalists: *Provided further*, That notwithstanding any other provision of law, funds made available pursuant to the authority of this subsection may be made available to support the advancement of democracy and human rights in Iran: *Provided further*, That funds made available pursuant to this subsection shall be subject to the regular notification procedures of the Committees on Appropriations.

(c) Of the funds made available under subsection (a), not less than \$9,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State, to support the activities described in subsection (a), and of the funds made available under subsection (b), not less than \$7,000,000 shall be made available for such Fund to support the activities described in subsection (b): *Provided*, That funds made available in this section for such Fund are in addition to the \$12,000,000 requested by the President for the Fund for fiscal year 2003.

Reports.
Deadline.

(d) Of the funds made available under subsection (a), not less than \$3,000,000 shall be made available for the National Endowment for Democracy to support the activities described in subsection (a), and of the funds made available under subsection (b), not less than \$5,000,000 shall be made available for the National Endowment for Democracy to support the activities described in subsection (b): *Provided*, That the funds appropriated by this Act that are made available for the National Endowment for Democracy may be made available notwithstanding any other provision of law or regulation, and the Secretary of State shall provide a report to the Committees on Appropriations within 120 days of the date of enactment of this Act on the status of the allocation, obligation, and expenditure of such funds.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to the enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

President.
Federal Register,
publication.
Notification.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

DEBT-FOR-DEVELOPMENT

SEC. 528. In order to enhance the continued participation of nongovernmental organizations in debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the United States Agency for International Development may place in interest bearing accounts local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

22 USC 2362
note.

SEC. 529. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—
(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the United States Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the United States Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The United States Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the United States Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapter 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (House Report No. 98-1159).

President.

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 530. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, “international financial institutions” are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

50 USC 1701
note.

SEC. 531. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AUTHORITIES FOR THE PEACE CORPS, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 532. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior

Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

Reports.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 533. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; or

(b) assistance for any program, project, or activity that contributes to the violation of internationally recognized workers rights, as defined in section 507(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That the application of section 507(4)(D) and (E) of such Act should be commensurate with the level of development of the recipient country and sector, and shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

SPECIAL AUTHORITIES

SEC. 534. (a) AFGHANISTAN, LEBANON, MONTENEGRO, VICTIMS OF WAR, DISPLACED CHILDREN, AND DISPLACED BURMESE.—Funds appropriated by this Act that are made available for assistance for Afghanistan may be made available notwithstanding section 512 of this Act and any similar provision of law, and funds appropriated in titles I and II of this Act that are made available for Lebanon, Montenegro, and for victims of war, displaced children, and displaced Burmese, and to assist victims of trafficking in persons and, subject to the regular notification procedures of the Committees on Appropriations, to combat such trafficking, may be made available notwithstanding any other provision of law.

(b) TROPICAL FORESTRY AND BIODIVERSITY CONSERVATION ACTIVITIES.—Funds appropriated by this Act to carry out the provisions of sections 103 through 106, and chapter 4 of part II, of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) PERSONAL SERVICES CONTRACTORS.—Funds appropriated by this Act to carry out chapter 1 of part I, chapter 4 of part II, and section 667 of the Foreign Assistance Act of 1961, and title II of the Agricultural Trade Development and Assistance Act of 1954, may be used by the United States Agency for International

Development to employ up to 20 personal services contractors in the United States, notwithstanding any other provision of law, for the purpose of providing direct, interim support for new or expanded overseas programs and activities managed by the agency until permanent direct hire personnel are hired and trained: *Provided*, That not more than 7 of such contractors shall be assigned to any bureau or office: *Provided further*, That such funds appropriated to carry out the Foreign Assistance Act of 1961 may be made available for personal services contractors assigned only to the Office of Procurement; the Bureau for Africa; and the Bureau for Asia and the Near East: *Provided further*, That such funds appropriated to carry out title II of the Agricultural Trade Development and Assistance Act of 1954, may be made available only for personal services contractors assigned to the Office of Food for Peace.

(d)(1) **WAIVER.**—The President may waive the provisions of section 1003 of Public Law 100-204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) **PERIOD OF APPLICATION OF WAIVER.**—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

(e) **CONTINGENCIES.**—During fiscal year 2003, the President may use up to \$45,000,000 under the authority of section 451 of the Foreign Assistance Act, notwithstanding the funding ceiling in section 451(a).

(f) **SMALL BUSINESS.**—In entering into multiple award indefinite-quantity contracts with funds appropriated by this Act, the United States Agency for International Development may provide an exception to the fair opportunity process for placing task orders under such contracts when the order is placed with any category of small or small disadvantaged business.

(g) **SHIPMENT OF HUMANITARIAN ASSISTANCE.**—During fiscal year 2003, of the amounts made available by the United States Agency for International Development to carry out the provisions of section 123(b) of the Foreign Assistance Act of 1961, funds may be made available to nongovernmental organizations for administrative costs necessary to implement a program to obtain available donated space on commercial ships for the shipment of humanitarian assistance overseas.

(h) **RECONSTITUTING CIVILIAN POLICE AUTHORITY.**—In providing assistance with funds appropriated by this Act under section 660(b)(6) of the Foreign Assistance Act of 1961, support for a nation emerging from instability may be deemed to mean support for regional, district, municipal, or other sub-national entity emerging from instability, as well as a nation emerging from instability.

(i) **REPEAL.**—Section 545(d) of Public Law 106-429, and comparable provisions contained in prior Acts making appropriations for foreign operations, export financing, and related programs, are hereby repealed.

(j) **WORLD FOOD PROGRAM.**—Of the funds managed by the Bureau for Democracy, Conflict, and Humanitarian Assistance of the United States Agency for International Development, from this or any other Act, not less than \$6,000,000 should be made available

as a general contribution to the World Food Program, notwithstanding any other provision of law.

ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 535. It is the sense of the Congress that—

(1) the Arab League boycott of Israel, and the secondary boycott of American firms that have commercial ties with Israel, is an impediment to peace in the region and to United States investment and trade in the Middle East and North Africa;

(2) the Arab League boycott, which was regrettably reinstated in 1997, should be immediately and publicly terminated, and the Central Office for the Boycott of Israel immediately disbanded;

(3) the three Arab League countries with diplomatic and trade relations with Israel should return their ambassadors to Israel, should refrain from downgrading their relations with Israel, and should play a constructive role in securing a peaceful resolution of the Israeli-Arab conflict;

(4) the remaining Arab League states should normalize relations with their neighbor Israel;

(5) the President and the Secretary of State should continue to vigorously oppose the Arab League boycott of Israel and find concrete steps to demonstrate that opposition by, for example, taking into consideration the participation of any recipient country in the boycott when determining to sell weapons to said country; and

(6) the President should report to Congress annually on specific steps being taken by the United States to encourage Arab League states to normalize their relations with Israel to bring about the termination of the Arab League boycott of Israel, including those to encourage allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ADMINISTRATION OF JUSTICE ACTIVITIES

SEC. 536. Of the funds appropriated or otherwise made available by this Act for “Economic Support Fund”, assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 537. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, 11, and 12 of part I and chapter

President.
Notification.

4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading “Assistance for Eastern Europe and the Baltic States”: *Provided*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2003, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to the government of a country that violates internationally recognized human rights.

EARMARKS

SEC. 538. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the United States Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 539. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 540. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: *Provided*, That not to exceed \$750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 541. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

NONGOVERNMENTAL ORGANIZATIONS—DOCUMENTATION

SEC. 542. None of the funds appropriated or made available pursuant to this Act shall be available to a nongovernmental organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the United States Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 543. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 6(j) of the Export Administration Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver authority of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance.

Termination
date.

Applicability.

President.
Reports.

Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

District of
Columbia.
New York.
Certification.
Reports.

SEC. 544. (a) IN GENERAL.—Of the funds appropriated under this Act that are made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fines determined to be owed under the parking programs in the District of Columbia and New York City, New York by such country as of September 30, 2002 that were incurred after the first day of the fiscal year preceding the current fiscal year shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia and New York City, New York.

(b) DEFINITION.—For purposes of this section, the term “appropriate congressional committees” means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 545. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104-107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 546. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish or authorize to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an

endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 547. Notwithstanding any other provision of law, demining equipment available to the United States Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 548. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 549. None of the funds appropriated or otherwise made available by this Act under the heading “International Military Education and Training” or “Foreign Military Financing Program” for Informational Program activities or under the headings “Child Survival and Health Programs Fund”, “Development Assistance”, and “Economic Support Fund” may be obligated or expended to pay for—

- (1) alcoholic beverages; or
- (2) entertainment expenses for activities that are substantially of a recreational character, including but not limited to entrance fees at sporting events, theatrical and musical productions, and amusement parks.

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 550. None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United

States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

CARIBBEAN BASIN

SEC. 551. (a) The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the Coast Guard.

(b) Of the funds appropriated by title II of this Act and of the funds appropriated to carry out food assistance programs managed by the United States Agency for International Development, a total of not less than \$52,500,000 should be allocated for assistance for Haiti in fiscal year 2003.

(c) Of the funds appropriated by title II of this Act, a total of \$37,680,000 should be allocated for assistance for Nicaragua and \$40,130,000 should be allocated for assistance for Honduras, to address the conditions of increasing poverty in the rural sectors of those countries through programs that support, among other things, increased agricultural production and other income generating opportunities, improved health, and expanded education opportunities, especially for disadvantaged youth.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 552. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

Human rights.

SEC. 553. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective

Notification.

measures to bring the responsible members of the security forces to justice.

PROTECTION OF BIODIVERSITY AND TROPICAL FORESTS

SEC. 554. Of the funds appropriated under the heading “Development Assistance”, not less than \$145,000,000 should be made available for programs and activities which directly protect biodiversity, including forests, in developing countries: *Provided*, That of the funds made available under this section, \$50,000,000 shall be made available to carry out tropical forest conservation activities authorized by the Foreign Assistance Act of 1961, of which amount up to \$40,000,000 may be made available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, pursuant to the provisions of part V of such Act, the Tropical Forest Conservation Act of 1998.

ENERGY CONSERVATION, ENERGY EFFICIENCY AND CLEAN ENERGY PROGRAMS

SEC. 555. (a) FUNDING.—Of the funds appropriated by this Act, not less than \$175,000,000 should be made available to support policies and programs in developing countries and countries in transition that directly: (1) promote a wide range of energy conservation, energy efficiency and clean energy programs and activities, including the transfer of clean and environmentally sustainable energy technologies; (2) measure, monitor, and reduce greenhouse gas emissions; (3) increase carbon sequestration activities; and (4) enhance climate change mitigation and adaptation programs.

(b) GREENHOUSE GAS EMISSIONS REPORT.—Not later than 45 days after the date on which the President’s fiscal year 2004 budget request is submitted to Congress, the President shall submit a report to the Committees on Appropriations describing in detail the following—

Deadline.
President.

(1) all Federal agency obligations and expenditures, domestic and international, for climate change programs and activities in fiscal year 2003, including an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President’s Budget Appendix; and

(2) all fiscal year 2002 obligations and estimated expenditures, fiscal year 2003 estimated expenditures and estimated obligations, and fiscal year 2004 requested funds by the United States Agency for International Development, by country and central program, for each of the following: (i) to promote the transfer and deployment of a wide range of United States clean energy and energy efficiency technologies; (ii) to assist in the measurement, monitoring, reporting, verification, and reduction of greenhouse gas emissions; (iii) to promote carbon capture and sequestration measures; (iv) to help meet such countries’ responsibilities under the Framework Convention on Climate Change; and (v) to develop assessments of the vulnerability to impacts of climate change and mitigation and adaptation response strategies.

ZIMBABWE

22 USC 2151
note.

SEC. 556. The Secretary of the Treasury shall instruct the United States executive director to each international financial institution to vote against any extension by the respective institution of any loans, to the Government of Zimbabwe, except to meet basic human needs or to promote democracy, unless the Secretary of State determines and certifies to the Committees on Appropriations that the rule of law has been restored in Zimbabwe, including respect for ownership and title to property, freedom of speech and association.

NIGERIA

President.
Reports.

SEC. 557. None of the funds appropriated under the headings “International Military Education and Training” and “Foreign Military Financing Program” may be made available for assistance for Nigeria until the President certifies to the Committees on Appropriations that the Nigerian Minister of Defense, the Chief of the Army Staff, and the Minister of State for Defense/Army are suspending from the Armed Forces those members, of whatever rank, against whom there is credible evidence of gross violations of human rights in Benue State in October 2001, and the Government of Nigeria and the Nigerian Armed Forces are taking effective measures to bring such individuals to justice: *Provided*, That the President may waive such prohibition if he determines that doing so is in the national security interest of the United States: *Provided further*, That prior to exercising such waiver authority, the President shall submit a report to the Committees on Appropriations describing the involvement of the Nigerian Armed Forces in the incident in Benue State, the measures that are being taken to bring such individuals to justice, and whether any Nigerian Armed Forces units involved with the incident in Benue State are receiving United States assistance.

BURMA

SEC. 558. Of the funds appropriated under the heading “Economic Support Fund”, not less than \$7,000,000 shall be made available to support democracy activities in Burma, along the Burma-Thailand border, for activities of Burmese student groups and other organizations located outside Burma, and for the purpose of supporting the provision of humanitarian assistance to displaced Burmese along Burma’s borders: *Provided*, That of this amount \$500,000 should be made available to support newspapers, publications, and other media activities promoting democracy inside Burma: *Provided further*, That funds made available under this heading may be made available notwithstanding any other provision of law: *Provided further*, That funds made available by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

President.
Reports.

SEC. 559. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees

on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 560. (a) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to meet basic human needs.

(b)(1) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia.

(2) Paragraph (1) shall not apply to assistance for basic education, reproductive and maternal and child health, cultural and historic preservation, programs for the prevention, treatment, and control of, and research on, HIV/AIDS, tuberculosis, malaria, polio and other infectious diseases, programs to combat human trafficking that are provided through nongovernmental organizations, and for the Ministry of Women and Veterans Affairs to combat human trafficking.

(c) Of the funds appropriated by this Act under the heading “Economic Support Fund”, up to \$5,000,000 may be made available for activities to support democracy, including assistance for democratic political parties.

(d) Of the funds appropriated by this Act, \$3,750,000 shall be made available, notwithstanding subsection (b), as a contribution for an endowment to sustain rehabilitation programs for Cambodians suffering from physical disabilities that are administered by an American nongovernmental organization that is directly supported by the United States Agency for International Development: *Provided*, That such funds may be made available only if an amount at least equal to one-half the United States contribution is provided for the endowment from sources other than the United States Government.

FOREIGN MILITARY TRAINING REPORT

SEC. 561. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by May 1, 2003, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 2002 and 2003, including those proposed for fiscal year 2003. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

Deadline.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign

Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 562. None of the funds appropriated by this Act, or prior Acts making appropriations for foreign operations, export financing, and related programs, may be made available for assistance to the Korean Peninsula Energy Organization (KEDO): *Provided*, That the President may waive this restriction and provide up to \$5,000,000 of funds appropriated under the heading “Nonproliferation, Anti-Terrorism, Demining and Related Programs” for assistance to KEDO for administrative expenses only notwithstanding any other provision of law, if he determines that it is vital to the national security interests of the United States and provides a written policy justification to the appropriate congressional committees: *Provided further*, That funds may be obligated for assistance to KEDO subject to the regular notification procedures of the Committees on Appropriations.

PALESTINIAN STATEHOOD

SEC. 563. (a) LIMITATION ON ASSISTANCE.—None of the funds appropriated by this Act may be provided to support a Palestinian state unless the Secretary of State determines and certifies to the appropriate congressional committees that—

(1) a new leadership of a Palestinian governing entity has been democratically elected through credible and competitive elections;

(2) the elected governing entity of a new Palestinian state—

(A) has demonstrated a firm commitment to peaceful co-existence with the State of Israel;

(B) is taking appropriate measures to counter terrorism and terrorist financing in the West Bank and Gaza, including the dismantling of terrorist infrastructures;

(C) is establishing a new Palestinian security entity that is fully cooperative with appropriate Israeli and other appropriate security organizations; and

(3) the Palestinian Authority (or the governing body of a new Palestinian state) is working with other countries in the region to vigorously pursue efforts to establish a just, lasting, and comprehensive peace in the Middle East that will enable Israel and an independent Palestinian state to exist within the context of full and normal relationships, which should include—

(A) termination of all claims or states of belligerency;

(B) respect for and acknowledgement of the sovereignty, territorial integrity, and political independence of every state in the area through measures including the establishment of demilitarized zones;

(C) their right to live in peace within secure and recognized boundaries free from threats or acts of force;

(D) freedom of navigation through international waterways in the area; and

(E) a framework for achieving a just settlement of the refugee problem.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the newly elected governing entity should enact a constitution assuring the rule of law, an independent judiciary, and respect for human rights for its citizens, and should enact other laws and regulations assuring transparent and accountable governance.

(c) WAIVER.—The President may waive subsection (a) if he determines that it is vital to the national security interests of the United States to do so.

(d) EXEMPTION.—The restriction in subsection (a) shall not apply to assistance intended to help reform the Palestinian Authority and affiliated institutions, or a newly elected governing entity, in order to help meet the requirements of subsection (a), consistent with the provisions of section 552 of this Act (“Limitation on Assistance to the Palestinian Authority”).

COLOMBIA

SEC. 564. (a) DETERMINATION AND CERTIFICATION REQUIRED.—Notwithstanding any other provision of law, funds appropriated by this Act that are available for assistance for the Colombian Armed Forces, may be made available as follows:

(1) Up to 75 percent of such funds may be obligated prior to a determination and certification by the Secretary of State pursuant to paragraph (2).

(2) Up to 12.5 percent of such funds may be obligated only after the Secretary of State certifies and reports to the appropriate congressional committees that:

(A) The Commander General of the Colombian Armed Forces is suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations.

(B) The Colombian Government is prosecuting those members of the Colombian Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations, and is punishing those members of the Colombian Armed Forces found to have committed such violations of human rights or to have aided or abetted paramilitary organizations.

(C) The Colombian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases (including providing requested information, such as the identity of persons suspended from the Armed Forces and the nature and cause of the suspension, and access to witnesses, relevant military documents, and other requested information).

(D) The Colombian Armed Forces are severing links (including denying access to military intelligence, vehicles, and other equipment or supplies, and ceasing other forms of active or tacit cooperation) at the command, battalion, and brigade levels, with paramilitary organizations.

(E) The Colombian Armed Forces are executing orders for capture of leaders of paramilitary organizations that continue armed conflict.

Deadline.
Human rights.

(3) The balance of such funds may be obligated after July 31, 2003, if the Secretary of State certifies and reports to the appropriate congressional committees, after such date, that the Colombian Armed Forces are continuing to meet the conditions contained in paragraph (2) and are conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.

(b) CONSULTATIVE PROCESS.—At least 10 days prior to making the certifications required by subsection (a), the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting the conditions contained in that subsection.

(c) DEFINITIONS.—In this section:

(1) AIDED OR ABETTED.—The term “aided or abetted” means to provide any support to paramilitary groups, including taking actions which allow, facilitate, or otherwise foster the activities of such groups.

(2) PARAMILITARY GROUPS.—The term “paramilitary groups” means illegal self-defense groups and illegal security cooperatives.

ILLEGAL ARMED GROUPS

SEC. 565. (a) DENIAL OF VISAS TO SUPPORTERS OF COLOMBIAN ILLEGAL ARMED GROUPS.—Subject to subsection (b), the Secretary of State shall not issue a visa to any alien who the Secretary determines, based on credible evidence—

(1) has willfully provided any support to the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), or the United Self-Defense Forces of Colombia (AUC), including taking actions or failing to take actions which allow, facilitate, or otherwise foster the activities of such groups; or

(2) has committed, ordered, incited, assisted, or otherwise participated in the commission of gross violations of human rights, including extra-judicial killings, in Colombia.

(b) WAIVER.—Subsection (a) shall not apply if the Secretary of State determines and certifies to the appropriate congressional committees, on a case-by-case basis, that the issuance of a visa to the alien is necessary to support the peace process in Colombia or for urgent humanitarian reasons.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 566. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

IRAQ

SEC. 567. Notwithstanding any other provision of law, funds appropriated under the heading “Economic Support Fund” may be made available for programs benefitting the Iraqi people and to support efforts to bring about a political transition in Iraq: *Provided*, That none of the funds made available pursuant to the

authorities provided in this section may be made available to any organization to reimburse or pay for costs incurred by such organization in prior fiscal years: *Provided further*, That funds made available under this section are made available subject to the regular notification procedures of the Committees on Appropriations.

WEST BANK AND GAZA PROGRAM

SEC. 568. (a) OVERSIGHT.—For fiscal year 2003, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading “Economic Support Fund” for the West Bank and Gaza.

Deadline.
Certification.

(b) VETTING.—Prior to the obligation of funds appropriated by this Act under the heading “Economic Support Fund” for assistance for the West Bank and Gaza, the Secretary of State shall take all appropriate steps to ensure that such assistance is not provided to or through any individual or entity that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity. The Secretary of State shall, as appropriate, establish procedures specifying the steps to be taken in carrying out this subsection.

(c) AUDITS.—(1) The Administrator of the United States Agency for International Development shall ensure that Federal or non-Federal audits of all contractors and grantees, and significant sub-contractors and subgrantees, under the West Bank and Gaza Program, are conducted at least on an annual basis to ensure, among other things, compliance with this section.

(2) Of the funds appropriated by this Act under the heading “Economic Support Fund” that are made available for assistance for the West Bank and Gaza, up to \$1,000,000 may be used by the Office of the Inspector General of the United States Agency for International Development for audits, inspections, and other activities in furtherance of the requirements of this subsection. Such funds are in addition to funds otherwise available for such purposes.

INDONESIA

SEC. 569. Funds appropriated by this Act under the heading “Foreign Military Financing Program” may be made available for assistance for Indonesia, and licenses may be issued for the export of lethal defense articles for the Indonesian Armed Forces, only if the President certifies to the appropriate congressional committees that—

(1) the Indonesia Minister of Defense is suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, or to have aided or abetted militia groups;

(2) the Indonesian Government is prosecuting those members of the Indonesian Armed Forces, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, or to have aided or abetted militia groups,

and is punishing those members of the Indonesian Armed Forces found to have committed such violations of human rights or to have aided or abetted militia groups;

(3) the Indonesian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases (including providing access to witnesses, relevant military documents, and other requested information); and

(4) the Minister of Defense is making publicly available audits of receipts and expenditures of the Indonesian Armed Forces.

RESTRICTIONS ON ASSISTANCE TO GOVERNMENTS DESTABILIZING SIERRA LEONE

SEC. 570. (a) None of the funds appropriated by this Act may be made available for assistance for the government of any country for which the Secretary of State determines there is credible evidence that such government has aided or abetted, within the previous 6 months, in the illicit distribution, transportation, or sale of diamonds mined in Sierra Leone.

Notification.

(b) Whenever the prohibition on assistance required under subsection (a) is exercised, the Secretary of State shall notify the Committees on Appropriations in a timely manner.

VOLUNTARY SEPARATION INCENTIVES

SEC. 571. Section 579(c)(2)(D) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, as enacted by section 1000(a)(2) of the Consolidated Appropriations Act, 2000 (Public Law 106–113), as amended, is amended by striking “December 31, 2002” and inserting in lieu thereof “January 1, 2003”.

5 USC 5597 note.

CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND

SEC. 572. Funds appropriated in Public Law 107–115 that were available for the United Nations Population Fund (UNFPA), and an equal amount in this Act, shall be made available for the UNFPA if the President determines that the UNFPA no longer supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided*, That none of the funds made available for the UNFPA may be used in the People’s Republic of China: *Provided further*, That the other conditions on availability of funds for abortion and abortion-related activities contained in either this Act or Public Law 107–115, including but not limited to section 576(c), shall apply to any assistance provided for the UNFPA in this Act or Public Law 107–115, respectively: *Provided further*, That the conditions on availability of funds for the UNFPA as contained in section 576(c) of Public Law 107–115 shall apply to any assistance provided for the UNFPA in this Act: *Provided further*, That the amount of funds that the UNFPA plans to spend in the People’s Republic of China in calendar years 2002 and 2003, as determined by the Secretary of State, shall be deducted from funds made available to the UNFPA under Public Law 107–115 and this Act.

Abortion.
Applicability.

Applicability.

PROCUREMENT AND FINANCIAL MANAGEMENT REFORM

SEC. 573. (a) FUNDING CONDITIONS.—Of the funds made available under the heading “International Financial Institutions” in this Act, 10 percent of the United States portion or payment to such International Financial Institution shall be withheld by the Secretary of the Treasury, until the Secretary certifies to the Committees on Appropriations that, to the extent pertinent to its lending programs, the institution is—

Certification.

(1) implementing procedures for conducting annual audits by qualified independent auditors for all new investment lending;

(2) implementing procedures for annual independent external audits of central bank financial statements for countries making use of International Monetary Fund resources under new arrangements or agreements with the Fund;

(3) taking steps to establish an independent fraud and corruption investigative organization or office;

(4) implementing a process to assess a recipient country’s procurement and financial management capabilities including an analysis of the risks of corruption prior to initiating new investment lending; and

(5) taking steps to fund and implement programs and policies to improve transparency and anti-corruption programs and procurement and financial management controls in recipient countries.

(b) DEFINITIONS.—The term “International Financial Institutions” means the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Inter-American Investment Corporation, the Enterprise for the Americas Multilateral Investment Fund, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the European Bank for Reconstruction and Development, and the International Monetary Fund.

CENTRAL ASIA

SEC. 574. (a) Funds appropriated by this Act may be made available for assistance for the Government of Uzbekistan only if the Secretary of State determines and reports to the Committees on Appropriations that the Government of Uzbekistan is making substantial and continuing progress in meeting its commitments under the “Declaration on the Strategic Partnership and Cooperation Framework Between the Republic of Uzbekistan and the United States of America”.

(b) Funds appropriated by this Act may be made available for assistance for the Government of Kazakhstan only if the Secretary of State determines and reports to the Committees on Appropriations that the Government of Kazakhstan has made significant improvements in the protection of human rights during the preceding 6 month period.

(c) The Secretary of State may waive the requirements under subsection (b) if he determines and reports to the Committees on Appropriations that such a waiver is in the national security interests of the United States.

Deadline.
Reports.

(d) Not later than October 1, 2003, the Secretary of State shall submit a report to the Committees on Appropriations describing the following:

(1) The defense articles, defense services, and financial assistance provided by the United States to the countries of Central Asia during the 6-month period ending 30 days prior to submission of each such report.

(2) The use during such period of defense articles, defense services, and financial assistance provided by the United States by units of the armed forces, border guards, or other security forces of such countries.

(e) For purposes of this section, the term “countries of Central Asia” means Uzbekistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Turkmenistan.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 575. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

WAR CRIMINALS

SEC. 576. (a)(1) None of the funds appropriated or otherwise made available pursuant to this Act may be made available for assistance, and the Secretary of the Treasury shall instruct the United States executive directors to the international financial institutions to vote against any new project involving the extension by such institutions of any financial or technical assistance, to any country, entity, or municipality whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to implement its international legal obligations to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia (the “Tribunal”) all persons in their territory who have been indicted by the Tribunal and to otherwise cooperate with the Tribunal.

(2) The provisions of this subsection shall not apply to humanitarian assistance or assistance for democratization.

Applicability.

(b) The provisions of subsection (a) shall apply unless the Secretary of State determines and reports to the appropriate congressional committees that the competent authorities of such country, entity, or municipality are—

(1) cooperating with the Tribunal, including access for investigators to archives and witnesses, the provision of documents, and the surrender and transfer of indictees or assistance in their apprehension; and

(2) are acting consistently with the Dayton Accords.

(c) Not less than 10 days before any vote in an international financial institution regarding the extension of any new project involving financial or technical assistance or grants to any country or entity described in subsection (a), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committees on Appropriations a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries. Deadline.

(d) In carrying out this section, the Secretary of State, the Administrator of the United States Agency for International Development, and the Secretary of the Treasury shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (a). Human rights.

(e) The Secretary of State may waive the application of subsection (a) with respect to projects within a country, entity, or municipality upon a written determination to the Committees on Appropriations that such assistance directly supports the implementation of the Dayton Accords.

(f) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term “country” means Bosnia and Herzegovina, Croatia and Serbia.

(2) ENTITY.—The term “entity” refers to the Federation of Bosnia and Herzegovina, Kosovo, Montenegro and the Republika Srpska.

(3) MUNICIPALITY.—The term “municipality” means a city, town or other subdivision within a country or entity as defined herein.

(4) DAYTON ACCORDS.—The term “Dayton Accords” means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

USER FEES

SEC. 577. The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) and the International Monetary Fund to oppose any loan, grant, strategy or policy of these institutions that would require user fees or service charges on poor people for primary education or primary healthcare, including prevention and treatment efforts for HIV/AIDS, malaria, tuberculosis, and infant, child, and maternal well-being, in connection with the institutions’ financing programs.

FUNDING FOR SERBIA

SEC. 578. (a) Funds appropriated by this Act may be made available for assistance for Serbia after June 15, 2003, if the President has made the determination and certification contained in subsection (c).

(b) After June 15, 2003, the Secretary of the Treasury should instruct the United States executive directors to the international

financial institutions to support loans and assistance to the Government of the Federal Republic of Yugoslavia (or a government of a successor state) subject to the conditions in subsection (c): *Provided*, That section 576 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as amended, shall not apply to the provision of loans and assistance to the Federal Republic of Yugoslavia (or a successor state) through international financial institutions.

President.

(c) The determination and certification referred to in subsection (a) is a determination by the President and a certification to the Committees on Appropriations that the Government of the Federal Republic of Yugoslavia (or a government of a successor state) is—

(1) cooperating with the International Criminal Tribunal for the former Yugoslavia including access for investigators, the provision of documents, and the surrender and transfer of indictees or assistance in their apprehension;

(2) taking steps that are consistent with the Dayton Accords to end Serbian financial, political, security and other support which has served to maintain separate Republika Srpska institutions; and

(3) taking steps to implement policies which reflect a respect for minority rights and the rule of law, including the release of political prisoners from Serbian jails and prisons.

(d) This section shall not apply to Montenegro, Kosovo, humanitarian assistance or assistance to promote democracy in municipalities.

PROHIBITION ON TAXATION OF UNITED STATES ASSISTANCE

SEC. 579. (a) PROHIBITION ON TAXATION.—None of the funds appropriated by this Act may be made available to provide assistance for a foreign country under a new bilateral agreement governing the terms and conditions under which such assistance is to be provided unless such agreement includes a provision stating that assistance provided by the United States shall be exempt from taxation, or reimbursed, by the foreign government, and the Secretary of State shall expeditiously seek to negotiate amendments to existing bilateral agreements, as necessary, to conform with this requirement.

Certification.
Reports.

(b) REIMBURSEMENT OF FOREIGN TAXES.—An amount equivalent to 200 percent of the total taxes assessed during fiscal year 2003 by a foreign government or entity against commodities financed under United States assistance programs for which funds are appropriated by this Act, either directly or through grantees, contractors and subcontractors, as of the date of the enactment of this Act, shall be withheld from obligation from funds appropriated for assistance for fiscal year 2004 and allocated for the central government of such country and for the West Bank and Gaza Program to the extent that the Secretary of State certifies and reports in writing to the Committees on Appropriations that such taxes have not been reimbursed to the Government of the United States.

(c) DE MINIMIS EXCEPTION.—Foreign taxes of a de minimis nature shall not be subject to the provisions of subsection (b).

(d) REFUND TO THE TREASURY AND REPROGRAMMING OF FUNDS.—Of the funds withheld from obligation for each country or entity pursuant to subsection (b), one-half may become available for reprogramming for other purposes (pursuant to section 515

of this Act and consistent with the purposes for which such funds were originally appropriated) and one-half shall be deposited in the General Fund of the Treasury on, or within 5 days after, September 1, 2004, pursuant to the certification required under subsection (b).

(e) IMPLEMENTATION.—The Secretary of State shall issue rules, regulations, or policy guidance, as appropriate, to implement the prohibition against the taxation of assistance contained in this section. Regulations.

(f) REPORT.—Not later than February 1, 2004, the Comptroller General of the United States shall submit a report to the Committees on Appropriations which assesses the following— Deadline.

(1) the extent to which existing bilateral agreements provide exemption from taxation;

(2) the status of negotiations of new framework bilateral agreements or modifications of existing framework bilateral agreements;

(3) the reasons why new framework bilateral agreements or modifications of existing bilateral agreements, entered into within the previous 5 years, have (as appropriate) failed to include exemption from taxation; and

(4) the administrative procedures that foreign governments use to ensure that United States assistance commodities are not taxed or, if they are, that such taxes are reimbursed to the United States Government, and the adequacy of those procedures.

(g) DEFINITIONS.—As used in this section—

(1) the terms “taxes” and “taxation” refer to value added taxes and customs duties imposed on commodities financed with United States assistance for programs for which funds are appropriated by this Act; and

(2) the term “bilateral agreement” refers to a framework bilateral agreement between the Government of the United States and the government of the country receiving assistance that describes the privileges and immunities applicable to United States foreign assistance for such country generally, or an individual agreement between the Government of the United States and such government that describes, among other things, the treatment for tax purposes that will be accorded the United States assistance provided under that agreement.

GAO REPORT

SEC. 580. Not later than November 1, 2003, the Comptroller General of the United States shall provide a report to the Committees on Appropriations on the extent to which the Department of State is complying with section 301(c) of the Foreign Assistance Act of 1961, and on the implementation of procedures that have been established to meet the standards of the Department of State regarding compliance with the requirements of section 301(c). Deadline.

TRAINING PROGRAM EVALUATION

SEC. 581. Not later than June 30, 2003, the Secretary of State, in consultation with the Secretary of Defense, shall submit a report to the Committees on Appropriations describing in detail the steps that the Departments of State and Defense are making to improve performance evaluation procedures for the International Military Reports.

Education and Training (IMET) program and the progress that the Departments of State and Defense are making in implementing section 548 of the Foreign Assistance Act of 1961.

COMMUNITY-BASED POLICE ASSISTANCE

22 USC 2151
note.

SEC. 582. (a) AUTHORITY.—Funds made available to carry out the provisions of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, may be used, notwithstanding section 660 of that Act, to enhance the effectiveness and accountability of civilian police authority in Jamaica and El Salvador through training and technical assistance in human rights, the rule of law, strategic planning, and through assistance to foster civilian police roles that support democratic governance including assistance for programs to prevent conflict and foster improved police relations with the communities they serve.

(b) REPORT.—

(1) The Administrator of the United States Agency for International Development shall submit, at the time of submission of the agency's Congressional Budget Justification Document for fiscal year 2004, and annually thereafter, a report to the Committees on Appropriations describing the progress these programs are making toward improving police relations with the communities they serve and institutionalizing an effective community-based police program.

(2) The requirements of paragraph (1) are in lieu of the requirements contained in section 587(b) of Public Law 107–115.

(c) NOTIFICATION.—Assistance provided under subsection (a) shall be subject to the regular notification procedures of the Committees on Appropriations.

OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT
BANK RESTRICTIONS

SEC. 583. (a) LIMITATION ON USE OF FUNDS BY OPIC.—None of the funds made available in this Act may be used by the Overseas Private Investment Corporation to insure, reinsure, guarantee, or finance any investment in connection with a project involving the mining, polishing or other processing, or sale of diamonds in a country that fails to meet the requirements of subsection (c).

(b) LIMITATION ON USE OF FUNDS BY THE EXPORT-IMPORT BANK.—None of the funds made available in this Act may be used by the Export-Import Bank of the United States to guarantee, insure, extend credit, or participate in an extension of credit in connection with the export of any goods to a country for use in an enterprise involving the mining, polishing or other processing, or sale of diamonds in a country that fails to meet the requirements of subsection (c).

(c) REQUIREMENTS.—The requirements referred to in subsections (a) and (b) are that the country concerned is implementing the recommendations, obligations and requirements developed by the Kimberley Process on conflict diamonds, or taking other measures that the Secretary of State determines to contribute effectively to preventing and eliminating the trade in conflict diamonds.

TRADE CAPACITY BUILDING

SEC. 584. Of the funds appropriated by this Act, under the headings “Trade and Development Agency”, “Development Assistance”, “Transition Initiatives”, “Economic Support Fund”, “International Affairs Technical Assistance”, and “International Organizations and Programs”, not less than \$452,000,000 should be made available for trade capacity building assistance.

TRANSPARENCY AND ACCOUNTABILITY

SEC. 585. (a) FINDINGS.—The Congress finds that—

(1) There is a lack of transparency in the revenues and expenditures of the national budgets of many developing countries that receive United States assistance.

(2) In such countries, official revenues—particularly from natural resource extraction—are often unreported, underreported, or inaccurately recorded by foreign government agencies.

(3) Such inefficiencies—which in some instances mask outright theft—result in the failure of such governments to adequately provide their citizens with social, political, economic, and legal benefits and opportunities, and undermine the effectiveness of assistance provided to such countries by the United States and other international donors.

(4) Good governance and respect for the rule of law are critical to a nation’s development.

(b) REPORT.—Not more than 90 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations, describing in detail—

Deadline.

(1) Those countries whose central governments receive foreign assistance from the United States;

(2) Relevant laws and regulations in such countries governing the public disclosure of revenues and expenditures in national budgets;

(3) The adequacy of those laws and regulations, and the extent to which they are implemented and enforced;

(4) Those countries receiving such assistance where no such laws or regulations exist, and the extent to which such revenues and expenditures are publicly disclosed; and

(5) Programs and activities sponsored by the United States Government to promote accurate disclosure of revenues and expenditures in the national budgets of such countries, and the results of those programs and activities.

AMERICAN CHURCHWOMEN AND OTHER CITIZENS IN EL SALVADOR AND GUATEMALA

SEC. 586. (a) Information relevant to the December 2, 1980, murders of four American churchwomen in El Salvador, and the May 5, 2001, murder of Sister Barbara Ann Ford and the murders of other American citizens in Guatemala since December 1999, should be investigated and made public.

Barbara Ann Ford.

(b) Not later than 45 days after enactment of this Act, the President shall order all Federal agencies and departments, including the Federal Bureau of Investigation, that possess relevant information, to expeditiously declassify and release to the victims’ families such information, consistent with existing standards and

Deadline.
President.

procedures on classification, and shall provide a copy of such order to the Committees on Appropriations.

(c) In making determinations concerning declassification and release of relevant information, all Federal agencies and departments should use the discretion contained within such existing standards and procedures on classification in support of releasing, rather than withholding, such information.

(d) All reasonable efforts should be taken by the American Embassy in Guatemala to work with relevant agencies of the Guatemalan Government to protect the safety of American citizens in Guatemala, and to assist in the investigations of violations of human rights.

This division may be cited as the “Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2003”.

Department of
the Interior and
Related Agencies
Appropriations
Act, 2003.

DIVISION F—INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau, and assessment of mineral potential of public lands pursuant to Public Law 96–487 (16 U.S.C. 3150(a)), \$825,712,000, to remain available until expended, of which \$1,000,000 is for high priority projects which shall be carried out by the Youth Conservation Corps; of which \$2,500,000 shall be available for assessment of the mineral potential of public lands in Alaska pursuant to section 1010 of Public Law 96–487 (16 U.S.C. 3150); and of which not to exceed \$1,000,000 shall be derived from the special receipt account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l–6a(i)); and of which \$3,000,000 shall be available in fiscal year 2003 subject to a match by at least an equal amount by the National Fish and Wildlife Foundation, to such Foundation for cost-shared projects supporting conservation of Bureau lands and such funds shall be advanced to the Foundation as a lump sum grant without regard to when expenses are incurred; in addition, \$32,696,000 for Mining Law Administration program operations, including the cost of administering the mining claim fee program; to remain available

until expended, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than \$825,712,000, and \$2,000,000, to remain available until expended, from communication site rental fees established by the Bureau for the cost of administering communication site activities: *Provided*, That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors.

WILDLAND FIRE MANAGEMENT

For necessary expenses for fire preparedness, suppression operations, fire science and research, emergency rehabilitation, hazardous fuels reduction, and rural fire assistance by the Department of the Interior, \$654,406,000, to remain available until expended, of which not to exceed \$12,374,000 shall be for the renovation or construction of fire facilities: *Provided*, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: *Provided further*, That notwithstanding 42 U.S.C. 1856d, sums received by a bureau or office of the Department of the Interior for fire protection rendered pursuant to 42 U.S.C. 1856 et seq., protection of United States property, may be credited to the appropriation from which funds were expended to provide that protection, and are available without fiscal year limitation: *Provided further*, That using the amounts designated under this title of this Act, the Secretary of the Interior may enter into procurement contracts, grants, or cooperative agreements, for hazardous fuels reduction activities, and for training and monitoring associated with such hazardous fuels reduction activities, on Federal land, or on adjacent non-Federal land for activities that benefit resources on Federal land: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That in entering into such grants or cooperative agreements, the Secretary may consider the enhancement of local and small business employment opportunities for rural communities, and that in entering into procurement contracts under this section on a best value basis, the Secretary may take into account the ability of an entity to enhance local and small business employment opportunities in rural communities, and that the Secretary may award procurement contracts, grants, or cooperative agreements under this section to entities that include local non-profit entities, Youth Conservation Corps or related partnerships, or small or disadvantaged businesses: *Provided further*, That funds appropriated under this head may be used to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference, as required by section 7 of such Act in connection with wildland fire management activities: *Provided further*, That the Secretary of the Interior may use wildland fire appropriations to enter into non-competitive sole source leases of real property with local governments, at or below fair market value,

to construct capitalized improvements for fire facilities on such leased properties, including but not limited to fire guard stations, retardant stations, and other initial attack and fire support facilities, and to make advance payments for any such lease or for construction activity associated with the lease.

CENTRAL HAZARDOUS MATERIALS FUND

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), \$9,978,000, to remain available until expended: *Provided*, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to section 107 or 113(f) of such Act, shall be credited to this account to be available until expended without further appropriation: *Provided further*, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

CONSTRUCTION

For construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, \$11,976,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901–6907), \$220,000,000, of which not to exceed \$400,000 shall be available for administrative expenses: *Provided*, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

LAND ACQUISITION

For expenses necessary to carry out sections 205, 206, and 318(d) of Public Law 94–579, including administrative expenses and acquisition of lands or waters, or interests therein, \$33,450,000, to be derived from the Land and Water Conservation Fund and to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; \$105,633,000, to remain available until expended: *Provided*, That 25 percent of the aggregate of all

receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

FOREST ECOSYSTEMS HEALTH AND RECOVERY FUND

(REVOLVING FUND, SPECIAL ACCOUNT)

In addition to the purposes authorized in Public Law 102-381, funds made available in the Forest Ecosystem Health and Recovery Fund can be used for the purpose of planning, preparing, implementing and monitoring salvage timber sales and forest ecosystem health and recovery activities such as release from competing vegetation and density control treatments. The Federal share of receipts (defined as the portion of salvage timber receipts not paid to the counties under 43 U.S.C. 1181f and 43 U.S.C. 1181f-1 et seq., and Public Law 106-393) derived from treatments funded by this account shall be deposited into the Forest Ecosystem Health and Recovery Fund.

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 percent of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than \$10,000,000, to remain available until expended: *Provided*, That not to exceed \$600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94-579, as amended, and Public Law 93-153, to remain available until expended: *Provided*, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94-579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each

43 USC 1735
note.

such action are used on the exact lands damaged which led to the action: *Provided further*, That any such moneys that are in excess of amounts needed to repair damage to the exact land for which funds were collected may be used to repair other damaged public lands.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing laws, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to \$100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on her certificate, not to exceed \$10,000: *Provided*, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For necessary expenses of the United States Fish and Wildlife Service, for scientific and economic studies, conservation, management, investigations, protection, and utilization of fishery and wildlife resources, except whales, seals, and sea lions, maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, general administration, and for the performance of other authorized functions related to such resources by direct expenditure, contracts, grants, cooperative agreements and reimbursable agreements with public and private entities, \$917,429,000, to remain available until September 30, 2004, except as otherwise provided herein: *Provided*, That not less than \$2,000,000 shall be provided to local governments in southern California for planning associated with the Natural Communities Conservation Planning (NCCP) program and shall remain available until expended: *Provided further*, That \$2,000,000 is for high priority projects which shall be carried out by the Youth Conservation Corps: *Provided further*, That not to exceed \$9,077,000 shall be used for implementing subsections (a), (b), (c), and (e) of section 4 of the Endangered Species Act, as amended, for species that are indigenous to the United States

(except for processing petitions, developing and issuing proposed and final regulations, and taking any other steps to implement actions described in subsection (c)(2)(A), (c)(2)(B)(i), or (c)(2)(B)(ii)), of which not to exceed \$6,000,000 shall be used for any activity regarding the designation of critical habitat, pursuant to subsection (a)(3), excluding litigation support, for species already listed pursuant to subsection (a)(1) as of the date of enactment this Act: *Provided further*, That of the amount available for law enforcement, up to \$400,000 to remain available until expended, may at the discretion of the Secretary, be used for payment for information, rewards, or evidence concerning violations of laws administered by the Service, and miscellaneous and emergency expenses of enforcement activity, authorized or approved by the Secretary and to be accounted for solely on her certificate: *Provided further*, That of the amount provided for environmental contaminants, up to \$1,000,000 may remain available until expended for contaminant sample analyses.

CONSTRUCTION

For construction, improvement, acquisition, or removal of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; \$54,427,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, a single procurement for the expansion of the Clark R. Bavin Forensics Laboratory in Oregon may be issued, which includes the full scope of the project: *Provided further*, That the solicitation and the contract shall contain the clause “availability of funds” found at 48 CFR 52.232.18: *Provided further*, That notwithstanding any other provision of law, a single procurement for the construction of the Kodiak National Wildlife Refuge visitor center may be issued which includes the full scope of the project: *Provided further*, That the solicitation and the contract shall contain the clause “availability of funds” found at 48 CFR 52.232.18.

LAND ACQUISITION

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, \$73,370,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That none of the funds appropriated for specific land acquisition projects can be used to pay for any administrative overhead, planning or other management costs.

LANDOWNER INCENTIVE PROGRAM

(INCLUDING RESCISSION)

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$40,000,000, to be derived

from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That the amount provided herein is for a Landowner Incentive Program established by the Secretary that provides matching, competitively awarded grants to States, the District of Columbia, Tribes, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, and American Samoa, to establish, or supplement existing, landowner incentive programs that provide technical and financial assistance, including habitat protection and restoration, to private landowners for the protection and management of habitat to benefit federally listed, proposed, or candidate species, or other at-risk species on private lands: *Provided further*, That from unobligated balances of prior year appropriations, an amount of \$40,000,000 is rescinded.

STEWARDSHIP GRANTS

(INCLUDING RESCISSION)

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$10,000,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That the amount provided herein is for the Secretary to establish a Private Stewardship Grants Program to provide grants and other assistance to individuals and groups engaged in private conservation efforts that benefit federally listed, proposed, or candidate species, or other at-risk species: *Provided further*, That from unobligated balances of prior year appropriations, an amount of \$10,000,000 is rescinded.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out section 6 of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended, \$81,000,000, of which \$29,529,000 is to be derived from the Cooperative Endangered Species Conservation Fund and \$51,471,000 is to be derived from the Land and Water Conservation Fund and to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), \$14,414,000.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, as amended, \$38,560,000, to remain available until expended.

NEOTROPICAL MIGRATORY BIRD CONSERVATION

For financial assistance for projects to promote the conservation of neotropical migratory birds in accordance with the Neotropical Migratory Bird Conservation Act, Public Law 106-247 (16 U.S.C. 6101-6109), \$3,000,000, to remain available until expended.

MULTINATIONAL SPECIES CONSERVATION FUND

For expenses necessary to carry out the African Elephant Conservation Act (16 U.S.C. 4201–4203, 4211–4213, 4221–4225, 4241–4245, and 1538), the Asian Elephant Conservation Act of 1997 (Public Law 105–96; 16 U.S.C. 4261–4266), the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301–5306), and the Great Ape Conservation Act of 2000 (16 U.S.C. 6301), \$4,800,000, to remain available until expended.

STATE AND TRIBAL WILDLIFE GRANTS

For wildlife conservation grants to States and to the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, American Samoa, and federally recognized Indian tribes under the provisions of the Fish and Wildlife Act of 1956 and the Fish and Wildlife Coordination Act, for the development and implementation of programs for the benefit of wildlife and their habitat, including species that are not hunted or fished, \$65,000,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That of the amount provided herein, \$5,000,000 is for a competitive grant program for Indian tribes not subject to the remaining provisions of this appropriation: *Provided further*, That the Secretary shall, after deducting said \$3,000,000 and administrative expenses, apportion the amount provided herein in the following manner: (A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than one-half of 1 percent thereof: and (B) to Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than one-fourth of 1 percent thereof: *Provided further*, That the Secretary shall apportion the remaining amount in the following manner: (A) one-third of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and (B) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States: *Provided further*, That the amounts apportioned under this paragraph shall be adjusted equitably so that no State shall be apportioned a sum which is less than 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount: *Provided further*, That the Federal share of planning grants shall not exceed 75 percent of the total costs of such projects and the Federal share of implementation grants shall not exceed 50 percent of the total costs of such projects: *Provided further*, That the non-Federal share of such projects may not be derived from Federal grant programs: *Provided further*, That no State, territory, or other jurisdiction shall receive a grant unless it has developed, or committed to develop by October 1, 2005, a comprehensive wildlife conservation plan, consistent with criteria established by the Secretary of the Interior, that considers the broad range of the State, territory, or other jurisdiction's wildlife and associated habitats, with appropriate priority placed on those species with the greatest conservation need and taking into consideration the relative level of funding available for the conservation of those species: *Provided further*, That any amount apportioned in 2003 to any State, territory, or other jurisdiction that remains unobligated as of September 30, 2004, shall be reapportioned,

together with funds appropriated in 2005, in the manner provided herein: *Provided further*, That balances from amounts previously appropriated under the heading “State Wildlife Grants” shall be transferred to and merged with this appropriation and shall remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 102 passenger motor vehicles, of which 75 are for replacement only (including 39 for police-type use); repair of damage to public roads within and adjacent to reservation areas caused by operations of the Service; options for the purchase of land at not to exceed \$1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Service and to which the United States has title, and which are used pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: *Provided further*, That the Service may accept donated aircraft as replacements for existing aircraft: *Provided further*, That the United States Fish and Wildlife Service is authorized to grant \$500,000 appropriated in Public Law 107-63 for land acquisition to the Narragansett Indian Tribe for acquisition of the Great Salt Pond burial tract: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in Senate Report 105-56.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, \$1,565,565,000, of which \$10,878,000 for planning and interagency coordination in support of Everglades restoration shall remain available until expended; of which \$85,280,000, to remain available until September 30, 2004, is for maintenance repair or rehabilitation projects for constructed assets, operation of the National Park Service automated facility management software system, and comprehensive facility condition assessments; and of which \$2,000,000 is for the Youth Conservation Corps for high priority projects: *Provided*, That the only funds

in this account which may be made available to support United States Park Police are those funds approved for emergency law and order incidents pursuant to established National Park Service procedures, those funds needed to maintain and repair United States Park Police administrative facilities, and those funds necessary to reimburse the United States Park Police account for the unbudgeted overtime and travel costs associated with special events for an amount not to exceed \$10,000 per event subject to the review and concurrence of the Washington headquarters office.

UNITED STATES PARK POLICE

For expenses necessary to carry out the programs of the United States Park Police, \$78,431,000.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, heritage partnership programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, \$61,667,000.

URBAN PARK AND RECREATION FUND

For expenses necessary to carry out the provisions of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.), \$300,000, to remain available until expended.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), and the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333), \$69,000,000, to be derived from the Historic Preservation Fund, to remain available until September 30, 2004: *Provided*, That, of the amount provided herein, \$2,000,000, to remain available until expended, is for a grant for the perpetual care and maintenance of National Trust Historic Sites, as authorized under 16 U.S.C. 470a(e)(2), to be made available in full upon signing of a grant agreement: *Provided further*, That, notwithstanding any other provision of law, these funds shall be available for investment with the proceeds to be used for the same purpose as set out herein: *Provided further*, That of the total amount provided, \$30,000,000 shall be for Save America's Treasures for priority preservation projects, of nationally significant sites, structures, and artifacts: *Provided further*, That any individual Save America's Treasures grant shall be matched by non-Federal funds: *Provided further*, That individual projects shall only be eligible for one grant, and all projects to be funded shall be approved by the House and Senate Committees on Appropriations and the Secretary of the Interior in consultation with the President's Committee on the Arts and Humanities prior to the commitment of grant funds: *Provided further*, That Save America's Treasures funds allocated for Federal projects shall be available by transfer to appropriate accounts of individual agencies, after approval of such projects by the Secretary of the Interior, in consultation with the House

and Senate Committees on Appropriations and the President's Committee on the Arts and Humanities.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, including the modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989, \$327,843,000, to remain available until expended, of which \$1,800,000 for the Virginia City Historic District and \$500,000 for the Fort Osage National Historic Landmark shall be derived from the Historic Preservation Fund pursuant to 16 U.S.C. 470a, of which not to exceed \$3,000,000 is for site acquisition for the proposed Morris Thompson Cultural and Visitors Center, to be made available to the Tanana Chiefs Conference under an Annual Funding Agreement through the Indian Self-Determination and Education Assistance Act, and of which \$400,000 is for the Alice Ferguson Foundation for facility upgrade and rehabilitation at the Hard Bargain Farm: *Provided*, That none of the funds in this or any other Act, may be used to pay the salaries and expenses of more than 160 Full Time Equivalent personnel working for the National Park Service's Denver Service Center funded under the construction program management and operations activity: *Provided further*, That none of the funds provided in this or any other Act may be used to pre-design, plan, or construct any new facility (including visitor centers, curatorial facilities, administrative buildings), for which appropriations have not been specifically provided if the net construction cost of such facility is in excess of \$5,000,000, without prior approval of the House and Senate Committees on Appropriations: *Provided further*, That this restriction applies to all funds available to the National Park Service, including partnership and fee demonstration projects: *Provided further*, That the National Park Service may transfer to the City of Carlsbad, New Mexico, funds for the construction of the National Cave and Karst Research Institute to be built and operated in accordance with provisions in Public Law 105-325 and all other applicable laws and regulations. Title to the Institute will be held by the City of Carlsbad.

Applicability.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

16 USC 460l-10a
note.

The contract authority provided for fiscal year 2003 by 16 U.S.C. 460l-10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l-4 through 11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with the statutory authority applicable to the National Park Service, \$172,468,000, to be derived from the Land and Water Conservation Fund and to remain available until expended, of which \$98,000,000 is for the State assistance program including \$3,000,000 to administer the State assistance program: *Provided*, That of the amounts provided under this heading, \$15,000,000 may be for Federal grants, including Federal administrative expenses, to the State of Florida

for the acquisition of lands or waters, or interests therein, within the Everglades watershed (consisting of lands and waters within the boundaries of the South Florida Water Management District, Florida Bay and the Florida Keys, including the areas known as the Frog Pond, the Rocky Glades and the Eight and One-Half Square Mile Area) under terms and conditions deemed necessary by the Secretary to improve and restore the hydrological function of the Everglades watershed: *Provided further*, That funds provided under this heading for assistance to the State of Florida to acquire lands within the Everglades watershed are contingent upon new matching non-Federal funds by the State, or are matched by the State pursuant to the cost-sharing provisions of section 316(b) of Public Law 104-303, and shall be subject to an agreement that the lands to be acquired will be managed in perpetuity for the restoration of the Everglades: *Provided further*, That none of the funds provided for the State Assistance program may be used to establish a contingency fund.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 301 passenger motor vehicles, of which 273 shall be for replacement only, including not to exceed 226 for police-type use, 10 buses, and 8 ambulances: *Provided*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project.

Reports.

None of the funds in this Act may be spent by the National Park Service for activities taken in direct response to the United Nations Biodiversity Convention.

The National Park Service may distribute to operating units based on the safety record of each unit the costs of programs designed to improve workplace and employee safety, and to encourage employees receiving workers' compensation benefits pursuant to chapter 81 of title 5, United States Code, to return to appropriate positions for which they are medically able.

Notwithstanding any other provision of law, in fiscal year 2003 and thereafter, sums provided to the National Park Service by private entities for utility services shall be credited to the appropriate account and remain available until expended: *Provided*, That heretofore and hereafter, in carrying out the work under reimbursable agreements with any State, local or tribal government, the National Park Service may, without regard to 31 U.S.C. 1341 or any other provision of law or regulation, record obligations against accounts receivable from such entities, and shall credit amounts received from such entities to the appropriate account, such credit

16 USC 1h.

16 USC 1i.

to occur within 90 days of the date of the original request by the National Park Service for payment.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, biology, and the mineral and water resources of the United States, its territories and possessions, and other areas as authorized by 43 U.S.C. 31, 1332, and 1340; classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; and to conduct inquiries into the economic conditions affecting mining and materials processing industries (30 U.S.C. 3, 21a, and 1603; 50 U.S.C. 98g(1)) and related purposes as authorized by law and to publish and disseminate data; \$925,287,000, of which \$64,855,000 shall be available only for cooperation with States or municipalities for water resources investigations; and of which \$15,499,000 shall remain available until expended for conducting inquiries into the economic conditions affecting mining and materials processing industries; and of which \$8,000,000 shall remain available until expended for satellite operations; and of which \$24,623,000 shall be available until September 30, 2004, for the operation and maintenance of facilities and deferred maintenance; and of which \$170,926,000 shall be available until September 30, 2004, for the biological research activity and the operation of the Cooperative Research Units: *Provided*, That none of these funds provided for the biological research activity shall be used to conduct new surveys on private property, unless specifically authorized in writing by the property owner: *Provided further*, That no part of this appropriation shall be used to pay more than one-half the cost of topographic mapping or water resources data collection and investigations carried on in cooperation with States and municipalities.

43 USC 50.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the United States Geological Survey shall be available for the purchase of not to exceed 53 passenger motor vehicles, of which 48 are for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Survey duly appointed to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302 et seq.: *Provided further*, That notwithstanding the provisions

43 USC 36d.

of the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301–6308), the United States Geological Survey is authorized to continue existing, and hereafter, to enter into new cooperative agreements directed towards a particular cooperator, in support of joint research and data collection activities with Federal, State, and academic partners funded by appropriations herein, including those that provide for space in cooperator facilities.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only, \$165,321,000, of which \$83,284,000, shall be available for royalty management activities; and an amount not to exceed \$100,230,000, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for Outer Continental Shelf administrative activities performed by the Minerals Management Service over and above the rates in effect on September 30, 1993, and from additional fees for Outer Continental Shelf administrative activities established after September 30, 1993: *Provided*, That to the extent \$100,230,000 in additions to receipts are not realized from the sources of receipts stated above, the amount needed to reach \$100,230,000 shall be credited to this appropriation from receipts resulting from rental rates for Outer Continental Shelf leases in effect before August 5, 1993: *Provided further*, That \$3,000,000 for computer acquisitions shall remain available until September 30, 2004: *Provided further*, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721(b) and (d): *Provided further*, That not to exceed \$3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further*, That notwithstanding any other provision of law, \$15,000 under this heading shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service (MMS) concurred with the claimed refund due, to pay amounts owed to Indian allottees or tribes, or to correct prior unrecoverable erroneous payments: *Provided further*, That MMS may under the royalty-in-kind pilot program, or under its authority to transfer oil to the Strategic Petroleum Reserve, use a portion of the revenues from royalty-in-kind sales, without regard to fiscal year limitation, to pay for transportation to wholesale market centers or upstream pooling points, to process or otherwise dispose of royalty production taken in kind, and to recover MMS transportation costs, salaries, and other administrative costs directly related to filling the Strategic Petroleum Reserve: *Provided further*, That MMS shall analyze and document the expected return in advance of any royalty-in-kind sales to assure to the maximum extent practicable that royalty income

under the pilot program is equal to or greater than royalty income recognized under a comparable royalty-in-value program.

OIL SPILL RESEARCH

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, \$6,105,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; \$105,092,000: *Provided*, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year 2003 for civil penalties assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

30 USC 1211
note.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, \$191,745,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$10,000,000, to be derived from the Federal Expenses Share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines, and for associated activities, through the Appalachian Clean Streams Initiative: *Provided*, That grants to minimum program States will be \$1,500,000 per State in fiscal year 2003: *Provided further*, That of the funds herein provided up to \$18,000,000 may be used for the emergency program authorized by section 410 of Public Law 95-87, as amended, of which no more than 25 percent shall be used for emergency reclamation projects in any one State and funds for federally administered emergency reclamation projects under this proviso shall not exceed \$11,000,000: *Provided further*, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 percent limitation per State and may be used without fiscal year limitation for emergency projects: *Provided further*, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect

these debts: *Provided further*, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: *Provided further*, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under title IV of the Surface Mining Control and Reclamation Act of 1977, as amended (30 U.S.C. 1231 et seq.), if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For expenses necessary for the operation of Indian programs, as authorized by law, including the Snyder Act of November 2, 1921 (25 U.S.C. 13), the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.), as amended, the Education Amendments of 1978 (25 U.S.C. 2001-2019), and the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.), as amended, \$1,857,319,000, to remain available until September 30, 2004 except as otherwise provided herein, of which not to exceed \$87,857,000 shall be for welfare assistance payments and notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, not to exceed \$133,209,000 shall be available for payments to tribes and tribal organizations for contract support costs associated with ongoing contracts, grants, compacts, or annual funding agreements entered into with the Bureau prior to or during fiscal year 2003, as authorized by such Act, except that tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, or compacts, or annual funding agreements and for unmet welfare assistance costs; and up to \$2,000,000 shall be for the Indian Self-Determination Fund which shall be available for the transitional cost of initial or expanded tribal contracts, grants, compacts or cooperative agreements with the Bureau under such Act; and of which not to exceed \$447,985,000 for school operations costs of Bureau-funded schools and other education programs shall become available on July 1, 2003, and shall remain available until September 30, 2004; and of which not to exceed \$57,686,000 shall remain available until expended for housing improvement, road maintenance, attorney fees, litigation support, the Indian Self-Determination Fund, land records improvement, and the Navajo-Hopi Settlement Program: *Provided*, That notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended,

Expiration date.

and 25 U.S.C. 2008, not to exceed \$45,065,000 within and only from such amounts made available for school operations shall be available to tribes and tribal organizations for administrative cost grants associated with the operation of Bureau-funded schools: *Provided further*, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 2004, may be transferred during fiscal year 2005 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: *Provided further*, That any such unobligated balances not so transferred shall expire on September 30, 2005: *Provided further*, That ISEP contingency funds may be used to cover expenses for negotiated rulemaking required by Public Law 107-110.

CONSTRUCTION

For construction, repair, improvement, and maintenance of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands, and interests in lands; and preparation of lands for farming, and for construction of the Navajo Indian Irrigation Project pursuant to Public Law 87-483, \$348,252,000, to remain available until expended: *Provided*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided further*, That not to exceed 6 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau: *Provided further*, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a nonreimbursable basis: *Provided further*, That for fiscal year 2003, in implementing new construction or facilities improvement and repair project grants in excess of \$100,000 that are provided to tribally controlled grant schools under Public Law 100-297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: *Provided further*, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: *Provided further*, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C. 2005(a), with respect to organizational and financial management capabilities: *Provided further*, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): *Provided further*, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2508(e).

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS
PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, \$60,949,000, to remain available until expended; of which \$24,870,000 shall be available

for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 101-618 and 102-575, and for implementation of other enacted water rights settlements; of which \$5,068,000 shall be available for future water supplies facilities under Public Law 106-163; and of which \$31,011,000 shall be available pursuant to Public Laws 99-264, 100-580, 106-263, 106-425, and 106-554: *Provided*, That of the amount provided for implementation of Public Law 106-263, \$3,000,000 for a water rights and habitat acquisition program shall be derived from the Land and Water Conservation Fund.

INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed and insured loans, \$5,000,000, as authorized by the Indian Financing Act of 1974, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$72,464,000.

In addition, for administrative expenses to carry out the guaranteed and insured loan programs, \$493,000.

ADMINISTRATIVE PROVISIONS

The Bureau of Indian Affairs may carry out the operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts and grants, either directly or in cooperation with States and other organizations.

Notwithstanding 25 U.S.C. 15, the Bureau of Indian Affairs may contract for services in support of the management, operation, and maintenance of the Power Division of the San Carlos Irrigation Project.

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 229 passenger motor vehicles, of which not to exceed 187 shall be for replacement only.

Notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs for central office operations, pooled overhead general administration (except facilities operations and maintenance), or provided to implement the recommendations of the National Academy of Public Administration's August 1999 report shall be available for tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act or the Tribal Self-Governance Act of 1994 (Public Law 103-413).

In the event any tribe returns appropriations made available by this Act to the Bureau of Indian Affairs for distribution to other tribes, this action shall not diminish the Federal Government's trust responsibility to that tribe, or the government-to-government relationship between the United States and that tribe, or that tribe's ability to access future appropriations.

Notwithstanding any other provision of law, no funds available to the Bureau, other than the amounts provided herein for assistance to public schools under 25 U.S.C. 452 et seq., shall be available

to support the operation of any elementary or secondary school in the State of Alaska.

Appropriations made available in this or any other Act for schools funded by the Bureau shall be available only to the schools in the Bureau school system as of September 1, 1996. No funds available to the Bureau shall be used to support expanded grades for any school or dormitory beyond the grade structure in place or approved by the Secretary of the Interior at each school in the Bureau school system as of October 1, 1995. Funds made available under this Act may not be used to establish a charter school at a Bureau-funded school (as that term is defined in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026)), except that a charter school that is in existence on the date of the enactment of this Act and that has operated at a Bureau-funded school before September 1, 1999, may continue to operate during that period, but only if the charter school pays to the Bureau a pro rata share of funds to reimburse the Bureau for the use of the real and personal property (including buses and vans), the funds of the charter school are kept separate and apart from Bureau funds, and the Bureau does not assume any obligation for charter school programs of the State in which the school is located if the charter school loses such funding. Employees of Bureau-funded schools sharing a campus with a charter school and performing functions related to the charter school's operation and employees of a charter school shall not be treated as Federal employees for purposes of chapter 171 of title 28, United States Code (commonly known as the "Federal Tort Claims Act").

DEPARTMENTAL OFFICES

INSULAR AFFAIRS

ASSISTANCE TO TERRITORIES

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, \$76,217,000, of which: (1) \$70,922,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, coral reef initiative activities, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241; 90 Stat. 272); and (2) \$5,295,000 shall be available for salaries and expenses of the Office of Insular Affairs: *Provided*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or used by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public

Law 104–134: *Provided further*, That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure with territorial participation and cost sharing to be determined by the Secretary based on the grantee’s commitment to timely maintenance of its capital assets: *Provided further*, That any appropriation for disaster assistance under this heading in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).

Grants.
Close Up
Foundation.

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, and for economic assistance and necessary expenses for the Republic of Palau as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, \$20,985,000, to remain available until expended, as authorized by Public Law 99–239 and Public Law 99–658.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for management of the Department of the Interior, \$72,427,000, of which not to exceed \$8,500 may be for official reception and representation expenses, and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, \$47,773,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, \$36,239,000, of which \$3,812,000 shall be for procurement by contract of independent auditing services to audit the consolidated Department of the Interior annual financial statement and the annual financial statement of the Department of the Interior bureaus and offices funded in this Act.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

25 USC 4011
note.

Records.

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$141,277,000, to remain available until expended, of which \$15,000,000 is for historical accounting: *Provided*, That funds for trust management improvements may be transferred, as needed, to the Bureau of Indian Affairs “Operation of Indian Programs” account and to the Departmental Management “Salaries and Expenses” account: *Provided further*, That funds made available to Tribes and Tribal organizations through contracts or grants obligated during fiscal year 2003, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: *Provided further*, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: *Provided further*, That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$1.00 or less: *Provided further*, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: *Provided further*, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: *Provided further*, That erroneous payments that are recovered shall be credited to this account.

INDIAN LAND CONSOLIDATION

For consolidation of fractional interests in Indian lands and expenses associated with redetermining and redistributing escheated interests in allotted lands, and for necessary expenses to carry out the Indian Land Consolidation Act of 1983, as amended, by direct expenditure or cooperative agreement, \$7,980,000, to remain available until expended and which may be transferred to the Bureau of Indian Affairs and Departmental Management.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment and restoration activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (Public Law 101-380) (33 U.S.C. 2701 et seq.), and Public Law 101-337, as amended

(16 U.S.C. 19jj et seq.), \$5,538,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That notwithstanding any other provision of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: *Provided further*, That notwithstanding any other provision of law, the Office of Aircraft Services shall transfer to the Sheriff's Office, Kane County, Utah, without restriction, a Cessna U206G, identification number N211S, serial number 20606916, for the purpose of facilitating more efficient law enforcement activities at Glen Canyon National Recreation Area and the Grand Staircase Escalante National Monument: *Provided further*, That no programs funded with appropriated funds in the "Departmental Management", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of wildland fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit

assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for wildland fire operations shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for wildland fire operations, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That for wildland fire operations, no funds shall be made available under this authority until the Secretary determines that funds appropriated for “wildland fire operations” shall be exhausted within 30 days: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be “emergency requirements” pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible: *Provided further*, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, United States Code: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed \$500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902 and D.C. Code 4–204).

SEC. 106. Annual appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of 12 months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore preleasing, leasing and related activities placed under restriction in the President’s moratorium statement of June 12, 1998, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore oil and natural gas preleasing, leasing, and related activities, on lands within the North Aleutian Basin planning area.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior to conduct offshore oil and natural gas preleasing, leasing and related activities in the eastern Gulf of Mexico planning area for any lands located outside Sale 181, as identified in the final Outer Continental Shelf 5-Year Oil and Gas Leasing Program, 1997–2002.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior to conduct oil and natural gas preleasing, leasing and related activities in the Mid-Atlantic and South Atlantic planning areas.

SEC. 111. Advance payments made under this title to Indian tribes, tribal organizations, and tribal consortia pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) or the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) may be invested by the Indian tribe, tribal organization, or consortium before such funds are expended for the purposes of the grant, compact, or annual funding agreement so long as such funds are—

(1) invested by the Indian tribe, tribal organization, or consortium only in obligations of the United States, or in obligations or securities that are guaranteed or insured by the United States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations of the United States or securities that are guaranteed or insured by the United States; or

(2) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully collateralized to ensure protection of the funds, even in the event of a bank failure.

SEC. 112. Notwithstanding any other provisions of law, the National Park Service shall not develop or implement a reduced entrance fee program to accommodate non-local travel through a unit. The Secretary may provide for and regulate local non-recreational passage through units of the National Park System, allowing each unit to develop guidelines and permits for such activity appropriate to that unit.

SEC. 113. Appropriations made in this Act under the headings Bureau of Indian Affairs and Office of Special Trustee for American Indians and any available unobligated balances from prior appropriations Acts made under the same headings, shall be available for expenditure or transfer for Indian trust management and reform activities.

SEC. 114. Notwithstanding any other provision of law, the Secretary of the Interior hereafter has ongoing authority to negotiate and enter into agreements and leases, without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b), with any person, firm, association, organization, corporation, or governmental entity, for all or part of the property within Fort Baker administered by the Secretary as part of the Golden Gate National Recreation Area. The proceeds of the agreements or leases or any statutorily authorized fees, hereafter shall be retained by the Secretary and such proceeds shall remain available until

16 USC 460bb–3
note.

expended, without further appropriation, for the preservation, restoration, operation, maintenance, interpretation, public programs, and related expenses of the National Park Service and nonprofit park partners incurred with respect to Fort Baker properties.

SEC. 115. Notwithstanding any other provision of law, for the purpose of reducing the backlog of Indian probate cases in the Department of the Interior, the hearing requirements of chapter 10 of title 25, United States Code, are deemed satisfied by a proceeding conducted by an Indian probate judge, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing the appointments in the competitive service, for such period of time as the Secretary determines necessary: *Provided*, That the basic pay of an Indian probate judge so appointed may be fixed by the Secretary without regard to the provisions of chapter 51, and subchapter III of chapter 53 of title 5, United States Code, governing the classification and pay of General Schedule employees, except that no such Indian probate judge may be paid at a level which exceeds the maximum rate payable for the highest grade of the General Schedule, including locality pay.

SEC. 116. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transferring funds to address identified, unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. No tribe shall receive a reduction in Tribal Priority Allocation funds of more than 10 percent in fiscal year 2003. Under circumstances of dual enrollment, overlapping service areas or inaccurate distribution methodologies, the 10 percent limitation does not apply.

SEC. 117. Funds appropriated for the Bureau of Indian Affairs for postsecondary schools for fiscal year 2003 shall be allocated among the schools proportionate to the unmet need of the schools as determined by the Postsecondary Funding Formula adopted by the Office of Indian Education Programs.

SEC. 118. (a) The Secretary of the Interior shall take such action as may be necessary to ensure that the lands comprising the Huron Cemetery in Kansas City, Kansas (as described in section 123 of Public Law 106-291) are used only in accordance with this section.

(b) The lands of the Huron Cemetery shall be used only: (1) for religious and cultural uses that are compatible with the use of the lands as a cemetery; and (2) as a burial ground.

SEC. 119. Notwithstanding any other provision of law, in conveying the Twin Cities Research Center under the authority provided by Public Law 104-134, as amended by Public Law 104-208, the Secretary may accept and retain land and other forms of reimbursement: *Provided*, That the Secretary may retain and use any such reimbursement until expended and without further appropriation: (1) for the benefit of the National Wildlife Refuge System within the State of Minnesota; and (2) for all activities authorized by Public Law 100-696; 16 U.S.C. 460zz.

SEC. 120. Notwithstanding other provisions of law, the National Park Service may authorize, through cooperative agreement, the Golden Gate National Parks Association to provide fee-based education, interpretive and visitor service functions within the Crissy Field and Fort Point areas of the Presidio.

SEC. 121. Notwithstanding 31 U.S.C. 3302(b), sums received by the Bureau of Land Management for the sale of seeds or seedlings including those collected in fiscal year 2002, may be credited to the appropriation from which funds were expended to acquire or grow the seeds or seedlings and are available without fiscal year limitation.

SEC. 122. TRIBAL SCHOOL CONSTRUCTION DEMONSTRATION PROGRAM. (a) DEFINITIONS.—In this section:

25 USC 2501
note.

(1) CONSTRUCTION.—The term “construction”, with respect to a tribally controlled school, includes the construction or renovation of that school.

(2) INDIAN TRIBE.—The term “Indian tribe” has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(3) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(4) TRIBALLY CONTROLLED SCHOOL.—The term “tribally controlled school” has the meaning given that term in section 5212 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2511).

(5) DEPARTMENT.—The term “Department” means the Department of the Interior.

(6) DEMONSTRATION PROGRAM.—The term “demonstration program” means the Tribal School Construction Demonstration Program.

(b) IN GENERAL.—The Secretary shall carry out a demonstration program for fiscal years 2003 through 2007 to provide grants to Indian tribes for the construction of tribally controlled schools.

(1) IN GENERAL.—Subject to the availability of appropriations, in carrying out the demonstration program under subsection (b), the Secretary shall award a grant to each Indian tribe that submits an application that is approved by the Secretary under paragraph (2). The Secretary shall ensure that an Indian tribe that agrees to fund all future operation and maintenance costs of the tribally controlled school constructed under the demonstration program from other than Federal funds receives the highest priority for a grant under this section.

(2) GRANT APPLICATIONS.—An application for a grant under the section shall—

(A) include a proposal for the construction of a tribally controlled school of the Indian tribe that submits the application; and

(B) be in such form as the Secretary determines appropriate.

(3) GRANT AGREEMENT.—As a condition to receiving a grant under this section, the Indian tribe shall enter into an agreement with the Secretary that specifies—

(A) the costs of construction under the grant;

(B) that the Indian tribe shall be required to contribute towards the cost of the construction a tribal share equal to 50 percent of the costs; and

(C) any other term or condition that the Secretary determines to be appropriate.

(4) ELIGIBILITY.—Grants awarded under the demonstration program shall be used only for construction or replacement of a tribally controlled school.

(c) EFFECT OF GRANT.—A grant received under this section shall be in addition to any other funds received by an Indian tribe under any other provision of law. The receipt of a grant under this section shall not affect the eligibility of an Indian tribe receiving funding, or the amount of funding received by the Indian tribe, under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) or the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

(d) REPORT.—At the conclusion of the five-year demonstration program, the Secretary shall report to Congress as to whether the demonstration program has achieved its purposes of providing additional tribes fair opportunities to construct tribally controlled schools, accelerating construction of needed educational facilities in Indian Country, and permitting additional funds to be provided for the Department's priority list for construction of replacement educational facilities.

SEC. 123. WHITE RIVER OIL SHALE MINE, UTAH. SALE.—Subject to the terms and conditions of section 126 of the Department of the Interior and Related Agencies Act, 2002, the Administrator of General Services shall sell all right, title, and interest of the United States in and to the improvements and equipment of the White River Oil Shale Mine.

SEC. 124. The Secretary of the Interior may use or contract for the use of helicopters or motor vehicles on the Sheldon and Hart National Wildlife Refuges for the purpose of capturing and transporting horses and burros. The provisions of subsection (a) of the Act of September 8, 1959 (73 Stat. 470; 18 U.S.C. 47(a)) shall not be applicable to such use. Such use shall be in accordance with humane procedures prescribed by the Secretary.

SEC. 125. Funds provided in this Act for Federal land acquisition by the National Park Service for Shenandoah Valley Battlefields National Historic District, and Ice Age National Scenic Trail may be used for a grant to a State, a local government, or any other governmental land management entity for the acquisition of lands without regard to any restriction on the use of Federal land acquisition funds provided through the Land and Water Conservation Fund Act of 1965 as amended.

SEC. 126. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 127. None of the funds made available in this Act may be used: (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when such pedestrian use is consistent with generally accepted safety standards.

SEC. 128. None of the funds made available in this or any other Act for any fiscal year may be used to designate, or to post any sign designating, any portion of Canaveral National Seashore in Brevard County, Florida, as a clothing-optional area or as an area in which public nudity is permitted, if such designation would be contrary to county ordinance.

SEC. 129. Notwithstanding any other provision of law, the United States Fish and Wildlife Service may use funds appropriated in this Act for incidental expenses related to promoting and celebrating the Centennial of the National Wildlife Refuge System.

SEC. 130. The National Park Service may in fiscal year 2003 and thereafter enter into a cooperative agreement with and transfer funds to Capital Concerts, a nonprofit organization, for the purpose of carrying out programs pursuant to 31 U.S.C. 6305.

SEC. 131. No later than 30 days after enactment of this Act, the Secretary of the Interior shall provide to the House and Senate Committees on Appropriations and the House Committee on Resources and the Senate Committee on Indian Affairs a summary of the Ernst and Young report on the historical accounting for the five named plaintiffs in *Cobell v. Norton*. The summary shall not provide individually identifiable financial information, but shall fully describe the aggregate results of the historical accounting.

Deadline.
Reports.

SEC. 132. None of the funds in this or any other Act for the Department of the Interior or the Department of Justice can be used to compensate the Special Master and the Special Master-Monitor, and all variations thereto, appointed by the United States District Court for the District of Columbia in the *Cobell v. Norton* litigation at an annual rate that exceeds 200 percent of the highest Senior Executive Service rate of pay for the Washington-Baltimore locality pay area.

SEC. 133. Within 90 days of enactment of this Act the Special Trustee for American Indians, in consultation with the Secretary of the Interior and the Tribes, shall appoint new members to the Special Trustee Advisory Board.

Deadline.
15 USC 4046
note.

SEC. 134. The Secretary of the Interior may use discretionary funds to pay private attorneys fees and costs for employees and former employees of the Department of the Interior reasonably incurred in connection with *Cobell v. Norton* to the extent that such fees and costs are not paid by the Department of Justice or by private insurance. In no case shall the Secretary make payments under this section that would result in payment of hourly fees in excess of the highest hourly rate approved by the District Court for the District of Columbia for counsel in *Cobell v. Norton*.

SEC. 135. Section 124(a) of the Department of the Interior and Related Agencies Appropriation Act, 1997 (16 U.S.C. 1011 (a)), as amended, is further amended by inserting after the phrase “appropriations made for the Bureau of Land Management” the phrase “including appropriations for the Wildland Fire Management account allocated to the National Park Service, Fish and Wildlife Service, and Bureau of Indian Affairs”.

SEC. 136. Public Law 107–106 is amended as follows: in section 5(a) strike “9 months after the date of enactment of the Act” and insert in lieu thereof “September 30, 2003”.

115 Stat. 1010.

SEC. 137. Notwithstanding any other provision of law, the funds provided in the Labor, Health and Human Services, Education and Related Agencies Appropriations Act of 2002, Public Law 107–116, for the National Museum of African American History and Culture Plan for Action Presidential Commission shall remain available until expended.

SEC. 138. The United States Fish and Wildlife Service shall, in carrying out its responsibilities to protect threatened and endangered species of salmon, implement a system of mass marking of salmonid stocks, intended for harvest, that are released from Federally operated or Federally financed hatcheries including but not limited to fish releases of coho, chinook, and steelhead species. Marked fish must have a visible mark that can be readily identified by commercial and recreational fishers.

Federal buildings
and facilities.
New Mexico.
16 USC 668dd
note.
16 USC 195 note.

SEC. 139. The visitor center at the Bitter Lake National Wildlife Refuge in New Mexico shall be named for Joseph R. Skeen and, hereafter, shall be referred to in any law, document, or record of the United States as the “Joseph R. Skeen Visitor Center”.

SEC. 140. In fiscal year 2003 and each fiscal year thereafter, notwithstanding any other provision of law, with respect to a service contract for the provision solely of transportation services at Zion National Park or Rocky Mountain National Park, the Secretary of the Interior may obligate the expenditure of fees expected to be received in that fiscal year before the fees are received, so long as total obligations do not exceed fee collections retained at Zion National Park or Rocky Mountain National Park, respectively, by the end of that fiscal year.

SEC. 141. Section 6(f) of Public Law 88-578 as amended shall not apply to LWCF program #02-00010.

40 USC 8903
note.

SEC. 142. Notwithstanding section 1(d) of Public Law 107-62, the National Park Service is authorized to obligate \$1,000,000 made available in fiscal year 2002 to plan the John Adams Presidential memorial in cooperation with non-Federal partners.

SEC. 143. Notwithstanding any other provision of law, funds appropriated and remaining available in the Construction (Trust Fund) account of the National Park Service at the completion of all authorized projects, shall be available for the rehabilitation and improvement of Going-to-the-Sun Road in Glacier National Park.

SEC. 144. Hereafter, the Department of the Interior National Business Center may continue to enter into grants, cooperative agreements, and other transactions, under the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992, and other related legislation.

SEC. 145. (a) IN GENERAL.—Nothing in section 134 of the Department of the Interior and Related Agencies Appropriations Act, 2002 (115 Stat. 443) affects the decision of the United States Court of Appeals for the 10th Circuit in *Sac and Fox Nation v. Norton*, 240 F.3d 1250 (2001).

(b) USE OF CERTAIN INDIAN LAND.—Nothing in this section permits the conduct of gaming under the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) on land described in section 123 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (114 Stat. 944), or land that is contiguous to that land, regardless of whether the land or contiguous land has been taken into trust by the Secretary of the Interior.

SEC. 146. Section 3(f)(2)(B) of Public Law 99-548 (100 Stat. 3061; 113 Stat. 1501A-168) is amended by striking “(iv) Sec. 8.” and inserting the following:

“(iv) Sec. 7.

“(v) Sec. 8.”.

SEC. 147. Not to exceed \$650,000 of the funds made available under the heading “United States Fish and Wildlife Service, Construction” in Public Law 107-63 for hangar roof replacement at Midway Atoll National Wildlife Refuge, and such sums as may be necessary from “Departmental Management, Salaries and Expenses”, may be transferred to “United States Fish and Wildlife Service, Resource Management” for operational needs at Midway Atoll National Wildlife Refuge.

116 Stat. 2843,
2844.

SEC. 148. Public Law 107-331 is amended in sections 301(b) and 301(d) by striking the word “Secretary” each place it appears

and inserting in lieu thereof the word “Director”, and by striking the text of section 301(c)(3) and inserting in lieu thereof “DIRECTOR.—The term ‘Director’ means the Director of the Institute of Museum and Library Services.”. 116 Stat. 2844.

SEC. 149. Section 113 of Public Law 104–208 (31 U.S.C. 501 note.) is amended by deleting “That such fund shall be paid in advance” and inserting “That such fund may be paid in advance”.

SEC. 150. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES. (a) DECREASED COST-SHARING REQUIREMENT.—Section 507(c) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 470a note) is amended—

(1) by striking “(1) Except” and inserting the following:

“(1) IN GENERAL.—Except”;

(2) by striking “paragraph (2)” and inserting “paragraphs (2) and (3)”;

(3) by striking “(2) The Secretary” and inserting the following:

“(2) WAIVER.—The Secretary”;

(4) by striking “paragraph (1)” and inserting “paragraphs (1) and (3)”;

(5) by adding at the end the following:

“(3) EXCEPTION.—The Secretary shall not obligate funds made available under subsection (d)(2) for a grant with respect to a building or structure listed on, or eligible for listing on, the National Register of Historic Places unless the grantee agrees to provide, from funds derived from non-Federal sources, an amount that is equal to 30 percent of the total cost of the project for which the grant is provided.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 507(d) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 470a note) is amended—

(1) by striking “Pursuant to” and inserting the following:

“(1) IN GENERAL.—Under”; and

(2) by adding at the end the following:

“(2) ADDITIONAL FUNDING.—In addition to amounts made available under paragraph (1), there is authorized to be appropriated from the Historic Preservation Fund to carry out this section \$10,000,000 for each of fiscal years 2003 through 2008.”.

SEC. 151. The document entitled “Final Environmental Impact Statement for the Renewal of the Federal Grant for the Trans-Alaska Pipeline System Right-of-Way (FEIS)” dated November 2002, shall be deemed sufficient to meet the requirements of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)) with respect to the determination contained in the Record of Decision dated January 8, 2003 relating to the renewal of the Federal right-of-way for the Trans-Alaska Pipeline and related facilities.

SEC. 152. MISSOURI RIVER. It is the sense of the Congress that the member States and tribes of the Missouri River Basin Association are strongly encouraged to reach agreement on a flow schedule for the Missouri River as soon as practicable for 2003.

SEC. 153. TREATMENT OF ABANDONED MINE RECLAMATION FUND INTEREST. (a) IN GENERAL.—In addition to the transfer provided for in section 402(h) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(h)), interest credited to the fund established by section 401 of such Act (30 U.S.C. 1231) shall be transferred to the Combined Fund identified in section 402(h)(2) up

to such amount as is estimated by the trustees of such Combined Fund to offset the amount of any deficit in net assets in the Combined Fund. The cumulative additional amount that may be transferred under this section from the date of enactment of this Act through September 30, 2004 shall not exceed \$34,000,000.

(b) PROHIBITION ON OTHER TRANSFERS.—Except as provided in subsection (a), no principal amounts in or credited to the fund established by section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231) may be transferred to the Combined Fund identified in section 402(h)(2) of such Act (30 U.S.C. 1232(h)(2)).

Termination
date.

(c) LIMITATION.—This section shall cease to have any force and effect after September 30, 2004.

SEC. 154. Section 511(g)(2)(A) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 410ddd(g)(2)(A)) is amended by striking “\$2,000,000” and inserting “\$5,000,000”.

16 USC 3503
note.

SEC. 155. REPLACEMENT OF COASTAL BARRIER RESOURCES SYSTEM MAP. (a) IN GENERAL.—The map described in subsection (b) is replaced, in the maps depicting the Coastal Barrier Resources System that are referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)), by the map entitled “Plum Tree Island Unit VA-59P, Long Creek Unit VA-60/VA-60P” and dated May 1, 2002.

(b) DESCRIPTION OF REPLACED MAP.—The map referred to in subsection (a) is the map that—

(1) relates to Plum Island Unit VA-59P and Long Creek Unit VA-60/VA-60P located in Poquoson and Hampton, Virginia; and

(2) is included in a set of maps entitled ‘Coastal Barrier Resources System’, dated October 24, 1990, revised on October 23, 1992, and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the replacement map described in subsection (b) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

SEC. 156. SENSE OF THE CONGRESS REGARDING SOUTHERN CALIFORNIA OFFSHORE OIL LEASES. (a) FINDINGS.—Congress finds that—

(1) there are 36 undeveloped oil leases on land in the southern California planning area of the outer Continental Shelf that—

(A) have been under review by the Secretary of the Interior for an extended period of time, including some leases that have been under review for over 30 years; and

(B) have not been approved for development under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.);

(2) the oil companies that hold the 36 leases—

(A) have expressed an interest in retiring the leases in exchange for equitable compensation; and

(B) are engaged in settlement negotiations with the Secretary of the Interior for the retirement of the leases; and

(3) it would be a waste of the taxpayer’s money to continue the process for approval or permitting of the 36 leases while

the Secretary of the Interior and the lessees are negotiating to retire the leases.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that no funds made available by this Act or any other Act for any fiscal year should be used by the Secretary of the Interior to approve any exploration, development, or production plan for, or application for a permit to drill on, the 36 undeveloped leases in the southern California planning area of the outer Continental Shelf during any period in which the lessees are engaged in settlement negotiations with the Secretary of the Interior for the retirement of the leases.

SEC. 157. MODIFIED WATER DELIVERY PROJECT IN THE STATE OF FLORIDA. (a) AUTHORITY.—The Corps of Engineers, using funds made available for modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989 (16 U.S.C. 410r-8), shall immediately carry out alternative 6D (including paying 100 percent of the cost of acquiring land or an interest in land) for the purpose of providing a flood protection system for the 8.5 square mile area described in the report entitled “Central and South Florida Project, Modified Water Deliveries to Everglades National Park, Florida, 8.5 Square Mile Area, General Reevaluation Report and Final Supplemental Environmental Impact Statement” and dated July 2000.

(b) CONDITION.—

(1) IN GENERAL.—The Corps of Engineers may only acquire real property used as a residence for the purpose of carrying out the project described in subsection (a) if the Corps of Engineers or the non-Federal sponsor first offers the owner of such real property comparable real property within the part of the 8.5 square mile area that will be provided flood protection under such project. This paragraph does not affect the authority of the Corps of Engineers to acquire property for which this condition has been met or to which this condition does not apply.

(2) AUTHORITY TO ACQUIRE LAND AND PROVIDE ASSISTANCE.—The Corps of Engineers is authorized to acquire such land in the flood protected portion of the 8.5 square mile area from willing sellers, and provide such financial assistance, as may be necessary to carry out this subsection.

(3) FUNDING.—The Corps of Engineers and the non-Federal sponsor may carry out this subsection with funds made available to carry out the project described in subsection (a) and funds provided by the Department of the Interior for land acquisition assistance for Everglades restoration purposes.

SEC. 158. No funds appropriated for the Department of the Interior by this Act or any other Act shall be used to study or implement any plan to drain Lake Powell or to reduce the water level of the lake below the range of water levels required for the operation of the Glen Canyon Dam.

SEC. 159. Notwithstanding the limitation in subparagraph (2)(B) of section 18(a) of the Indian Gaming Regulatory Act (25 U.S.C. 2717(a)), the total amount of all fees imposed by the National Indian Gaming Commission for fiscal year 2004 shall not exceed \$12,000,000.

SEC. 160. MOCCASIN BEND NATIONAL ARCHEOLOGICAL DISTRICT ACT. (a) SHORT TITLE.—This section may be cited as the “Moccasin Bend National Archeological District Act”.

Moccasin Bend
National
Archeological
District Act.
Tennessee.
16 USC 424c.

(b) DEFINITIONS.—As used in this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(2) ARCHEOLOGICAL DISTRICT.—The term “archeological district” means the Moccasin Bend National Archeological District.

(3) STATE.—The term “State” means the State of Tennessee.

(4) MAP.—The term “Map” means the map entitled, “Boundary Map Moccasin Bend National Archeological District”, numbered 301/80098, and dated September 2002.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—In order to preserve, protect, and interpret for the benefit of the public the nationally significant archeological and historic resources located on the peninsula known as Moccasin Bend, Tennessee, there is established as a unit of Chickamauga and Chattanooga National Military Park, the Moccasin Bend National Archeological District.

(2) BOUNDARIES.—The archeological district shall consist of approximately 780 acres generally depicted on the Map. The Map shall be on file and available for public inspection in the appropriate offices of the National Park Service, Department of the Interior.

(3) ACQUISITION OF LAND AND INTERESTS IN LAND.—

(A) IN GENERAL.—The Secretary may acquire by donation, purchase from willing sellers using donated or appropriated funds, or exchange, lands and interests in lands within the exterior boundary of the archeological district. The Secretary may acquire the State, county and city-owned land and interests in land for inclusion in the archeological district only by donation.

(B) EASEMENT OUTSIDE BOUNDARY.—To allow access between areas of the archeological district that on the date of the enactment of this section are noncontiguous, the Secretary may acquire by donation or purchase from willing owners using donated or appropriated funds, or exchange, easements connecting the areas generally depicted on the Map.

(d) ADMINISTRATION.—

(1) IN GENERAL.—The archeological district shall be administered by the Secretary in accordance with this section, with laws applicable to Chickamauga and Chattanooga National Military Park, and with the laws generally applicable to units of the National Park System.

(2) COOPERATIVE AGREEMENT.—The Secretary may consult and enter into cooperative agreements with culturally affiliated federally recognized Indian tribes, governmental entities, and interested persons to provide for the restoration, preservation, development, interpretation, and use of the archeological district.

(3) VISITOR INTERPRETIVE CENTER.—For purposes of interpreting the historical themes and cultural resources of the archeological district, the Secretary may establish and administer a visitor center in the archeological district.

(4) GENERAL MANAGEMENT PLAN.—Not later than 3 years after funds are made available under this section, the Secretary shall develop a general management plan for the archeological district. The general management plan shall describe the appropriate protection and preservation of natural, cultural, and

Deadline.

scenic resources, visitor use, and facility development within the archeological district consistent with the purposes of this section, while ensuring continued access by private landowners to their property.

(e) REPEAL OF PREVIOUS ACQUISITION AUTHORITY.—The Act of August 3, 1950 (chapter 532; 16 U.S.C. 424a-4) is repealed.

SEC. 161. Section 6 of Public Law 102-495 (106 Stat. 3173) is amended by removing subsections 6(b) and (c) in their entirety and substituting the following:

“(b) LANDS TRANSFER TO THE LOWER ELWHA KLALLAM TRIBE.—Subject to valid existing rights, all right, title, and interest of the United States in and to the following described land, consisting of 1.7 acres, more or less, situated in the County of Clallam, State of Washington, are hereby conveyed to the Lower Elwha Klallam Indian Tribe: the parcel lying south of the existing roadway and extending southward to the Inner Harbor line of the Port Angeles Tidelands, and beginning at the north-south line 1,106 feet west of the eastern boundary of Out Lot 6 and running easterly 1,671 feet to the north-south line 565 feet east of the eastern boundary of Out Lot 6, to be further described on a detailed legal description and map filed later with the Oregon/Washington Office of the Bureau of Land Management. Said legal description and map shall be provided by the tribe, at its cost and expense, within ninety (90) days of the enactment of this Act. This conveyance shall be subject to the following provisions:

Deadline.

“(1) There shall be public access to the beach along the south side of the parcel at all times.

“(2) The City of Port Angeles shall have the right to construct and maintain a waterfront trail adjacent to the existing roadway along the north side of the parcel, the location of which shall be determined in conjunction with the Secretary.

“(3) Parking facilities on the parcel shall be open to the public at all times.

“(4) The Agreement entered into on August 11, 1992, between the City of Port Angeles and the Tribe regarding the use of the adjacent leaseholds.

“(5) Easements shall be are hereby reserved in favor of the United States upon, over, under, through, and across the lands conveyed under this section allowing the United States, its successors, assigns, and agents, unrestricted and uninterrupted access to any adjoining lands owned or controlled by the United States, including but not limited to, the United States Coast Guard Air Station located on Ediz Hook, and allowing the United States, its successors, assigns, and agents, to install, construct, operate, maintain, repair, and replace utility lines and other related equipment upon, over, under, through, and across the lands conveyed under this section in order to operate said air station or to conduct any other Federal mission, operation, or activity upon lands owned or controlled by the United States.

“(6) A navigation easement shall be hereby reserved in favor of the United States over the lands conveyed under this section for the continued aircraft operations at the adjacent United States Coast Guard Air Station on Ediz Hook. Said navigation easement shall be based on the Federal Aviation Administration (FAA) standards contained in FAA Advisory Circular 150/5390-2A, “Heliport Design,” dated January 20,

1994. In any event, the Lower Elwha Klallam Indian Tribe shall not construct any building or structure that intrudes into navigable airspace, as defined in FAA regulations.”.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, \$251,685,000, to remain available until expended.

STATE AND PRIVATE FORESTRY

Notification.

Grants.

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management including treatments of pests, pathogens and invasive or noxious plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, \$286,574,000, to remain available until expended, as authorized by law: *Provided*, That none of the funds provided under this heading for the acquisition of lands or interests in lands shall be available until the Forest Service notifies the House Committee on Appropriations and the Senate Committee on Appropriations, in writing, of specific acquisition of lands or interests in lands to be undertaken with such funds: *Provided further*, That each forest legacy grant shall be for a specific project or set of specific tasks: *Provided further*, That grants for acquisition of lands or conservation easements shall require that the State demonstrates that 25 percent of the total value of the project is comprised of a non-Federal cost share: *Provided further*, That funds provided in this Act and in Public Laws 106–113, 106–291, and 107–63, for the West Branch Forest Legacy Project in the State of Maine, consisting of at least 45,000 acres of fee simple purchase and at least 275,000 acres in a conservation easement, that have not been expended by January 31, 2004, shall be transferred to the Wildland Fire Management account and shall be available to perform rehabilitation and restoration activities: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, \$1,000,000 shall be made available to Kake Tribal Corporation as an advance direct lump sum payment to implement the Kake Tribal Corporation Land Transfer Act (Public Law 106–283).

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, \$1,362,299,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l–6a(i)): *Provided*, That unobligated balances available at the start of fiscal year 2003 shall be displayed by budget line item in the fiscal year

2004 budget justification: *Provided further*, That the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands: *Provided further*, That of the funds provided under this heading for Forest Products, \$4,000,000 shall be allocated to the Alaska Region, in addition to its normal allocation for the purposes of preparing additional timber for sale, to establish a 3-year timber supply and such funds may be transferred to other appropriations accounts as necessary to maximize accomplishment: *Provided further*, That within funds available for the purpose of implementing the Valles Caldera Preservation Act, notwithstanding the limitations of section 107(e)(2) of the Valles Caldera Preservation Act (Public Law 106-248), for fiscal year 2003, the Chair of the Board of Trustees of the Valles Caldera Trust may receive, upon request, compensation for each day (including travel time) that the Chair is engaged in the performance of the functions of the Board, except that compensation shall not exceed the daily equivalent of the annual rate in effect for members of the Senior Executive Service at the ES-1 level, and shall be in addition to any reimbursement for travel, subsistence and other necessary expenses incurred by the Chair in the performance of the Chair's duties.

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuel reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, \$1,379,938,000, to remain available until expended: *Provided*, That such funds including unobligated balances under this head, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: *Provided further*, That not less than 50 percent of any unobligated balances remaining (exclusive of amounts for hazardous fuels reduction) at the end of fiscal year 2002 shall be transferred, as repayment for past advances that have not been repaid, to the fund established pursuant to section 3 of Public Law 71-319 (16 U.S.C. 576 et seq.): *Provided further*, That notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: *Provided further*, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for the Joint Fire Science Program: *Provided further*, That funds provided shall be available for emergency rehabilitation and restoration, hazard reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: *Provided further*, That of the funds provided, \$228,109,000 is for hazardous fuel treatment, \$7,124,000 is for rehabilitation and restoration, \$1,850,000 is for capital improvement and maintenance of fire facilities, \$21,427,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.),

\$46,555,000 is for State fire assistance, \$8,240,000 is for volunteer fire assistance, \$16,934,000 is for forest health activities on State, private, and Federal lands, and \$5,000,000 is for economic action programs: *Provided further*, That amounts in this paragraph may be transferred to the “State and Private Forestry”, “National Forest System”, “Forest and Rangeland Research”, and “Capital Improvement and Maintenance” accounts to fund State fire assistance, volunteer fire assistance, and forest health management, vegetation and watershed management, heritage site rehabilitation, wildlife and fish habitat management, trails and facilities maintenance and restoration: *Provided further*, That transfers of any amounts in excess of those authorized in this paragraph, shall require approval of the House and Senate Committees on Appropriations in compliance with reprogramming procedures contained in House Report No. 105-163: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That in entering into such grants or cooperative agreements, the Secretary may consider the enhancement of local and small business employment opportunities for rural communities, and that in entering into procurement contracts under this section on a best value basis, the Secretary may take into account the ability of an entity to enhance local and small business employment opportunities in rural communities, and that the Secretary may award procurement contracts, grants, or cooperative agreements under this section to entities that include local non-profit entities, Youth Conservation Corps or related partnerships with State, local or non-profit youth groups, or small or disadvantaged businesses: *Provided further*, That in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriations, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: *Provided further*, That included in funding for hazardous fuel reduction is \$5,000,000 for implementing the Community Forest Restoration Act, Public Law 106-393, title VI, and any portion of such funds shall be available for use on non-Federal lands in accordance with authorities available to the Forest Service under the State and Private Forestry Appropriation: *Provided further*, That in expending the funds provided with respect to this Act for hazardous fuels reduction, the Secretary of the Interior and the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretaries applicable to hazardous fuel reduction activities under the wildland fire management accounts: *Provided further*, That notwithstanding Federal Government procurement and contracting laws, the Secretaries may conduct fuel reduction treatments, rehabilitation and restoration, and other activities authorized under this heading on and adjacent to Federal lands using grants and cooperative agreements: *Provided further*, That notwithstanding Federal Government procurement and contracting laws, in order to provide employment and training opportunities to people in rural communities, the Secretaries may award contracts, including contracts for monitoring activities, to local private, nonprofit, or cooperative entities; Youth Conservation

Corps crews or related partnerships, with State, local and non-profit youth groups; small or micro-businesses; or other entities that will hire or train a significant percentage of local people to complete such contracts: *Provided further*, That the authorities described above relating to contracts, grants, and cooperative agreements are available until all funds provided in this title for hazardous fuels reduction activities in the urban wildland interface are obligated.

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, \$552,039,000, to remain available until expended for construction, reconstruction, maintenance and acquisition of buildings and other facilities, and for construction, reconstruction, repair and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed: *Provided further*, That no funds shall be expended to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: *Provided further*, That the Forest Service shall transfer \$500,000 appropriated in Public Law 107-63 within the Capital Improvement and Maintenance appropriation, to the State and Private Forestry appropriation, and shall provide these funds in an advance direct lump sum payment to Purdue University for planning and construction of a hardwood tree improvement and generation facility: *Provided further*, That notwithstanding any provision of law, funds provided for construction of facilities at Purdue University in Indiana in this Act, in the amount of \$1,700,000 shall be available to the University, and \$1,000,000 provided in this Act for construction of facilities in Cordova, Alaska shall be available to the city.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$133,815,000 to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That from amounts previously appropriated under this heading for the acquisition of lands in the Tongass National Forest, \$350,000 shall be provided as an advance direct lump sum payment to the City of Juneau for the acquisition of 10.5 acres of land in Southeastern Alaska for a wild bird rehabilitation clinic and nature education center.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia,

and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), and for authorized expenditures from funds deposited by non-Federal parties pursuant to related Land Sale and Exchange Acts, to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage Federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), \$5,542,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed 113 passenger motor vehicles of which 10 will be used primarily for law enforcement purposes and of which 113 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed seven for replacement only, and acquisition of sufficient aircraft from excess sources to maintain the operable fleet at 195 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms

as authorized by 5 U.S.C. 5901–5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to abolish any region, to move or close any regional office for National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions if and only if all previously appropriated emergency contingent funds under the heading “Wildland Fire Management” have been released by the President and apportioned and all funds under the heading “Wildland Fire Management” are obligated.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report No. 105–163.

None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the procedures contained in House Report No. 105–163.

No funds available to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture that exceed the total amount transferred during fiscal year 2000 for such purposes without the advance approval of the House and Senate Committees on Appropriations.

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps.

Of the funds available to the Forest Service, \$2,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101–593, of the funds available to the Forest Service, up to \$3,000,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, That of the Federal funds made available to the Foundation, no more than \$400,000 shall be available for administrative expenses: *Provided further*, That the Foundation

16 USC 583j-9
note.

shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: *Provided further*, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Notwithstanding any other provision of law, 80 percent of the funds appropriated to the Forest Service in the “National Forest System” and “Capital Improvement and Maintenance” accounts and planned to be allocated to activities under the “Jobs in the Woods” program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

For fiscal years 2003 through 2007, the Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: *Provided*, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or private agency, organization, institution, or individual may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the

activities and services at the Grey Towers National Historic Landmark: *Provided further*, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, California, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters. Future budget justifications for both the Forest Service and the Department of Agriculture should clearly display the sums previously transferred and the requested funding transfers.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety: *Provided*, That such amounts shall not exceed \$1,000,000.

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest.

The Secretary of Agriculture may transfer or reimburse funds available to the Forest Service, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing.

Beginning on June 30, 2001 and concluding on December 31, 2003, an eligible individual who is employed in any project funded under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Effective date.
Termination
date.

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

(DEFERRAL)

Of the funds made available under this heading for obligation in prior years, \$87,000,000 shall not be available until October 1, 2003: *Provided*, That funds made available in previous appropriations Acts shall be available for any ongoing project regardless of the separate request for proposal under which the project was selected.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), \$624,900,000, to remain available until expended, of which \$4,000,000 is to continue a multi-year project for construction, renovation, furnishing, and demolition or removal of buildings at National Energy Technology Laboratory facilities in Morgantown, West Virginia and Pittsburgh, Pennsylvania; and of which \$150,000,000 are to be made available, after coordination with the private sector, for a request for proposals for a Clean Coal Power Initiative providing for competitively-awarded research, development, and demonstration projects to reduce the barriers to continued and expanded coal use: *Provided*, That no project may be selected for which sufficient funding is not available to provide for the total project: *Provided further*, That funds shall be expended in accordance with the provisions governing the use of funds contained under the heading "Clean Coal Technology" in prior appropriations: *Provided further*, That the Department may include provisions for repayment of Government contributions to individual projects in an amount up to the Government contribution to the project on terms and conditions that are acceptable to the Department including repayments from sale and licensing of technologies from both domestic and foreign transactions: *Provided further*, That such repayments shall be retained by the Department for future coal-related research, development and demonstration projects: *Provided further*, That any technology selected under this program shall be considered a Clean Coal Technology, and any project selected under this program shall be considered a Clean Coal Technology Project, for the purposes of 42 U.S.C. 7651n, and Chapters 51, 52, and 60 of title 40 of the Code of Federal Regulations: *Provided further*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further*, That up to 4 percent of program direction funds available to the National Energy Technology Laboratory may be used to support Department of Energy activities not included in this account.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For expenses necessary to carry out naval petroleum and oil shale reserve activities, \$17,831,000, to remain available until expended: *Provided*, That, notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

ELK HILLS SCHOOL LANDS FUND

For necessary expenses in fulfilling installment payments under the Settlement Agreement entered into by the United States and the State of California on October 11, 1996, as authorized by section

3415 of Public Law 104-106, \$36,000,000, to become available on October 1, 2003 for payment to the State of California for the State Teachers' Retirement Fund from the Elk Hills School Lands Fund.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, \$897,603,000, to remain available until expended: *Provided*, That \$270,000,000 shall be for use in energy conservation grant programs as defined in section 3008(3) of Public Law 99-509 (15 U.S.C. 4507): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99-509, such sums shall be allocated to the eligible programs as follows: \$225,000,000 for weatherization assistance grants and \$45,000,000 for State energy conservation grants.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Office of Hearings and Appeals, \$1,487,000, to remain available until expended.

STRATEGIC PETROLEUM RESERVE

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), \$172,856,000, to remain available until expended.

SPR PETROLEUM ACCOUNT

(INCLUDING RESCISSION)

For the acquisition and transportation of petroleum and for other necessary expenses pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), \$7,000,000, to remain available until expended: *Provided*, That from unobligated balances of prior year appropriations, an amount of \$5,000,000 is rescinded.

NORTHEAST HOME HEATING OIL RESERVE

For necessary expenses for Northeast Home Heating Oil Reserve storage, operations, and management activities pursuant to the Energy Policy and Conservation Act of 2000, \$6,000,000, to remain available until expended.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, \$80,611,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms;

and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

Contracts.
Reports.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

In addition to other authorities set forth in this Act, the Secretary may accept fees and contributions from public and private sources, to be deposited in a contributed funds account, and prosecute projects using such fees and contributions in cooperation with other Federal, State or private agencies or concerns.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, \$2,492,115,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: *Provided*, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant

or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That \$18,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That \$460,130,000 for contract medical care shall remain available for obligation until September 30, 2004: *Provided further*, That contract medical care funds appropriated heretofore and hereafter for tribes recognized after January 1, 1995, may be used to provide medical services directly or through contract medical care: *Provided further*, That of the funds provided, up to \$25,000,000 shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for obligation until September 30, 2004: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: *Provided further*, That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed \$270,734,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, as amended, prior to or during fiscal year 2003, of which not to exceed \$2,500,000 may be used for contract support costs associated with new or expanded self-determination contracts, grants, self-governance compacts or annual funding agreements: *Provided further*, That funds appropriated under the Special Diabetes Program for Indians (42 U.S.C. 254c–3(c)) for fiscal year 2003 and thereafter for the purpose of making grants shall remain available until expended: *Provided further*, That notwithstanding any other provision of law, contributions authorized by 10 U.S.C. 1111 for the Uniformed Service of the Public Health Service shall be paid in fiscal year 2003 and thereafter from the Department of Health and Human Services' Retirement Pay and Medical Benefits for Commissioned Officers account without charges billed to the Indian Health Service: *Provided further*, That heretofore and hereafter the provisions of 10 U.S.C. 1116 shall not apply to the Indian Health Service: *Provided further*, That funds available for the Indian Health Care Improvement Fund may be used, as needed, to carry out activities typically funded under the Indian Health Facilities account: *Provided further*, That of the amounts provided for Indian Health Services, \$15,000,000 is provided to the Alaska Federation of Natives for alcohol control, prevention, treatment,

25 USC 1621
note.

42 USC 254c–3
note.

10 USC 1111
note.

10 USC 1116
note.

sobriety and wellness, of which at least \$100,000 shall be available for an independent third party to conduct an evaluation of the program and \$5,000,000 shall be available to the Alaska Native Tribal Health Consortium for substance abuse and behavioral health counselors through the Counselor in Every Village Program: *Provided further*, That no more than 10 percent may be used by any entity receiving funding for administrative overhead including indirect costs: *Provided further*, That prior to the release of funds to a regional Native non-profit entity, it must enter into an agreement with the regional Native health corporation on allocation of resources to avoid duplication of effort and to foster cooperation.

INDIAN HEALTH FACILITIES

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act, and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, \$376,190,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities: *Provided further*, That from the funds appropriated herein, \$5,000,000 shall be designated by the Indian Health Service as a contribution to the Yukon-Kuskokwim Health Corporation (YKHC) to continue a priority project for the acquisition of land, planning, design and construction of 79 staff quarters in the Bethel service area, pursuant to the negotiated project agreement between the YKHC and the Indian Health Service: *Provided further*, That this project shall not be subject to the construction provisions of the Indian Self-Determination and Education Assistance Act and shall be removed from the Indian Health Service priority list upon completion: *Provided further*, That the Federal Government shall not be liable for any property damages or other construction claims that may arise from YKHC undertaking this project: *Provided further*, That the land shall be owned or leased by the YKHC and title to quarters shall remain vested with the YKHC: *Provided further*, That not to exceed \$500,000 shall be used by the Indian Health Service to purchase TRANSAM equipment from the Department of Defense for distribution to the Indian Health Service and tribal facilities: *Provided further*, That none of the funds appropriated to the Indian Health Service may be used for sanitation facilities construction for new homes funded with grants by the housing programs of the United States Department of Housing and Urban Development: *Provided further*, That not to exceed \$1,000,000 from this account and the "Indian Health Services" account shall be used by the Indian Health Service to obtain ambulances for the Indian Health Service and tribal facilities in conjunction with an existing interagency agreement between

the Indian Health Service and the General Services Administration: *Provided further*, That not to exceed \$500,000 shall be placed in a Demolition Fund, available until expended, to be used by the Indian Health Service for demolition of Federal buildings: *Provided further*, That notwithstanding the provisions of title III, section 306, of the Indian Health Care Improvement Act (Public Law 94-437, as amended), construction contracts authorized under title I of the Indian Self-Determination and Education Assistance Act of 1975, as amended, may be used rather than grants to fund small ambulatory facility construction projects: *Provided further*, That if a contract is used, the IHS is authorized to improve municipal, private, or tribal lands, and that at no time, during construction or after completion of the project will the Federal Government have any rights or title to any real or personal property acquired as a part of the contract: *Provided further*, That notwithstanding any other provision of law or regulation, for purposes of acquiring sites for a new clinic and staff quarters in St. Paul Island, Alaska, the Secretary of Health and Human Services may accept land donated by the Tanadgusix Corporation.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefor as authorized by 5 U.S.C. 5901-5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

In accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-2653) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation. Notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act) and Public Law 93-638, as amended.

Funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation.

Notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant, or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or a self-governance

agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation.

None of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to the eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law.

Funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act.

With respect to functions transferred by the Indian Health Service to tribes or tribal organizations, the Indian Health Service is authorized to provide goods and services to those entities, on a reimbursable basis, including payment in advance with subsequent adjustment. The reimbursements received therefrom, along with the funds received from those entities pursuant to the Indian Self-Determination Act, may be credited to the same or subsequent appropriation account which provided the funding. Such amounts shall remain available until expended.

Reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance.

The appropriation structure for the Indian Health Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, \$14,491,000, to remain available until expended: *Provided*, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further*, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND
ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of Public Law 99-498, as amended (20 U.S.C. 56 part A), \$5,490,000, of which \$1,000,000 shall remain available until expended for construction of the Library Technology Center.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed 30 years), and protection of buildings, facilities, and approaches; not to exceed \$100,000 for services as authorized by 5 U.S.C. 3109; up to five replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees, \$463,205,000, of which not to exceed \$53,634,000 for the instrumentation program, collections acquisition, exhibition reinstallation, security improvements, the National Museum of the American Indian, and the repatriation of skeletal remains program shall remain available until expended, and including such funds as may be necessary to support American overseas research centers and a total of \$125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further*, That the Smithsonian Institution may expend Federal appropriations designated in this Act for lease or rent payments for long term and swing space, as rent payable to the Smithsonian Institution, and such rent payments may be deposited into the general trust funds of the Institution to the extent that federally supported activities are housed in the 900 H Street, N.W. building in the District of Columbia: *Provided further*, That this use of Federal appropriations shall not be construed as debt service, a Federal guarantee of, a transfer of risk to, or an obligation of, the Federal Government: *Provided further*, That no appropriated funds may be used to service debt which is incurred to finance the costs of acquiring the 900 H Street building or of planning, designing, and constructing improvements to such building: *Provided further*, That from unobligated balances of prior year appropriations, an amount of \$14,100,000 is rescinded.

REPAIR, RESTORATION AND ALTERATION OF FACILITIES

For necessary expenses of maintenance, repair, restoration, and alteration of facilities owned or occupied by the Smithsonian Institution, including necessary personnel, by contract or otherwise,

as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), \$83,425,000, to remain available until expended, of which \$18,875,000 is provided for maintenance, repair, rehabilitation and alteration of facilities at the National Zoological Park, and of which not to exceed \$10,000 is for services as authorized by 5 U.S.C. 3109: *Provided*, That contracts awarded for environmental systems, protection systems, and repair or restoration of facilities of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price: *Provided further*, That notwithstanding any other provision of law, a single procurement contract for the repair and renovation of the Patent Office Building may be issued which includes the full scope of the project: *Provided further*, That the solicitation of the contract and the contract shall contain the clause “availability of funds” found at 48 CFR 52.232-18.

CONSTRUCTION

For necessary expenses for construction of the National Museum of the American Indian, including necessary personnel, \$16,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, SMITHSONIAN INSTITUTION

None of the funds in this or any other Act may be used to make any changes to the existing Smithsonian science programs including closure of facilities, relocation of staff or redirection of functions and programs without approval from the Board of Regents of recommendations received from the Science Commission.

None of the funds in this or any other Act may be used to initiate the design for any proposed expansion of current space or new facility without consultation with the House and Senate Appropriations Committees.

None of the funds in this or any other Act may be used for the Holt House located at the National Zoological Park in Washington, D.C., unless identified as repairs to minimize water damage, monitor structure movement, or provide interim structural support.

None of the funds available to the Smithsonian may be reprogrammed without the advance written approval of the House and Senate Committees on Appropriations in accordance with the procedures contained in House Report No. 105-163.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances

therefor, for other employees as authorized by law (5 U.S.C. 5901–5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, \$77,219,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$16,230,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$16,310,000.

CONSTRUCTION

For necessary expenses for capital repair and restoration of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$17,600,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, \$8,488,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$116,489,000, shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to sections 5(c) and 5(g) of the Act, including \$17,000,000 for support

of arts education and public outreach activities through the Challenge America program, for program support, and for administering the functions of the Act, to remain available until expended: *Provided*, That funds previously appropriated to the National Endowment for the Arts “Matching Grants” account and “Challenge America” account may be transferred to and merged with this account.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$109,632,000, shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until expended.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$16,122,000, to remain available until expended, of which \$10,436,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses: *Provided further*, That funds from nonappropriated sources may be used as necessary for official reception and representation expenses: *Provided further*, That the Chairperson of the National Endowment for the Arts may approve grants up to \$10,000, if in the aggregate this amount does not exceed 5 percent of the sums appropriated for grant making purposes per year: *Provided further*, That such small grant actions are taken pursuant to the terms of an expressed and direct delegation of authority from the National Council on the Arts to the Chairperson.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), \$1,224,000: *Provided*, That the Commission is authorized to charge fees to cover the full costs

of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99–190 (20 U.S.C. 956(a)), as amended, \$7,000,000.

ADMINISTRATIVE PROVISION

None of the funds appropriated in this or any other Act, except funds appropriated to the Office of Management and Budget, shall be available to study the alteration or transfer of the National Capital Arts and Cultural Affairs program.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For necessary expenses of the Advisory Council on Historic Preservation (Public Law 89–665, as amended), \$3,667,000: *Provided*, That none of these funds shall be available for compensation of level V of the Executive Schedule or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71–71i), including services as authorized by 5 U.S.C. 3109, \$7,253,000: *Provided*, That all appointed members of the Commission will be compensated at a rate not to exceed the daily equivalent of the annual rate of pay for positions at level IV of the Executive Schedule for each day such member is engaged in the actual performance of duties.

UNITED STATES HOLOCAUST MEMORIAL MUSEUM

HOLOCAUST MEMORIAL MUSEUM

For expenses of the Holocaust Memorial Museum, as authorized by Public Law 106–292 (36 U.S.C. 2301–2310), \$38,663,000, of which \$1,900,000 for the museum’s repair and rehabilitation program and \$1,264,000 for the museum’s exhibitions program shall remain available until expended.

PRESIDIO TRUST

PRESIDIO TRUST FUND

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$21,327,000 shall be available to the Presidio Trust, to remain available until expended.

TITLE III—GENERAL PROVISIONS

Contracts.
Public
information.

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 303. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 304. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 305. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless advance notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 306. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (*Sequoiadendron giganteum*) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 2002.

SEC. 307. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

Deadline.

(c) REPORT.—On September 30, 2003, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104–208).

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request

of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

SEC. 308. Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103-138, 103-332, 104-134, 104-208, 105-83, 105-277, 106-113, 106-291, and 107-63 for payments to tribes and tribal organizations for contract support costs associated with self-determination or self-governance contracts, grants, compacts, or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 2002 for such purposes, except that, for the Bureau of Indian Affairs, tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.

SEC. 309. Of the funds provided to the National Endowment for the Arts— Grants.

(1) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(2) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or local arts agency, or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services. Procedures.

(3) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

SEC. 310. The National Endowment for the Arts and the National Endowment for the Humanities are authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities. Any proceeds from such gifts, bequests, or devises, after acceptance by the National Endowment for the Arts or the National Endowment for the Humanities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate endowment for the purposes specified in each case.

SEC. 311. (a) In providing services or awarding financial assistance under the National Foundation on the Arts and the Humanities Act of 1965 from funds appropriated under this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial

assistance for projects, productions, workshops, or programs that serve underserved populations.

(b) In this section:

(1) The term “underserved population” means a population of individuals, including urban minorities, who have historically been outside the purview of arts and humanities programs due to factors such as a high incidence of income below the poverty line or to geographic isolation.

(2) The term “poverty line” means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(c) In providing services and awarding financial assistance under the National Foundation on the Arts and Humanities Act of 1965 with funds appropriated by this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that will encourage public knowledge, education, understanding, and appreciation of the arts.

Grants.

(d) With funds appropriated by this Act to carry out section 5 of the National Foundation on the Arts and Humanities Act of 1965—

(1) the Chairperson shall establish a grant category for projects, productions, workshops, or programs that are of national impact or availability or are able to tour several States;

(2) the Chairperson shall not make grants exceeding 15 percent, in the aggregate, of such funds to any single State, excluding grants made under the authority of paragraph (1);

Reports.

(3) the Chairperson shall report to the Congress annually and by State, on grants awarded by the Chairperson in each grant category under section 5 of such Act; and

(4) the Chairperson shall encourage the use of grants to improve and support community-based music performance and education.

SEC. 312. No part of any appropriation contained in this Act shall be expended or obligated to complete and issue the 5-year program under the Forest and Rangeland Renewable Resources Planning Act.

SEC. 313. None of the funds in this Act may be used to support Government-wide administrative functions unless such functions are justified in the budget process and funding is approved by the House and Senate Committees on Appropriations.

SEC. 314. Notwithstanding any other provision of law, none of the funds in this Act may be used for GSA Telecommunication Centers.

SEC. 315. Notwithstanding any other provision of law, for fiscal year 2003 the Secretaries of Agriculture and the Interior are authorized to limit competition for watershed restoration project contracts as part of the “Jobs in the Woods” Program established in Region 10 of the Forest Service to individuals and entities in historically timber-dependent areas in the States of Washington, Oregon, northern California, Idaho, Montana, and Alaska that have been affected by reduced timber harvesting on Federal lands. The Secretaries shall consider the benefits to the local economy in evaluating

bids and designing procurements which create economic opportunities for local contractors.

SEC. 316. Amounts deposited during fiscal year 2002 in the roads and trails fund provided for in the 14th paragraph under the heading “FOREST SERVICE” of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or to carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildland-community interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, long-term forest productivity, and biological integrity. The projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

SEC. 317. Other than in emergency situations, none of the funds in this Act may be used to operate telephone answering machines during core business hours unless such answering machines include an option that enables callers to reach promptly an individual on-duty with the agency being contacted.

SEC. 318. No timber sale in Region 10 shall be advertised if the indicated rate is deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar. Program accomplishments shall be based on volume sold. Should Region 10 sell, in fiscal year 2003, the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan in sales which are not deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar, all of the western redcedar timber from those sales which is surplus to the needs of domestic processors in Alaska, shall be made available to domestic processors in the contiguous 48 United States at prevailing domestic prices. Should Region 10 sell, in fiscal year 2003, less than the annual average portion of the decadal allowable sale quantity called for in the Tongass Land Management Plan in sales which are not deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar, the volume of western redcedar timber available to domestic processors at prevailing domestic prices in the contiguous 48 United States shall be that volume: (i) which is surplus to the needs of domestic processors in Alaska, and (ii) is that percent of the surplus western redcedar volume determined by calculating the ratio of the total timber volume which has been sold on the Tongass to the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan. The percentage shall be calculated by Region 10 on a rolling basis as each sale is sold (for purposes of this amendment, a “rolling basis” shall mean that the determination of how much western redcedar is eligible for sale to various markets shall be made at the time each sale is awarded). Western redcedar shall be deemed “surplus to the needs of domestic processors in Alaska” when the

timber sale holder has presented to the Forest Service documentation of the inability to sell western redcedar logs from a given sale to domestic Alaska processors at a price equal to or greater than the log selling value stated in the contract. All additional western redcedar volume not sold to Alaska or contiguous 48 United States domestic processors may be exported to foreign markets at the election of the timber sale holder. All Alaska yellow cedar may be sold at prevailing export prices at the election of the timber sale holder.

16 USC 460/-6a
note.

SEC. 319. A project undertaken by the Forest Service under the Recreation Fee Demonstration Program as authorized by section 315 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1996, as amended, shall not result in—

(1) displacement of the holder of an authorization to provide commercial recreation services on Federal lands. Prior to initiating any project, the Secretary shall consult with potentially affected holders to determine what impacts the project may have on the holders. Any modifications to the authorization shall be made within the terms and conditions of the authorization and authorities of the impacted agency.

(2) the return of a commercial recreation service to the Secretary for operation when such services have been provided in the past by a private sector provider, except when—

(A) the private sector provider fails to bid on such opportunities;

(B) the private sector provider terminates its relationship with the agency; or

(C) the agency revokes the permit for non-compliance with the terms and conditions of the authorization.

In such cases, the agency may use the Recreation Fee Demonstration Program to provide for operations until a subsequent operator can be found through the offering of a new prospectus.

16 USC 1604
note.

SEC. 320. Prior to October 1, 2003, the Secretary of Agriculture shall not be considered to be in violation of subparagraph 6(f)(5)(A) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(5)(A)) solely because more than 15 years have passed without revision of the plan for a unit of the National Forest System. Nothing in this section exempts the Secretary from any other requirement of the Forest and Rangeland Renewable Resources Planning Act (16 U.S.C. 1600 et seq.) or any other law: *Provided*, That if the Secretary is not acting expeditiously and in good faith, within the funding available, to revise a plan for a unit of the National Forest System, this section shall be void with respect to such plan and a court of proper jurisdiction may order completion of the plan on an accelerated basis.

16 USC 565a-1
note.

SEC. 321. Until September 30, 2005, the authority of the Secretary of Agriculture to enter into an agreement under the first section of Public Law 94-148 (16 U.S.C. 565a-1) for a purpose described in such section includes the authority to use that legal instrument when the principal purpose of the resulting relationship is to the mutually significant benefit of the Forest Service and the other party or parties to the agreement, including nonprofit entities. An agreement entered into under this section shall not be subject to Public Law 95-224, Federal Grant and Cooperative Agreement Act (1977).

SEC. 322. No funds provided in this Act may be expended to conduct preleasing, leasing and related activities under either the Mineral Leasing Act (30 U.S.C. 181 et seq.) or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) within the boundaries of a National Monument established pursuant to the Act of June 8, 1906 (16 U.S.C. 431 et seq.) as such boundary existed on January 20, 2001, except where such activities are allowed under the Presidential proclamation establishing such monument.

SEC. 323. Section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in section 101(e) of division A of Public Law 105–277; 16 U.S.C. 2104 note), is amended—

(1) in subsection (a), by striking “September 30, 2004” and all that follows and inserting “September 30, 2013, the Forest Service and the Bureau of Land Management, via agreement or contract as appropriate, may enter into stewardship contracting projects with private persons or other public or private entities to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs.”;

(2) in subsection (b)(4)—

(A) by striking “noncommercial cutting or removing of trees” and inserting “removing vegetation”; and

(B) by striking “non-commercial objectives” and inserting “land management objectives”;

(3) in subsection (c), by adding at the end a new paragraph as follows:

“(5) CONTRACTING OFFICER.—Notwithstanding any other provision of law, the Secretary of Agriculture or the Secretary of the Interior may determine the appropriate contracting officer to enter into and administer an agreement or contract under subsection (a).”;

(4) in subsections (c)(3), (d), (f), and (g), by inserting “and the Bureau of Land Management” after “Forest Service” each place it appears;

(5) in the section heading, by striking “DEMONSTRATION PROJECT” and inserting “PROJECTS”;

(6) in subsections (d)(2) and (f)(2)(B), by striking “demonstration” each place it appears;

(7) in subsection (d)(3), by striking “the Secretary” both places it appears and inserting “the Forest Service or the Bureau of Land Management” and by inserting “or the public lands” after “National Forest System”; and

(8) in subsection (g), by striking “each individual stewardship pilot project” and inserting “the stewardship contracting projects”.

SEC. 324. TECHNICAL CORRECTION RELATED TO CABIN USER FEES.—Section 608(b)(2) of the Cabin User Fee Fairness Act of 2000 (16 U.S.C. 6207(b)(2); Public Law 106–291) is amended by striking “value influences” and inserting in lieu thereof “criteria” and striking “section 606(b)(3)” and inserting in lieu thereof “section 606(b)(2)”.

SEC. 325. EXTENSION OF FOREST SERVICE CONVEYANCES PILOT PROGRAM.—Section 329 of the Department of the Interior and Related Agencies Appropriations Act, 2002 (16 U.S.C. 580d note; Public Law 107–63) is amended—

- (1) in subsection (b), by striking “10” and inserting “20”;
- (2) in subsection (c) by inserting at the end of the subsection “Additionally, proceeds from the sale of conveyances on no more than 3 sites shall be available for construction of replacement facilities.”; and
- (3) in subsection (d), by striking “2005” and inserting “2006”.

SEC. 326. Employees of the foundations established by Acts of Congress to solicit private sector funds on behalf of Federal land management agencies shall, in fiscal year 2004, qualify for General Service Administration contract airfares.

SEC. 327. In entering into agreements with foreign countries pursuant to the Wildfire Suppression Assistance Act (42 U.S.C. 1856m) the Secretary of Agriculture and the Secretary of the Interior are authorized to enter into reciprocal agreements in which the individuals furnished under said agreements to provide wildfire services are considered, for purposes of tort liability, employees of the country receiving said services when the individuals are fighting fires. The Secretary of Agriculture or the Secretary of the Interior shall not enter into any agreement under this provision unless the foreign country (either directly or through its fire organization) agrees to assume any and all liability for the acts or omissions of American firefighters engaged in firefighting in a foreign country. When an agreement is reached for furnishing fire fighting services, the only remedies for acts or omissions committed while fighting fires shall be those provided under the laws of the host country and those remedies shall be the exclusive remedies for any claim arising out of fighting fires in a foreign country. Neither the sending country nor any organization associated with the firefighter shall be subject to any action whatsoever pertaining to or arising out of fighting fires.

SEC. 328. A grazing permit or lease issued by the Secretary of the Interior or a grazing permit issued by the Secretary of Agriculture where National Forest System lands are involved that expires, is transferred, or waived during fiscal year 2003 shall be renewed under section 402 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1752), section 19 of the Granger-Thye Act, as amended (16 U.S.C. 5801), title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010 et seq.), or, if applicable, section 510 of the California Desert Protection Act (16 U.S.C. 410aaa-50). The terms and conditions contained in the expired, transferred, or waived permit or lease shall continue in effect under the renewed permit or lease until such time as the Secretary of the Interior or Secretary of Agriculture as appropriate completes processing of such permit or lease in compliance with all applicable laws and regulations, at which time such permit or lease may be canceled, suspended or modified, in whole or in part, to meet the requirements of such applicable laws and regulations. Nothing in this section shall be deemed to alter the statutory authority of the Secretary of the Interior or the Secretary of Agriculture: *Provided*, That where National Forest System lands are involved and the Secretary of Agriculture has renewed an expired or waived grazing permit prior to or during fiscal year 2003 under the authority of section 504 of the Rescissions Act of 1995 (Public Law 104-19), the terms and conditions of the renewed grazing permit shall remain in effect until such time as the Secretary of Agriculture completes processing of the renewed

permit in compliance with all applicable laws and regulations or until the expiration of the renewed permit, whichever comes first. Upon completion of the processing, the permit may be canceled, suspended or modified, in whole or in part, to meet the requirements of applicable laws and regulations. Nothing in this section shall be deemed to alter the Secretary of Agriculture's statutory authority.

SEC. 329. Notwithstanding any other provision of law or regulation, to promote the more efficient use of the health care funding allocation for fiscal year 2003, the Eagle Butte Service Unit of the Indian Health Service, at the request of the Cheyenne River Sioux Tribe, may pay base salary rates to health professionals up to the highest grade and step available to a physician, pharmacist, or other health professional and may pay a recruitment or retention bonus of up to 25 percent above the base pay rate.

SEC. 330. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 331. PROHIBITION OF OIL AND GAS DRILLING IN THE FINGER LAKES NATIONAL FOREST, NEW YORK.—None of the funds in this Act may be used to prepare or issue a permit or lease for oil or gas drilling in the Finger Lakes National Forest, New York, during fiscal year 2003.

SEC. 332. None of the funds made available in this Act may be used for the planning, design, or construction of improvements to Pennsylvania Avenue in front of the White House without the advance approval of the Committees on Appropriations.

SEC. 333. In awarding a Federal Contract with funds made available by this Act, the Secretary of Agriculture and the Secretary of the Interior (the "Secretaries") may, in evaluating bids and proposals, give consideration to local contractors who are from, and who provide employment and training for, dislocated and displaced workers in an economically disadvantaged rural community, including those historically timber-dependent areas that have been affected by reduced timber harvesting on Federal lands and other forest-dependent rural communities isolated from significant alternative employment opportunities: *Provided*, That the contract is for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management: *Provided further*, That the terms "rural community" and "economically disadvantaged" shall have the same meanings as in section 2374 of Public Law 101-624: *Provided further*, That the Secretaries shall develop guidance to implement this section: *Provided further*, That nothing in this section shall be construed as relieving the Secretaries of any duty under applicable procurement laws, except as provided in this section.

Guidelines.

SEC. 334. Section 401(e)(4)(B) of Public Law 105-83 is amended after "Not more than" by striking "5 percent" and inserting "15 percent".

43 USC 1474d.

SEC. 335. The Record of Decision for the 2003 Supplemental Environmental Impact Statement for the 1997 Tongass Land Management Plan shall not be reviewed under any Forest Service administrative appeal process, and its adequacy shall not be subject to judicial review by any court of the United States.

113 Stat. 1707.

SEC. 336. Section 7(c) of Public Law 106-143 is amended by striking “2001” and inserting “2004”.

SEC. 337. CLARIFICATION OF ALASKA NATIVE SETTLEMENT TRUSTS. (a) Section 1629b of title 43, United States Code, is amended—

(1) at subsection (d)(1) by striking “An” and inserting in its place “Except as otherwise set forth in subsection (d)(3) of this section, an”;

(2) by creating the following new subsection:

“(d)(3) A resolution described in subsection (a)(3) of this section shall be considered to be approved by the shareholders of a Native Corporation if it receives the affirmative vote of shares representing—

“(A) a majority of the shares present or represented by proxy at the meeting relating to such resolution, or

“(B) an amount of shares greater than a majority of the shares present or represented by proxy at the meeting relating to such resolution (but not greater than two-thirds of the total voting power of the corporation) if the corporation establishes such a level by an amendment to its articles of incorporation.”; and

(3) by creating the following new subsection:

“(f) SUBSTANTIALLY ALL OF THE ASSETS.—For purposes of this section and section 1629e of this title, a Native Corporation shall be considered to be transferring all or substantially all of its assets to a Settlement Trust only if such assets represent two-thirds or more of the fair market value of the Native Corporation’s total assets.”.

(b) Section 1629e(a)(3) of title 43, United States Code, is amended by striking subparagraph (B) and inserting in its place the following:

“(B) shall give rise to dissenters rights to the extent provided under the laws of the State only if—

“(i) the rights of beneficiaries in the Settlement Trust receiving a conveyance are inalienable; and

“(ii) a shareholder vote on such transfer is required by (a)(4) of section 1629b of this title.”.

16 USC 2104
note.

SEC. 338. Congress reaffirms its original intent that the Herger-Feinstein Quincy Library Group Forest Recovery Act of 1998 be implemented, and hereby extends the expiration of the Quincy Library Group Act by 5 years.

SEC. 339. AMENDMENT TO TITLES I AND II OF THE ENERGY POLICY AND CONSERVATION ACT. (a) Title I of the Energy Policy and Conservation Act (42 U.S.C. 6231-6247b) is amended—

(1) by amending section 166 (42 U.S.C. 6246) to read as follows:

“SEC. 166. There are authorized to be appropriated such sums as may be necessary to implement this part, to remain available until expended.”;

(2) in section 186 (42 U.S.C. 6250e), by striking “for fiscal years 2001, 2002, and 2003”; and

(3) in section 191 (42 U.S.C. 6251), by striking “September 30, 2003” each time it appears and inserting “September 30, 2008”.

(b) Title II of the Energy Policy and Conservation Act (42 U.S.C. 6211-6251) is amended—

(1) by amending section 256(h) (42 U.S.C. 6276) to read as follows:

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to implement this part, to remain available until expended.”; and

(2) in section 281 (42 U.S.C. 6285), by striking “September 30, 2003” each time it appears and inserting “September 30, 2008”.

SEC. 340. No funds appropriated in this Act for the acquisition of lands or interests in lands may be expended for the filing of declarations of taking or complaints in condemnation without the approval of the House and Senate Committees on Appropriations: *Provided*, That this provision shall not apply to funds appropriated to implement the Everglades National Park Protection and Expansion Act of 1989, or to funds appropriated for Federal assistance to the State of Florida to acquire lands for Everglades restoration purposes.

SEC. 341. DESIGNATION OF PANTHER TOWN VALLEY TRACT OF NANTAHALA NATIONAL FOREST, JACKSON COUNTY, NORTH CAROLINA, IN HONOR OF JAMES AND ELSPETH MCCLURE CLARKE. The portion of the Nantahala National Forest in Jackson County, North Carolina, known as the Panther town Valley tract and consisting of approximately 6,294 acres is hereby designated as the “James and Elspeth McClure Clarke Forest” in honor of James and Elspeth McClure Clarke.

TITLE IV—T’UF SHUR BIEN PRESERVATION TRUST AREA

SEC. 401. SHORT TITLE.

This title may be cited as the “T’uf Shur Bien Preservation Trust Area Act”.

SEC. 402. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) in 1748, the Pueblo of Sandia received a grant from a representative of the King of Spain, which grant was recognized and confirmed by Congress in 1858 (11 Stat. 374); and

(2) in 1994, the Pueblo filed a civil action against the Secretary of the Interior and the Secretary of Agriculture in the United States District Court for the District of Columbia (Civil No. 1:94CV02624), asserting that Federal surveys of the grant boundaries erroneously excluded certain land within the Cibola National Forest, including a portion of the Sandia Mountain Wilderness.

(b) PURPOSES.—The purposes of this title are—

(1) to establish the T’uf Shur Bien Preservation Trust Area in the Cibola National Forest;

(2) to confirm the status of national forest land and wilderness land in the Area while resolving issues associated with the civil action referred to in subsection (a)(2) and the opinions of the Solicitor of the Department of the Interior dated December 9, 1988 (M–36963; 96 I.D. 331) and January 19, 2001 (M–37002); and

(3) to provide the Pueblo, the parties to the civil action, and the public with a fair and just settlement of the Pueblo’s claim.

T’uf Shur Bien
Preservation
Trust Area Act.
Native
Americans.
New Mexico.
National Forest
System.
National
Wilderness
Preservation
System.
16 USC 539m
note.
16 USC 539.

16 USC 539m-1. SEC. 403. DEFINITIONS.

In this title:

(1) AREA.—

(A) IN GENERAL.—The term “Area” means the T’uf Shur Bien Preservation Trust Area, comprised of approximately 9890 acres of land in the Cibola National Forest, as depicted on the map.

(B) EXCLUSIONS.—The term “Area” does not include—

- (i) the subdivisions;
- (ii) Pueblo-owned land;
- (iii) the crest facilities; or
- (iv) the special use permit area.

(2) CREST FACILITIES.—The term “crest facilities” means—

(A) all facilities and developments located on the crest of Sandia Mountain, including the Sandia Crest Electronic Site;

(B) electronic site access roads;

(C) the Crest House;

(D) the upper terminal, restaurant, and related facilities of Sandia Peak Tram Company;

(E) the Crest Observation Area;

(F) parking lots;

(G) restrooms;

(H) the Crest Trail (Trail No. 130);

(I) hang glider launch sites;

(J) the Kiwanis cabin; and

(K) the land on which the facilities described in subparagraphs (A) through (J) are located and the land extending 100 feet along terrain to the west of each such facility, unless a different distance is agreed to in writing by the Secretary and the Pueblo and documented in the survey of the Area.

(3) EXISTING USE.—The term “existing use” means a use that—

(A) is occurring in the Area as of the date of enactment of this Act; or

(B) is authorized in the Area after November 1, 1995, but before the date of enactment of this Act.

(4) LA LUZ TRACT.—The term “La Luz tract” means the tract comprised of approximately 31 acres of land owned in fee by the Pueblo and depicted on the map.

(5) LOCAL PUBLIC BODY.—The term “local public body” means a political subdivision of the State of New Mexico (as defined in New Mexico Code 6-5-1).

(6) MAP.—The term “map” means the Forest Service map entitled “T’uf Shur Bien Preservation Trust Area” and dated April 2000.

(7) MODIFIED USE.—

(A) IN GENERAL.—The term “modified use” means an existing use that, at any time after the date of enactment of this Act, is modified or reconfigured but not significantly expanded.

(B) INCLUSIONS.—The term “modified use” includes—

(i) a trail or trailhead being modified, such as to accommodate handicapped access;

(ii) a parking area being reconfigured (but not expanded); and

(iii) a special use authorization for a group recreation use being authorized for a different use area or time period.

(8) NEW USE.—

(A) IN GENERAL.—The term “new use” means—

(i) a use that is not occurring in the Area as of the date of enactment of this Act; and

(ii) an existing use that is being modified so as to be significantly expanded or altered in scope, dimension, or impact on the land, water, air, or wildlife resources of the Area.

(B) EXCLUSIONS.—The term “new use” does not include a use that—

(i) is categorically excluded from documentation requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); or

(ii) is carried out to comply with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(9) PIEDRA LISA TRACT.—The term “Piedra Lisa tract” means the tract comprised of approximately 160 acres of land owned by the Pueblo and depicted on the map.

(10) PUEBLO.—The term “Pueblo” means the Pueblo of Sandia in its governmental capacity.

(11) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(12) SETTLEMENT AGREEMENT.—The term “Settlement Agreement” means the Agreement of Compromise and Settlement dated April 4, 2000, among the United States, the Pueblo, and the Sandia Peak Tram Company.

(13) SPECIAL USE PERMIT.—The term “special use permit” means the Special Use Permit issued December 1, 1993, by the Secretary to Sandia Peak Tram Company and Sandia Peak Ski Company.

(14) SPECIAL USE PERMIT AREA.—

(A) IN GENERAL.—The term “special use permit area” means the land and facilities subject to the special use permit.

(B) INCLUSIONS.—The term “special use permit area” includes—

(i) approximately 46 acres of land used as an aerial tramway corridor;

(ii) approximately 945 acres of land used as a ski area; and

(iii) the land and facilities described in Exhibit A to the special use permit, including—

(I) the maintenance road to the lower tram tower;

(II) water storage and water distribution facilities; and

(III) 7 helispots.

(15) SUBDIVISION.—The term “subdivision” means—

(A) the subdivision of—

(i) Sandia Heights Addition;

(ii) Sandia Heights North Unit I, II, or 3;

(iii) Tierra Monte;

(iv) Valley View Acres; or

- (v) Evergreen Hills; and
- (B) any additional plat or privately-owned property depicted on the map.
- (16) TRADITIONAL OR CULTURAL USE.—The term “traditional or cultural use” means—
 - (A) a ceremonial activity (including the placing of ceremonial materials in the Area); and
 - (B) the use, hunting, trapping, or gathering of plants, animals, wood, water, and other natural resources for a noncommercial purpose.

16 USC 539m-2. **SEC. 404. T’UF SHUR BIEN PRESERVATION TRUST AREA.**

(a) ESTABLISHMENT.—The T’uf Shur Bien Preservation Trust Area is established within the Cibola National Forest and the Sandia Mountain Wilderness as depicted on the map—

- (1) to recognize and protect in perpetuity the rights and interests of the Pueblo in and to the Area, as specified in section 405(a);
- (2) to preserve in perpetuity the national forest and wilderness character of the Area; and
- (3) to recognize and protect in perpetuity the longstanding use and enjoyment of the Area by the public.

(b) ADMINISTRATION AND APPLICABLE LAW.—

(1) IN GENERAL.—The Secretary shall continue to administer the Area as part of the National Forest System subject to and consistent with the provisions of this title affecting management of the Area.

(2) TRADITIONAL OR CULTURAL USES.—Traditional or cultural uses by Pueblo members and members of other federally-recognized Indian tribes authorized to use the Area by the Pueblo under section 405(a)(4) shall not be restricted except by—

(A) the Wilderness Act (16 U.S.C. 1131 et seq.) (including regulations promulgated under that Act) as in effect on the date of enactment of this Act; and

(B) applicable Federal wildlife protection laws, as provided in section 406(a)(2).

(3) LATER ENACTMENTS.—To the extent that any law enacted or amended after the date of enactment of this Act is inconsistent with this title, the law shall not apply to the Area unless expressly made applicable by Congress.

(4) TRUST.—The use of the word “Trust” in the name of the Area—

(A) is in recognition of the specific rights and interests of the Pueblo in the Area; and

(B) does not confer on the Pueblo the ownership interest that exists in a case in which the Secretary of the Interior accepts the title to land held in trust for the benefit of an Indian tribe.

(c) MAP.—

(1) FILING.—As soon as practicable after the date of enactment of this Act, the Secretary shall file the map and a legal description of the Area with the Committee on Resources of the House of Representatives and with the Committee on Energy and Natural Resources of the Senate.

(2) PUBLIC AVAILABILITY.—The map and legal description shall be on file and available for public inspection in the Office

of the Chief of the Forest Service, Washington, District of Columbia.

(3) EFFECT.—The map and legal description filed under paragraph (1) shall have the same effect as if the map and legal description were included in this title, except that—

(A) technical and typographical errors shall be corrected;

(B) changes that may be necessary under subsection (b), (d), or (e) of section 409 or subsection (b) or (c) of section 413 shall be made; and

(C) to the extent that the map and the language of this title conflict, the language of this title shall control.

(d) NO CONVEYANCE OF TITLE.—No right, title, or interest of the United States in or to the Area or any part of the Area shall be conveyed to or exchanged with any person, trust, or governmental entity, including the Pueblo, without specific authorization of Congress.

(e) PROHIBITED USES.—

(1) IN GENERAL.—Notwithstanding any other provision of law—

(A) no use prohibited by the Wilderness Act (16 U.S.C. 1131 et seq.) as of the date of enactment of this Act shall be permitted in the wilderness portion of the Area; and

(B) none of the following uses shall be permitted in any portion of the Area:

(i) Gaming or gambling.

(ii) Mineral production.

(iii) Timber production.

(iv) Any new use to which the Pueblo objects under section 405(a)(3).

(2) MINING CLAIMS.—The Area is closed to the location of mining claims under section 2320 of the Revised Statutes (30 U.S.C. 23) (commonly known as the “Mining Law of 1872”).

(f) NO MODIFICATION OF BOUNDARIES.—Establishment of the Area shall not—

(1) affect the boundaries of or repeal or disestablish the Sandia Mountain Wilderness or the Cibola National Forest; or

(2) modify the existing boundary of the Pueblo grant.

SEC. 405. PUEBLO RIGHTS AND INTERESTS IN THE AREA.

16 USC 539m-3.

(a) IN GENERAL.—The Pueblo shall have the following rights and interests in the Area:

(1) Free and unrestricted access to the Area for traditional or cultural uses, to the extent that those uses are not inconsistent with—

(A) the Wilderness Act (16 U.S.C. 1131 et seq.) (including regulations promulgated under that Act) as in effect on the date of enactment of this Act; or

(B) applicable Federal wildlife protection laws as provided in section 406(a)(2).

(2) Perpetual preservation of the national forest and wilderness character of the Area under this title.

(3) Rights in the management of the Area as specified in section 407, including—

(A) the right to consent or withhold consent to a new use;

(B) the right to consultation regarding a modified use;
 (C) the right to consultation regarding the management and preservation of the Area; and

(D) the right to dispute resolution procedures.

(4) Exclusive authority, in accordance with the customs and laws of the Pueblo, to administer access to the Area for traditional or cultural uses by members of the Pueblo and of other federally-recognized Indian tribes.

(5) Such other rights and interests as are recognized in sections 404, 405(c), 407, 408, and 409.

(b) ACCESS.—Except as provided in subsection (a)(4), access to and use of the Area for all other purposes shall continue to be administered by the Secretary.

(c) COMPENSABLE INTEREST.—

(1) IN GENERAL.—If, by an Act of Congress enacted after the date of enactment of this Act, Congress diminishes the national forest or wilderness designation of the Area by authorizing a use prohibited by section 404(e) in all or any portion of the Area, or denies the Pueblo access for any traditional or cultural use in all or any portion of the Area—

(A) the United States shall compensate the Pueblo as if the Pueblo held a fee title interest in the affected portion of the Area and as though the United States had acquired such an interest by legislative exercise of the power of eminent domain; and

(B) the restrictions of sections 404(e) and 406(a) shall be disregarded in determining just compensation owed to the Pueblo.

(2) EFFECT.—Any compensation made to the Pueblo under paragraph (c) shall not affect the extinguishment of claims under section 410.

16 USC 539m-4. **SEC. 406. LIMITATIONS ON PUEBLO RIGHTS AND INTERESTS IN THE AREA.**

(a) LIMITATIONS.—The rights and interests of the Pueblo recognized in this title do not include—

(1) any right to sell, grant, lease, convey, encumber, or exchange land or any interest in land in the Area (and any such conveyance shall not have validity in law or equity);

(2) any exemption from applicable Federal wildlife protection laws;

(3) any right to engage in a use prohibited by section 404(e); or

(4) any right to exclude persons or governmental entities from the Area.

(b) EXCEPTION.—No person who exercises traditional or cultural use rights as authorized by section 405(a)(4) may be prosecuted for a Federal wildlife offense requiring proof of a violation of a State law (including regulations).

16 USC 539m-5. **SEC. 407. MANAGEMENT OF THE AREA.**

(a) PROCESS.—

(1) IN GENERAL.—The Secretary shall consult with the Pueblo not less than twice each year, unless otherwise mutually agreed, concerning protection, preservation, and management of the Area (including proposed new uses and modified uses in the Area and authorizations that are anticipated during

the next 6 months and were approved in the preceding 6 months).

(2) NEW USES.—

(A) REQUEST FOR CONSENT AFTER CONSULTATION.—

(i) DENIAL OF CONSENT.—If the Pueblo denies consent for a new use within 30 days after completion of the consultation process, the Secretary shall not proceed with the new use.

(ii) GRANTING OF CONSENT.—If the Pueblo consents to the new use in writing or fails to respond within 30 days after completion of the consultation process, the Secretary may proceed with the notice and comment process and the environmental analysis.

(B) FINAL REQUEST FOR CONSENT.—

(i) REQUEST.—Before the Secretary (or a designee) signs a record of decision or decision notice for a proposed new use, the Secretary shall again request the consent of the Pueblo.

(ii) DENIAL OF CONSENT.—If the Pueblo denies consent for a new use within 30 days after receipt by the Pueblo of the proposed record of decision or decision notice, the new use shall not be authorized.

(iii) FAILURE TO RESPOND.—If the Pueblo fails to respond to the consent request within 30 days after receipt of the proposed record of decision or decision notice—

(I) the Pueblo shall be deemed to have consented to the proposed record of decision or decision notice; and

(II) the Secretary may proceed to issue the final record of decision or decision notice.

(3) PUBLIC INVOLVEMENT.—

(A) IN GENERAL.—With respect to a proposed new use or modified use, the public shall be provided notice of—

(i) the purpose and need for the proposed new use or modified use;

(ii) the role of the Pueblo in the decisionmaking process; and

(iii) the position of the Pueblo on the proposal.

(B) COURT CHALLENGE.—Any person may bring a civil action in the United States District Court for the District of New Mexico to challenge a determination by the Secretary concerning whether a use constitutes a new use or a modified use.

(b) EMERGENCIES AND EMERGENCY CLOSURE ORDERS.—

(1) AUTHORITY.—The Secretary shall retain the authority of the Secretary to manage emergency situations, to—

(A) provide for public safety; and

(B) issue emergency closure orders in the Area subject to applicable law.

(2) NOTICE.—The Secretary shall notify the Pueblo regarding emergencies, public safety issues, and emergency closure orders as soon as practicable.

(3) NO CONSENT.—An action of the Secretary described in paragraph (1) shall not require the consent of the Pueblo.

(c) DISPUTES INVOLVING FOREST SERVICE MANAGEMENT AND PUEBLO TRADITIONAL USES.—

Applicability.

(1) IN GENERAL.—In a case in which the management of the Area by the Secretary conflicts with a traditional or cultural use, if the conflict does not pertain to a new use subject to the process specified in subsection (a)(2), the process for dispute resolution specified in this subsection shall apply.

(2) DISPUTE RESOLUTION PROCESS.—

(A) IN GENERAL.—In the case of a conflict described in paragraph (1)—

Notification.

(i) the party identifying the conflict shall notify the other party in writing addressed to the Governor of the Pueblo or the Regional Forester, as appropriate, specifying the nature of the dispute; and

(ii) the Governor of the Pueblo or the Regional Forester shall attempt to resolve the dispute for a period of at least 30 days after notice has been provided before bringing a civil action in the United States District Court for the District of New Mexico.

(B) DISPUTES REQUIRING IMMEDIATE RESOLUTION.—In the case of a conflict that requires immediate resolution to avoid imminent, substantial, and irreparable harm—

(i) the party identifying the conflict shall notify the other party and seek to resolve the dispute within 3 days of the date of notification; and

(ii) if the parties are unable to resolve the dispute within 3 days—

(I) either party may bring a civil action for immediate relief in the United States District Court for the District of New Mexico; and

(II) the procedural requirements specified in subparagraph (A) shall not apply.

16 USC 539m-6.

SEC. 408. JURISDICTION OVER THE AREA.

(a) CRIMINAL JURISDICTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, jurisdiction over crimes committed in the Area shall be allocated as provided in this paragraph.

(2) JURISDICTION OF THE PUEBLO.—The Pueblo shall have jurisdiction over an offense committed by a member of the Pueblo or of another federally-recognized Indian tribe who is present in the Area with the permission of the Pueblo under section 405(a)(4).

(3) JURISDICTION OF THE UNITED STATES.—The United States shall have jurisdiction over—

(A) an offense described in section 1153 of title 18, United States Code, committed by a member of the Pueblo or another federally-recognized Indian tribe;

(B) an offense committed by any person in violation of the laws (including regulations) pertaining to the protection and management of national forests;

(C) enforcement of Federal criminal laws of general applicability; and

(D) any other offense committed by a member of the Pueblo against a person not a member of the Pueblo.

(4) JURISDICTION OF THE STATE OF NEW MEXICO.—The State of New Mexico shall have jurisdiction over an offense under the law of the State committed by a person not a member of the Pueblo.

(5) OVERLAPPING JURISDICTION.—To the extent that the respective allocations of jurisdiction over the Area under paragraphs (2), (3), and (4) overlap, the governments shall have concurrent jurisdiction.

(6) FEDERAL USE OF STATE LAW.—Under the jurisdiction of the United States described in paragraph (3)(D), Federal law shall incorporate any offense defined and punishable under State law that is not so defined under Federal law.

(b) CIVIL JURISDICTION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the United States, the State of New Mexico, and local public bodies shall have the same civil adjudicatory, regulatory, and taxing jurisdiction over the Area as was exercised by those entities on the day before the date of enactment of this Act.

(2) JURISDICTION OF THE PUEBLO.—

(A) IN GENERAL.—The Pueblo shall have exclusive civil adjudicatory jurisdiction over—

- (i) a dispute involving only members of the Pueblo;
- (ii) a civil action brought by the Pueblo against a member of the Pueblo; and
- (iii) a civil action brought by the Pueblo against a member of another federally-recognized Indian tribe for a violation of an understanding between the Pueblo and the other tribe regarding use of or access to the Area for traditional or cultural uses.

(B) REGULATORY JURISDICTION.—The Pueblo shall have no regulatory jurisdiction over the Area, except that the Pueblo shall have exclusive authority to—

- (i) regulate traditional or cultural uses by the members of the Pueblo and administer access to the Area by other federally-recognized Indian tribes for traditional or cultural uses, to the extent such regulation is consistent with this title; and
- (ii) regulate hunting and trapping in the Area by members of the Pueblo, to the extent that the hunting or trapping is related to traditional or cultural uses, except that such hunting and trapping outside of that portion of the Area in sections 13, 14, 23, 24, and the northeast quarter of section 25 of T12N, R4E, and section 19 of T12N, R5E, N.M.P.M., Sandoval County, New Mexico, shall be regulated by the Pueblo in a manner consistent with the regulations of the State of New Mexico concerning types of weapons and proximity of hunting and trapping to trails and residences.

(C) TAXING JURISDICTION.—The Pueblo shall have no authority to impose taxes within the Area.

(3) STATE AND LOCAL TAXING JURISDICTION.—The State of New Mexico and local public bodies shall have no authority within the Area to tax the uses or the property of the Pueblo, members of the Pueblo, or members of other federally-recognized Indian tribes authorized to use the Area under section 405(a)(4).

SEC. 409. SUBDIVISIONS AND OTHER PROPERTY INTERESTS.

16 USC 539m–7.

(a) SUBDIVISIONS.—

(1) IN GENERAL.—The subdivisions are excluded from the Area.

(2) JURISDICTION.—

(A) IN GENERAL.—The Pueblo shall have no civil or criminal jurisdiction for any purpose, including adjudicatory, taxing, zoning, regulatory or any other form of jurisdiction, over the subdivisions and property interests therein, and the laws of the Pueblo shall not apply to the subdivisions.

(B) STATE JURISDICTION.—The jurisdiction of the State of New Mexico and local public bodies over the subdivisions and property interests therein shall continue in effect, except that on application of the Pueblo a tract comprised of approximately 35 contiguous, nonsubdivided acres in the northern section of Evergreen Hills owned in fee by the Pueblo at the time of enactment of this Act, shall be transferred to the United States and held in trust for the Pueblo by the United States and administered by the Secretary of the Interior.

(3) LIMITATIONS ON TRUST LAND.—Trust land described in paragraph (2)(B) shall be subject to all limitations on use pertaining to the Area contained in this title.

(b) PIEDRA LISA.—

(1) IN GENERAL.—The Piedra Lisa tract is excluded from the Area.

(2) DECLARATION OF TRUST TITLE.—The Piedra Lisa tract—

(A) shall be transferred to the United States;

(B) is declared to be held in trust for the Pueblo by the United States; and

(C) shall be administered by the Secretary of the Interior subject to all limitations on use pertaining to the Area contained in this title.

(3) APPLICABILITY OF CERTAIN RESTRICTION.—The restriction contained in section 406(a)(4) shall not apply outside of Forest Service System trails.

(c) CREST FACILITIES.—

(1) IN GENERAL.—The land on which the crest facilities are located is excluded from the Area.

(2) JURISDICTION.—The Pueblo shall have no civil or criminal jurisdiction for any purpose, including adjudicatory, taxing, zoning, regulatory or any other form of jurisdiction, over the land on which the crest facilities are located and property interests therein, and the laws of the Pueblo, shall not apply to that land. The preexisting jurisdictional status of that land shall continue in effect.

(d) SPECIAL USE PERMIT AREA.—

(1) IN GENERAL.—The land described in the special use permit is excluded from the Area.

(2) JURISDICTION.—

(A) IN GENERAL.—The Pueblo shall have no civil or criminal jurisdiction for any purpose, including adjudicatory, taxing, zoning, regulatory, or any other form of jurisdiction, over the land described in the special use permit, and the laws of the Pueblo shall not apply to that land.

(B) PREEXISTING STATUS.—The preexisting jurisdictional status of that land shall continue in effect.

(3) AMENDMENT TO PLAN.—In the event the special use permit, during its existing term or any future terms or extensions, requires amendment to include other land in the Area necessary to realign the existing or any future replacement tram line, associated structures, or facilities, the land subject to that amendment shall thereafter be excluded from the Area and shall have the same status under this title as the land currently described in the special use permit.

(4) LAND DEDICATED TO AERIAL TRAMWAY AND RELATED USES.—Any land dedicated to aerial tramway and related uses and associated facilities that are excluded from the special use permit through expiration, termination or the amendment process shall thereafter be included in the Area, but only after final agency action no longer subject to any appeals.

(e) LA LUZ TRACT.—

(1) IN GENERAL.—The La Luz tract now owned in fee by the Pueblo is excluded from the Area and, on application by the Pueblo, shall be transferred to the United States and held in trust for the Pueblo by the United States and administered by the Secretary of the Interior subject to all limitations on use pertaining to the Area contained in this title.

(2) NONAPPLICABILITY OF CERTAIN RESTRICTION.—The restriction contained in section 406(a)(4) shall not apply outside of Forest Service System trails.

(f) EVERGREEN HILLS ACCESS.—The Secretary shall ensure that Forest Service Road 333D, as depicted on the map, is maintained in an adequate condition in accordance with section 1323(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3210(a)).

(g) PUEBLO FEE LAND.—Those properties not specifically addressed in subsections (a) or (e) that are owned in fee by the Pueblo within the subdivisions are excluded from the Area and shall be subject to the jurisdictional provisions of subsection (a).

(h) RIGHTS-OF-WAY.—

(1) ROAD RIGHTS-OF-WAY.—

(A) IN GENERAL.—In accordance with the Pueblo having given its consent in the Settlement Agreement, the Secretary of the Interior shall grant to the County of Bernalillo, New Mexico, in perpetuity, the following irrevocable rights-of-way for roads identified on the map in order to provide for public access to the subdivisions, the special use permit land and facilities, the other leasehold and easement rights and interests of the Sandia Peak Tram Company and its affiliates, the Sandia Heights South Subdivision, and the Area—

- (i) a right-of-way for Tramway Road;
- (ii) a right-of-way for Juniper Hill Road North;
- (iii) a right-of-way for Juniper Hill Road South;
- (iv) a right-of-way for Sandia Heights Road; and
- (v) a right-of-way for Juan Tabo Canyon Road

(Forest Road No. 333).

(B) CONDITIONS.—The road rights-of-way shall be subject to the following conditions:

- (i) Such rights-of-way may not be expanded or otherwise modified without the Pueblo's written consent, but road maintenance to the rights-of-way shall not be subject to Pueblo consent.

(ii) The rights-of-way shall not authorize uses for any purpose other than roads without the Pueblo's written consent.

(iii) Except as provided in the Settlement Agreement, existing rights-of-way or leasehold interests and obligations held by the Sandia Peak Tram Company and its affiliates, shall be preserved, protected, and unaffected by this title.

(2) **UTILITY RIGHTS-OF-WAY.**—In accordance with the Pueblo having given its consent in the Settlement Agreement, the Secretary of the Interior shall grant irrevocable utility rights-of-way in perpetuity across Pueblo land to appropriate utility or other service providers serving Sandia Heights Addition, Sandia Heights North Units I, II, and 3, the special use permit land, Tierra Monte, and Valley View Acres, including rights-of-way for natural gas, power, water, telecommunications, and cable television services. Such rights-of-way shall be within existing utility corridors as depicted on the map or, for certain water lines, as described in the existing grant of easement to the Sandia Peak Utility Company: *Provided*, That use of water line easements outside the utility corridors depicted on the map shall not be used for utility purposes other than water lines and associated facilities. Except where above-ground facilities already exist, all new utility facilities shall be installed underground unless the Pueblo agrees otherwise. To the extent that enlargement of existing utility corridors is required for any technologically-advanced telecommunication, television, or utility services, the Pueblo shall not unreasonably withhold agreement to a reasonable enlargement of the easements described above.

(3) **FOREST SERVICE RIGHTS-OF-WAY.**—In accordance with the Pueblo having given its consent in the Settlement Agreement, the Secretary of the Interior shall grant to the Forest Service the following irrevocable rights-of-way in perpetuity for Forest Service trails crossing land of the Pueblo in order to provide for public access to the Area and through Pueblo land—

(A) a right-of-way for a portion of the Crest Spur Trail (Trail No. 84), crossing a portion of the La Luz tract, as identified on the map;

(B) a right-of-way for the extension of the Foothills Trail (Trail No. 365A), as identified on the map; and

(C) a right-of-way for that portion of the Piedra Lisa North-South Trail (Trail No. 135) crossing the Piedra Lisa tract.

16 USC 539m-8. **SEC. 410. EXTINGUISHMENT OF CLAIMS.**

(a) **IN GENERAL.**—Except for the rights and interests in and to the Area specifically recognized in sections 404, 405, 407, 408, and 409, all Pueblo claims to right, title and interest of any kind, including aboriginal claims, in and to land within the Area, any part thereof, and property interests therein, as well as related boundary, survey, trespass, and monetary damage claims, are permanently extinguished. The United States' title to the Area is confirmed.

(b) **SUBDIVISIONS.**—Any Pueblo claims to right, title and interest of any kind, including aboriginal claims, in and to the subdivisions

and property interests therein (except for land owned in fee by the Pueblo as of the date of enactment of this Act), as well as related boundary, survey, trespass, and monetary damage claims, are permanently extinguished.

(c) SPECIAL USE AND CREST FACILITIES AREAS.—Any Pueblo right, title and interest of any kind, including aboriginal claims, and related boundary, survey, trespass, and monetary damage claims, are permanently extinguished in and to—

- (1) the land described in the special use permit; and
- (2) the land on which the crest facilities are located.

(d) PUEBLO AGREEMENT.—As provided in the Settlement Agreement, the Pueblo has agreed to the relinquishment and extinguishment of those claims, rights, titles and interests extinguished pursuant to subsection (a), (b), and (c).

(e) CONSIDERATION.—The recognition of the Pueblo's rights and interests in this title constitutes adequate consideration for the Pueblo's agreement to the extinguishment of the Pueblo's claims in this section and the right-of-way grants contained in section 409, and it is the intent of Congress that those rights and interests may only be diminished by a future Act of Congress specifically authorizing diminishment of such rights, with express reference to this title.

SEC. 411. CONSTRUCTION.

16 USC 539m–9.

(a) STRICT CONSTRUCTION.—This title recognizes only enumerated rights and interests, and no additional rights, interests, obligations, or duties shall be created by implication.

(b) EXISTING RIGHTS.—To the extent there exist within the Area as of the date of enactment of this Act any valid private property rights associated with private land that are not otherwise addressed in this title, such rights are not modified or otherwise affected by this title, nor is the exercise of any such right subject to the Pueblo's right to withhold consent to new uses in the Area as set forth in section 405(a)(3)(A).

(c) NOT PRECEDENT.—The provisions of this title creating certain rights and interests in the National Forest System are uniquely suited to resolve the Pueblo's claim and the geographic and societal situation involved, and shall not be construed as precedent for any other situation involving management of the National Forest System.

(d) FISH AND WILDLIFE.—Except as provided in section 408(b)(2)(B), nothing in this title shall be construed as affecting the responsibilities of the State of New Mexico with respect to fish and wildlife, including the regulation of hunting, fishing, or trapping within the Area.

(e) FEDERAL LAND POLICY AND MANAGEMENT ACT.—Section 316 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1746) is amended by adding at the end the following: “Any corrections authorized by this section which affect the boundaries of, or jurisdiction over, land administered by another Federal agency shall be made only after consultation with, and the approval of, the head of such other agency.”.

SEC. 412. JUDICIAL REVIEW.

16 USC
539m–10.

(a) ENFORCEMENT.—A civil action to enforce the provisions of this title may be brought to the extent permitted under chapter 7 of title 5, United States Code. Judicial review shall be based

on the administrative record and subject to the applicable standard of review set forth in section 706 of title 5, United States Code.

(b) **WAIVER.**—A civil action may be brought against the Pueblo for declaratory judgment or injunctive relief under this title, but no money damages, including costs or attorney's fees, may be imposed on the Pueblo as a result of such judicial action.

(c) **VENUE.**—Venue for any civil action provided for in this section, as well as any civil action to contest the constitutionality of this title, shall lie only in the United States District Court for the District of New Mexico.

16 USC
539m-11.

SEC. 413. PROVISIONS RELATING TO CONTRIBUTIONS AND LAND EXCHANGE.

(a) **CONTRIBUTIONS.**—

(1) **IN GENERAL.**—The Secretary may accept contributions from the Pueblo, or from other persons or governmental entities—

(A) to perform and complete a survey of the Area;
or

(B) to carry out any other project or activity for the benefit of the Area in accordance with this title.

(2) **DEADLINE.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall complete the survey of the Area under paragraph (1)(A).

(b) **LAND EXCHANGE.**—

Deadline.

(1) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, after consultation with the Pueblo, the Secretary shall, in accordance with applicable laws, prepare and offer a land exchange of National Forest land outside the Area and contiguous to the northern boundary of the Pueblo's Reservation within sections 10, 11, and 14 of T12N, R4E, N.M.P.M., Sandoval County, New Mexico excluding wilderness land, for land owned by the Pueblo in the Evergreen Hills subdivision in Sandoval County contiguous to National Forest land, and the La Luz tract in Bernalillo County.

(2) **ACCEPTANCE OF PAYMENT.**—Notwithstanding section 206(b) of the Federal Land Policy and Management Act (43 U.S.C. 1716(b)), the Secretary may either make or accept a cash equalization payment in excess of 25 percent of the total value of the land or interests transferred out of Federal ownership.

(3) **FUNDS RECEIVED.**—Any funds received by the Secretary as a result of the exchange shall be deposited in the fund established under the Act of December 4, 1967, known as the Sisk Act (16 U.S.C. 484a), and shall be available to purchase non-Federal land within or adjacent to the National Forests in the State of New Mexico.

(4) **TREATMENT OF LAND EXCHANGED OR CONVEYED.**—All land exchanged or conveyed to the Pueblo is declared to be held in trust for the Pueblo by the United States and added to the Pueblo's Reservation subject to all existing and outstanding rights and shall remain in its natural state and shall not be subject to commercial development of any kind. Land exchanged or conveyed to the Forest Service shall be subject to all limitations on use pertaining to the Area under this title.

(5) **FAILURE TO MAKE OFFER.**—If the land exchange offer is not made by the date that is 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives, a report explaining the reasons for the failure to make the offer including an assessment of the need for any additional legislation that may be necessary for the exchange. If additional legislation is not necessary, the Secretary, consistent with this section, should proceed with the exchange pursuant to existing law.

Deadline.
Reports.

(c) **LAND ACQUISITION AND OTHER COMPENSATION.**—

(1) **IN GENERAL.**—The Secretary may acquire land owned by the Pueblo within the Evergreen Hills Subdivision in Sandoval County or any other privately held land inside of the exterior boundaries of the Area. The boundaries of the Cibola National Forest and the Area shall be adjusted to encompass any land acquired pursuant to this section.

(2) **PIEDRA LISA TRACT.**—Subject to the availability of appropriations, the Secretary shall compensate the Pueblo for the fair market value of—

(A) the right-of-way established pursuant to section 409(h)(3)(C); and

(B) the conservation easement established by the limitations on use of the Piedra Lisa tract pursuant to section 409(b)(2).

(d) **REIMBURSEMENT OF CERTAIN COSTS.**—

(1) **IN GENERAL.**—The Pueblo, the County of Bernalillo, New Mexico, and any person that owns or has owned property inside of the exterior boundaries of the Area as designated on the map, and who has incurred actual and direct costs as a result of participating in the case of Pueblo of Sandia v. Babbitt, Civ. No. 94-2624 HHG (D.D.C.), or other proceedings directly related to resolving the issues litigated in that case, may apply for reimbursement in accordance with this section. Costs directly related to such participation which shall qualify for reimbursement shall be—

(A) dues or payments to a homeowner association for the purpose of legal representation; and

(B) legal fees and related expenses.

(2) **TREATMENT OF REIMBURSEMENT.**—Any reimbursement provided in this subsection shall be in lieu of that which might otherwise be available pursuant to the Equal Access to Justice Act (24 U.S.C. 2412).

(3) **PAYMENTS.**—Subject to the availability of appropriated funds the Secretary of the Treasury shall make reimbursement payments as provided in this section.

(4) **APPLICATIONS.**—Not later than 180 days after the date of enactment of this Act, applications for reimbursement shall be filed with the Department of the Treasury, Financial Management Service, Washington, D.C.

Deadline.

(5) **MAXIMUM REIMBURSEMENT.**—No party shall be reimbursed in excess of \$750,000 under this section, and the total amount reimbursed in accordance with this section shall not exceed \$3,000,000.

16 USC
539m–12.

SEC. 414. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title, including such sums as are necessary for the Forest Service to carry out responsibilities of the Forest Service in accordance with section 413(c).

16 USC 539m
note.

SEC. 415. EFFECTIVE DATE.

The provisions of this title shall take effect immediately on enactment of this Act.

National Forest
Organizational
Camp Fee
Improvement Act
of 2003.

TITLE V—NATIONAL FOREST ORGANIZATIONAL CAMP FEE IMPROVEMENT ACT OF 2003

16 USC 6231
note.

SEC. 501. SHORT TITLE.

This title may be cited as the “National Forest Organizational Camp Fee Improvement Act of 2003”.

16 USC 6231.

SEC. 502. FINDINGS, PURPOSE, AND DEFINITIONS.

(a) **FINDINGS.**—Congress finds the following:

(1) Organizational camps, such as those administered by the Boy Scouts, Girl Scouts, and faith-based and community-based organizations, provide a valuable service to young people, individuals with a disability, and their families by promoting physical, mental, and spiritual health through activities conducted in a natural environment.

(2) The 192,000,000 acres of national forests and grasslands of the National Forest System managed for multiple uses by the Forest Service provides an ideal setting for such organizational camps.

(3) The Federal Government should charge land use fees for the occupancy and use of National Forest System lands by such organizational camps that, while based on the fair market value of the land in use, also recognize the benefits provided to society by such organizational camps, do not preclude the ability of such organizational camps from utilizing these lands, and permit capital investment in, and maintenance of, camp facilities by such organizational camps or their sponsoring organizations.

(4) Organizational camps should—

(A) ensure that their facilities meet applicable building and safety codes, including fire and health codes;

(B) have annual inspections as required by local law, including at a minimum inspections for fire and food safety; and

(C) have in place safety plans that address fire and medical emergencies and encounters with wildlife.

(b) **PURPOSE.**—It is the purpose of this Act to establish a land use fee system that provides for an equitable return to the Federal Government for the occupancy and use of National Forest System lands by organizational camps that serve young people or individuals with a disability.

(c) **DEFINITIONS.**—In this Act:

(1) The term “organizational camp” means a public or semipublic camp that—

(A) is developed on National Forest System lands by a nonprofit organization or governmental entity;

(B) provides a valuable service to the public by using such lands as a setting to introduce young people or individuals with a disability to activities that they may not otherwise experience and to educate them on natural resource issues; and

(C) does not have as its primary purpose raising revenue through commercial activities.

(2) The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(3) The term “individual with a disability” has the meaning given the term in section 7(20) of the Rehabilitation Act of 1973 (29 U.S.C. 705(20)).

(4) The term “children at risk” means children who are raised in poverty or in single-parent homes or are subject to such circumstances as parental drug abuse, homelessness, or child abuse.

(5) The term “change in control” means—

(A) for a corporation, the sale or transfer of a controlling interest in the corporation;

(B) for a partnership or limited liability company, the sale or transfer of a controlling interest in the partnership or limited liability company; and

(C) for an individual, the sale or transfer or an organizational camp subject to this Act to another party.

SEC. 503. FEES FOR OCCUPANCY AND USE OF NATIONAL FOREST SYSTEM LANDS AND FACILITIES BY ORGANIZATIONAL CAMPS.

16 USC 6232.

(a) LAND USE FEE.—

(1) **PERCENTAGE OF LAND VALUE.**—The Secretary shall charge an annual land use fee for each organizational camp for its occupancy and use of National Forest System lands equal to 5 percent of the product of the following:

(A) The total number of acres of National Forest System lands authorized for the organizational camp.

(B) The estimated per-acre market value of land and buildings in the county where the camp is located, as reported in the most recent Census of Agriculture conducted by the National Agricultural Statistics Service.

(2) **ANNUAL ADJUSTMENT.**—The land use fee determined under paragraph (1) for an organizational camp shall be adjusted annually by the annual compounded rate of change between the two most recent Censuses of Agriculture.

(3) REDUCTION IN FEES.—

(A) **TYPE OF PARTICIPANTS.**—The Secretary shall reduce the land use fee determined under paragraph (1) proportionate to the number of individuals with a disability and children at risk who annually attend the organizational camp.

(B) **TYPE OF PROGRAMS.**—After making the reduction required by subparagraph (A), the Secretary shall reduce the remaining land use fee amount by up to 60 percent, proportionate to the number of persons who annually attend the organizational camp who participate in youth

programs through organized and supervised social, citizenship, character-building, or faith-based activities oriented to outdoor-recreation experiences.

(C) RELATION TO MINIMUM FEE.—The reductions made under this paragraph may not reduce the land use fee for an organizational camp below the minimum land use fee required to be charged under paragraph (4).

(D) SPECIAL CONSIDERATIONS.—For purposes of determining the amount of the land use fee reduction required under subparagraph (A) or (B), the Secretary may not take into consideration the existence of sponsorships or scholarships to assist persons in attending the organizational camp.

(4) MINIMUM LAND USE FEE.—The Secretary shall charge a minimum land use fee under paragraph (1) that represents, on average, the Secretary's cost annually to administer an organizational camp special use authorization in the National Forest Region in which the organizational camp is located. Notwithstanding paragraph (3) or subsection (d), the minimum land use fee shall not be subject to a reduction or waiver.

(b) FACILITY USE FEE.—

(1) PERCENTAGE OF FACILITIES VALUE.—If an organizational camp uses a Government-owned facility on National Forest System lands pursuant to section 7 of the Act of April 24, 1950 (commonly known as the Granger-Thye Act; 16 U.S.C. 580d), the Secretary shall charge, in addition to the land use fee imposed under subsection (a), a facility use fee equal to 5 percent of the value of the authorized facilities, as determined by the Secretary.

(2) REDUCTION IN FEES PROHIBITED.—Notwithstanding subsection (d), the facility use fees determined under paragraph (1) shall not be subject to a reduction or waiver.

(c) FEE RELATED TO RECEIPT OF OTHER REVENUES.—If an organizational camp derives revenue from the use of National Forest System lands or authorized facilities described in subsection (b) for purposes other than to introduce young people or individuals with a disability to activities that they may not otherwise experience and to educate them on natural resource issues, the Secretary shall charge, in addition to the land use fee imposed under subsection (a) and the facility use fee imposed under subsection (b), an additional fee equal to 5 percent of that revenue.

(d) WORK-IN-LIEU PROGRAM.—Subject to subsections (a)(4) and (b)(2), section 3 of the Federal Timber Contract Payment Modification Act (16 U.S.C. 539f) shall apply to the use fees imposed under this section.

16 USC 6233.

Directives.
Deadlines.

SEC. 504. IMPLEMENTATION.

(a) PROMPT IMPLEMENTATION.—The Secretary shall issue direction regarding implementation of this Act by interim directive within 180 days after the date of the enactment of this Act. The Secretary shall implement this Act beginning with the first billing cycle for organizational camp special use authorizations occurring more than 180 days after the date of the enactment of this Act.

(b) PHASE-IN OF USE FEE INCREASES.—In issuing any direction regarding implementation of this Act under subsection (a), the Secretary shall consider whether to phase-in any significant

increases in annual land or facility use fees for organizational camps.

SEC. 505. RELATIONSHIP TO OTHER LAWS.

16 USC 6234.

Except as specifically provided by this Act, nothing in this Act supersedes or otherwise affects any provision of law, regulation, or policy regarding the issuance or administration of authorizations for organizational camps regarding the occupancy and use of National Forest System lands.

SEC. 506. DEPOSIT AND EXPENDITURE OF USE FEES.

16 USC 6235.

(a) **DEPOSIT AND AVAILABILITY.**—Unless subject to section 7 of the Act of April 24, 1950 (commonly known as the Granger-Thye Act; 16 U.S.C. 580d), use fees collected by the Secretary under this Act shall be deposited in a special account in the Treasury and shall remain available to the Secretary for expenditure, without further appropriation until expended, for the purposes described in subsection (c).

(b) **TRANSFER.**—Upon request of the Secretary, the Secretary of the Treasury shall transfer to the Secretary from the special account such amounts as the Secretary may request. The Secretary shall accept and use such amounts in accordance with subsection (c).

(c) **USE.**—Use fees deposited pursuant to subsection (a) and transferred to the Secretary under subsection (b) shall be expended for monitoring of Forest Service special use authorizations, administration of the Forest Service's special program, interpretive programs, environmental analysis, environmental restoration, and similar purposes.

SEC. 507. MINISTERIAL ISSUANCE, OR AMENDMENT AUTHORIZATION.

16 USC 6236.

(a) **NEPA EXCEPTION.**—The ministerial issuance or amendment of an organizational camp special use authorization shall not be subject to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(b) **RULE OF CONSTRUCTION.**—For purposes of subsection (a), the ministerial issuance or amendment of an authorization occurs only when the issuance or amendment of the authorization would not change the physical environment or the activities, facilities, or program of the operations governed by the authorization, and at least one of the following apply:

(1) The authorization is issued upon a change in control of the holder of an existing authorization.

(2) The holder, upon expiration of an authorization, is issued a new authorization.

(3) The authorization is amended—

(A) to effectuate administrative changes, such as modification of the land use fee or conversion to a new special use authorization form; or

(B) to include nondiscretionary environmental standards or to conform with current law.

This division may be cited as the “Department of the Interior and Related Agencies Appropriations Act, 2003”.

Departments of
Labor, Health
and Human
Services, and
Education, and
Related Agencies
Appropriations
Act, 2003.

DIVISION G—LABOR, HEALTH AND HUMAN SERVICES, AND
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS,
2003

JOINT RESOLUTION

Making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2003, and for other purposes, namely:

Department of
Labor
Appropriations
Act, 2003.

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Workforce Investment Act of 1998, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Workforce Investment Act of 1998 and the Women in Apprenticeship and Nontraditional Occupations Act; and the National Skill Standards Act of 1994; \$2,755,070,000 plus reimbursements, of which \$1,651,055,000 is available for obligation for the period July 1, 2003 through June 30, 2004; of which \$1,045,465,000 is available for obligation for the period April 1, 2003 through June 30, 2004, including \$1,000,965,000 to carry out chapter 4 of the Workforce Investment Act of 1998 and \$44,500,000 to carry out section 169 of such Act; of which \$30,000,000 is available on October 1, 2002 until expended to carry out section 173(a)(4)(A) of the Workforce Investment Act of 1998; and of which \$27,550,000 is available for the period July 1, 2003 through June 30, 2006 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers: *Provided*, That notwithstanding any other provision of law, of the funds provided herein under section 137(c) of the Workforce Investment Act of 1998, \$306,608,000 shall be for activities described in section 132(a)(2)(A) of such Act and \$1,157,162,000 shall be for activities described in section 132(a)(2)(B) of such Act: *Provided further*, That \$9,098,000 shall be for carrying out section 172 of the Workforce Investment Act of 1998: *Provided further*, That, notwithstanding any other provision of law or related regulation, \$77,836,000 shall be for carrying out section 167 of the Workforce Investment Act of 1998, including \$72,686,000 for formula grants, \$4,640,000 for migrant and seasonal housing, and \$510,000 for other discretionary purposes: *Provided further*, That notwithstanding the transfer limitation under section 133(b)(4) of the Workforce Investment Act of 1998, up to 30 percent of such funds may be transferred by a local board if approved by the Governor: *Provided further*, That funds provided to carry out section 171(d) of the Workforce Investment Act of 1998 may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent

workers: *Provided further*, That funding provided to carry out projects under section 171 of the Workforce Investment Act of 1998 that are identified in the Conference Agreement, shall not be subject to the requirements of section 171(b)(2)(B) of such Act, the requirements of section 171(c)(4)(D) of such Act, or the joint funding requirements of sections 171(b)(2)(A) and 171(c)(4)(A) of such Act: *Provided further*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

For necessary expenses of the Workforce Investment Act of 1998, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Workforce Investment Act of 1998; \$2,463,000,000 plus reimbursements, of which \$2,363,000,000 is available for obligation for the period October 1, 2003 through June 30, 2004, and of which \$100,000,000 is available for the period October 1, 2003 through June 30, 2006, for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers.

Of the funds provided under this heading in Public Law 107-116 for the Employment and Training Administration, funding shall be restored to the prior grantee, no later than March 28, 2003, for a period of performance of 24 months at an annualized level equivalent to fiscal year 2000 funding levels, for the following grants: Building a High Skills Workforce Development System, Building a High Skills Cities/Counties Consortium, and Increasing Academic and Employability Skills: Applying New Standards in Job Corps Centers.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out title V of the Older Americans Act of 1965, as amended, \$445,200,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I; and for training, allowances for job search and relocation, and related State administrative expenses under part II, subchapters B and D, chapter 2, title II of the Trade Act of 1974, as amended, \$972,200,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For authorized administrative expenses, \$143,452,000, together with not to exceed \$3,475,451,000 (including not to exceed \$1,228,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund including the cost of administering section 51 of the Internal Revenue Code of 1986, as amended, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration

and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502–504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, shall be available for obligation by the States through December 31, 2003, except that funds used for automation acquisitions shall be available for obligation by the States through September 30, 2005; of which \$143,452,000, together with not to exceed \$773,283,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, 2003 through June 30, 2004, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 2003 is projected by the Department of Labor to exceed 4,526,000, an additional \$28,600,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: *Provided further*, That funds appropriated in this Act which are used to establish a national one-stop career center system, or which are used to support the national activities of the Federal-State unemployment insurance programs, may be obligated in contracts, grants or agreements with non-State entities: *Provided further*, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A–87.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the “Federal unemployment benefits and allowances” account, to remain available until September 30, 2004, \$463,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 2003, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, \$121,424,000, including \$4,711,000 to administer welfare-to-work grants, together with not to exceed \$54,228,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Pension and Welfare Benefits Administration, \$117,044,000.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 2003, for such Corporation: *Provided*, That not to exceed \$13,050,000 shall be available for administrative expenses of the Corporation: *Provided further*, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as non-administrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, \$381,578,000, together with \$2,029,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d) and 44(j) of the Longshore and Harbor Workers' Compensation Act: *Provided*, That \$2,000,000 shall be for the development of an alternative system for the electronic submission of reports required to be filed under the Labor-Management Reporting and Disclosure Act of 1959, as amended, and for a computer database of the information for each submission by whatever means, that is indexed and easily searchable by the public via the Internet: *Provided further*, That the Secretary of Labor is authorized to accept, retain, and spend, until expended, in the name of the Department of Labor, all sums of money ordered to be paid to the Secretary of Labor, in accordance with the terms of the Consent Judgment in Civil Action No. 91-0027 of the United States District Court for the District of the Northern Mariana Islands (May 21, 1992): *Provided further*, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C. 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(d) and 214) and for processing applications and issuing registrations under title I of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.).

Reports.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the heading “Civilian War Benefits” in the Federal Security Agency Appropriation Act, 1947; the Employees’ Compensation Commission Appropriation Act, 1944; sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 percent of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers’ Compensation Act, as amended, \$163,000,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That amounts appropriated may be used under section 8104 of title 5, United States Code, by the Secretary of Labor to reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: *Provided further*, That balances of reimbursements unobligated on September 30, 2002, shall remain available until expended for the payment of compensation, benefits, and expenses: *Provided further*, That in addition there shall be transferred to this appropriation from the Postal Service and from any other corporation or instrumentality required under section 8147(c) of title 5, United States Code, to pay an amount for its fair share of the cost of administration, such sums as the Secretary determines to be the cost of administration for employees of such fair share entities through September 30, 2003: *Provided further*, That of those funds transferred to this account from the fair share entities to pay the cost of administration of the Federal Employees’ Compensation Act, \$37,657,000 shall be made available to the Secretary as follows: (1) for the operation of and enhancement to the automated data processing systems, including document imaging and conversion to a paperless office, \$24,928,000; (2) for medical bill review and periodic roll management, \$12,027,000; (3) for communications redesign, \$702,000; and (4) the remaining funds shall be paid into the Treasury as miscellaneous receipts: *Provided further*, That the Secretary may require that any person filing a notice of injury or a claim for benefits under chapter 81 of title 5, United States Code, or 33 U.S.C. 901 et seq., provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

ADMINISTRATIVE EXPENSES, ENERGY EMPLOYEES OCCUPATIONAL
ILLNESS COMPENSATION FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to administer the Energy Employees Occupational Illness Compensation Act, \$104,867,000, to remain available until expended: *Provided*, That the Secretary of Labor is authorized to transfer to any executive agency with authority under the Energy Employees Occupational Illness Compensation Act, including within the Department of Labor, such sums as may

be necessary in fiscal year 2003 to carry out those authorities: *Provided further*, That the Secretary may require that any person filing a claim for benefits under the Act provide as part of such claim, such identifying information (including Social Security account number) as may be prescribed.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Beginning in fiscal year 2003 and thereafter, such sums as may be necessary from the Black Lung Disability Trust Fund, to remain available until expended, for payment of all benefits authorized by section 9501(d)(1), (2), (4), and (7) of the Internal Revenue Code of 1954, as amended; and interest on advances, as authorized by section 9501(c)(2) of that Act. In addition, the following amounts shall be available from the Fund for fiscal year 2003 for expenses of operation and administration of the Black Lung Benefits program, as authorized by section 9501(d)(5): \$31,987,000 for transfer to the Employment Standards Administration, “Salaries and Expenses”; \$22,952,000 for transfer to Departmental Management, “Salaries and Expenses”; \$334,000 for transfer to Departmental Management, “Office of Inspector General”; and \$356,000 for payments into miscellaneous receipts for the expenses of the Department of the Treasury.

26 USC 9501
note.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, \$453,256,000, including not to exceed \$91,139,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act (the “Act”), which grants shall be no less than 50 percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Act; and, in addition, notwithstanding 31 U.S.C. 3302, the Occupational Safety and Health Administration may retain up to \$750,000 per fiscal year of training institute course tuition fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education grants: *Provided*, That, notwithstanding 31 U.S.C. 3302, the Secretary of Labor is authorized, during the fiscal year ending September 30, 2003, to collect and retain fees for services provided to Nationally Recognized Testing Laboratories, and may utilize such sums, in accordance with the provisions of 29 U.S.C. 9a, to administer national and international laboratory recognition programs that ensure the safety of equipment and products used by workers in the workplace: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Act which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Act

29 USC 670 note.

with respect to any employer of 10 or fewer employees who is included within a category having an occupational injury lost work-day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: *Provided further*, That not less than \$3,200,000 shall be used to extend funding for the Institutional Competency Building training grants which commenced in September 2000, for program activities for the period of September 30, 2003 to September 30, 2004, provided that a grantee has demonstrated satisfactory performance.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, \$274,741,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; including \$3,000,000 for an award to the National Technology Transfer Center for a coal slurry impoundment pilot project in Southern West Virginia; including up to \$2,000,000 for mine rescue and recovery activities; and including \$10,000,000 for digitizing mine maps and developing technologies to detect mine voids, through contracts, grants, or other arrangements, to remain available until expended; in addition, not to exceed \$750,000 may be collected by the National Mine Health and Safety Academy for room, board, tuition, and the sale of training materials, otherwise authorized by law to be collected, to be available for mine safety and health education and training activities, notwithstanding 31 U.S.C. 3302; and, in addition, the Mine Safety and Health Administration may retain

up to \$1,000,000 from fees collected for the approval and certification of equipment, materials, and explosives for use in mines, and may utilize such sums for such activities; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster. 30 USC 962.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, \$415,855,000, together with not to exceed \$72,029,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund; and \$2,570,000 which shall be available for obligation for the period July 1, 2003 through September 30, 2003, for Occupational Employment Statistics, and \$5,000,000 to be used to fund the mass layoff statistics program under section 15 of the Wagner-Peyser Act (29 U.S.C. 491-2).

OFFICE OF DISABILITY EMPLOYMENT POLICY

SALARIES AND EXPENSES

For necessary expenses for the Office of Disability Employment Policy to provide leadership, develop policy and initiatives, and award grants furthering the objective of eliminating barriers to the training and employment of people with disabilities, \$47,487,000.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of three sedans, and including the management or operation, through contracts, grants or other arrangements of Departmental activities conducted by or through the Bureau of International Labor Affairs, including bilateral and multilateral technical assistance and other international labor activities, of which the funds designated to carry out bilateral assistance under the international child labor initiative shall be available for obligation through September 30, 2004, and \$55,000,000, for the acquisition of Departmental information technology, architecture, infrastructure, equipment, software and related needs which will be allocated by the Department's Chief Information Officer in accordance with the Department's capital investment management process to assure a sound investment strategy; \$390,069,000; together with not to exceed \$310,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust

33 USC 921 note.

Fund: *Provided*, That no funds made available by this Act may be used by the Solicitor of Labor to participate in a review in any United States court of appeals of any decision made by the Benefits Review Board under section 21 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 921) where such participation is precluded by the decision of the United States Supreme Court in *Director, Office of Workers' Compensation Programs v. Newport News Shipbuilding*, 115 S. Ct. 1278 (1995), notwithstanding any provisions to the contrary contained in Rule 15 of the Federal Rules of Appellate Procedure: *Provided further*, That no funds made available by this Act may be used by the Secretary of Labor to review a decision under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.) that has been appealed and that has been pending before the Benefits Review Board for more than 12 months: *Provided further*, That any such decision pending a review by the Benefits Review Board for more than 1 year shall be considered affirmed by the Benefits Review Board on the 1-year anniversary of the filing of the appeal, and shall be considered the final order of the Board for purposes of obtaining a review in the United States courts of appeals: *Provided further*, That these provisions shall not be applicable to the review or appeal of any decision issued under the Black Lung Benefits Act (30 U.S.C. 901 et seq.).

VETERANS EMPLOYMENT AND TRAINING

Not to exceed \$188,537,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4110A, 4212, 4214, and 4321-4327, and Public Law 103-353, and which shall be available for obligation by the States through December 31, 2003. To carry out the Stewart B. McKinney Homeless Assistance Act and section 168 of the Workforce Investment Act of 1998, \$25,675,000, of which \$7,425,000 shall be available for obligation for the period July 1, 2003 through June 30, 2004.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$56,659,000, together with not to exceed \$5,597,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of Executive Level II.

(TRANSFER OF FUNDS)

SEC. 102. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Labor in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*,

That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer. Notification.

SEC. 103. In accordance with Executive Order No. 13126, none of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended for the procurement of goods mined, produced, manufactured, or harvested or services rendered, whole or in part, by forced or indentured child labor in industries and host countries already identified by the United States Department of Labor prior to enactment of this Act.

SEC. 104. There is authorized to be appropriated such sums as may be necessary to the Denali Commission through the Department of Labor to conduct job training of the local workforce where Denali Commission projects will be constructed.

This title may be cited as the “Department of Labor Appropriations Act, 2003”.

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

Department of
Health and
Human Services
Appropriations
Act, 2003.

For carrying out titles II, III, IV, VII, VIII, X, XII, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V (including section 510), and sections 1128E and 1820 of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, the Native Hawaiian Health Care Act of 1988, as amended, the Cardiac Arrest Survival Act of 2000, and the Poison Control Center Enhancement and Awareness Act, \$6,472,630,000, of which \$298,153,000 shall be available for construction and renovation (including equipment) of health care and other facilities, and of which \$40,000,000 from general revenues, notwithstanding section 1820(j) of the Social Security Act, shall be available for carrying out the Medicare rural hospital flexibility grants program under section 1820 of such Act: *Provided*, That of the funds made available under this heading, \$250,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen’s Disease Center: *Provided further*, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry out that Act: *Provided further*, That fees collected for the full disclosure of information under the “Health Care Fraud and Abuse Data Collection Program”, authorized by section 1128E(d)(2) of the Social Security Act, shall be sufficient to recover the full costs of operating the program, and shall remain available until expended to carry out that Act: *Provided further*, That no more than \$40,000,000 is available for carrying out the provisions of Public Law 104–73: *Provided further*, That of the funds made available under this heading, \$275,138,000 shall be for the program under title X of the Public Health Service Act to provide for voluntary family planning projects: *Provided further*, That amounts provided to said projects under such title shall not be expended for abortions, that all pregnancy counseling shall be nondirective, and that such amounts shall not be expended for any activity (including the

Abortion.

publication or distribution of literature) that in any way tends to promote public support or opposition to any legislative proposal or candidate for public office: *Provided further*, That \$719,000,000 shall be for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act: *Provided further*, That of the amount provided under this heading, \$46,000 is available for Catholic Social Services, The Bridge, Wilkes Barre, PA, for abstinence education and related services, \$500,000 is available for CentraCare Health Foundation for administration, St. Cloud, Minnesota, to increase the ability of educational institutions to produce nurses in a region with high demand, \$41,000 is available for Chester County Health Department, Chester County Government Services Center, West Chester, PA, for abstinence education and related services, \$105,000 is available for the City of Chester, Bureau of Health, SABER Project, Chester, PA, for abstinence education and related services, \$86,000 is available for George Washington Carver Community Center, Project A.C.E., Norristown, PA, for abstinence education and related services, \$51,000 is available for Heart Beat, New Bloomfield, PA, for abstinence education and related services, \$79,000 is available for Keystone Central School District, Central Mountain Middle School East, Lock Haven, PA, for abstinence education and related services, \$88,000 is available for Keystone Economic Development Corporation, Johnstown, PA, for abstinence education and related services, \$92,000 is available for L.V.C.P.T.P., St. Luke's Health Network, CHOICE program, Bethlehem, PA, for abstinence education and related services, \$74,000 is available for Lackawanna Trail School District, Factoryville, PA, for abstinence education and related services, \$112,000 is available for LaSalle University, Philadelphia, PA, for abstinence education and related services, \$111,000 is available for Mercy Hospital of Pittsburgh, Pittsburgh, PA, for abstinence education and related services, \$136,000 is available for Neighborhood United Against Drugs, Philadelphia, PA, for abstinence education and related services, \$23,000 is available for New Brighton School District, New Brighton, PA, for abstinence education and related services, \$1,250,000 is available for Northeastern Ohio Universities College of Medicine, Rootstown, Ohio, for the Center for Leadership in Public Health and Community Medicine, \$72,000 is available for Nueva Esperanza, Philadelphia, PA, for abstinence education and related services, \$72,000 is available for Partners in Family and Community Development, Athens, PA, for abstinence education and related services, \$50,000 is available for Potter County Human Services, Roulette, PA, for abstinence education and related services, \$71,000 is available for Rape and Victim Assistance Center of Schuylkill County, Pottsville, PA, for abstinence education and related services, \$82,000 is available for Real Commitment, Gettysburg, PA, for abstinence education and related services, \$101,000 is available for the School District of Lancaster, Project IMPACT, Lancaster, PA, for abstinence education and related services, \$102,000 is available for the School District of Philadelphia, Philadelphia, PA, for abstinence education and related services, \$700,000 is available for the Silver Ring Thing Program, Sewickley, Pennsylvania, for expansion of a program promoting abstinence, \$74,000 is available for the Guidance Center, project RAPPORT, Smethport, PA, for abstinence education and related services, \$109,000 is available for To Our Children's Future with Health, Inc., Philadelphia, PA, for abstinence education and related

services, \$136,000 is available for Tressler Lutheran Services, Harrisburg, PA, for abstinence education and related services, \$84,000 is available for Tuscarora Intermediate Unit, Mcveytown, PA, for abstinence education and related services, \$500,000 is available for the University of Akron, Ohio, for a nursing study, \$1,000,000 is available for the University of Florida, Gainesville, Florida, for Consortium to Promote Nursing Faculty, \$300,000 is available for the University of Louisville Research Foundation, Kentucky, to establish a Center for Cancer Nursing Education and Research, \$126,000 is available for the Urban Family Council, Philadelphia, PA, for abstinence education and related services, \$41,000 is available for Venago County Area Vo-Tech, Oil City, PA, for abstinence education and related services, \$136,000 is available for Washington Hospital Teen Outreach, Academy for Adolescent Health, Washington, PA, for abstinence education and related services, \$300,000 is available for William Beaumont Hospital, Royal Oak, Michigan, for the Beaumont Nurse Anesthesia Education Rural Initiative, \$136,000 is available for the Women's Care Center of Erie County, Inc., Abstinence Advantage Program, Erie, PA, for abstinence education and related services, \$50,000 is available for York County, Human Life Services, Inc., York, PA, for abstinence education and related services, \$95,000 is available for Community Ministries of the Lutheran Home at Topton, Reading, PA, for abstinence education and related services, \$50,000 is available for Clarke College in Dubuque, IA, for the planning of a community health center, \$700,000 is available for Clinical Pharmacy Training Program at University of Hawaii at Hilo, \$100,000 is available for Family Voices of Iowa in the ASK Resource Center, Des Moines, IA, to continue and expand the Family to Family Health Information Center, \$1,000,000 is available for Iowa Department of Public Health to continue the Center for Healthcare Workforce Shortages, \$350,000 is available for National Healthy Start Association, Baltimore, Maryland, to gather and disseminate information on best practices under the Healthy Start program and provide technical assistance to Healthy Start grantees, \$125,000 is available for the Tulsa Coalition for Children's Health in Tulsa, Oklahoma, for a study regarding delivery of pediatric health care in northeastern Oklahoma, and \$50,000 is available for Waianae Coast Community Health Center leadership training: *Provided further*, That, notwithstanding section 502(a)(1) of the Social Security Act, not to exceed \$115,900,000 is available for carrying out special projects of regional and national significance pursuant to section 501(a)(2) of such Act, of which \$500,000 is available for the City of Milwaukee Health Department for a pilot program providing health services to at-risk children in day care and \$10,000 is available for the Dane County Neighborhood Child Health Clinic in Madison, Wisconsin, to provide child dental services: *Provided further*, That in addition to amounts provided herein, \$25,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out Parts A, B, C, and D of title XXVI of the Public Health Service Act to fund section 2691 Special Projects of National Significance: *Provided further*, That \$55,000,000 is available for special projects of regional and national significance under section 501(a)(2) of the Social Security Act, which shall not be counted toward compliance with the allocation required in section 502(a)(1) of such Act, and which shall be used only for making competitive grants to provide

Grants.
Abstinence.

abstinence education (as defined in section 510(b)(2) of such Act) to adolescents and for evaluations (including longitudinal evaluations) of activities under the grants and for Federal costs of administering the grants: *Provided further*, That grants under the immediately preceding proviso shall be made only to public and private entities which agree that, with respect to an adolescent to whom the entities provide abstinence education under such grant, the entities will not provide to that adolescent any other education regarding sexual conduct, except that, in the case of an entity expressly required by law to provide health information or services the adolescent shall not be precluded from seeking health information or services from the entity in a different setting than the setting in which the abstinence education was provided: *Provided further*, That the funds expended for such evaluations may not exceed 3.5 percent of such amount.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM ACCOUNT

Such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended. For administrative expenses to carry out the guaranteed loan program, including section 709 of the Public Health Service Act, \$3,914,000.

VACCINE INJURY COMPENSATION PROGRAM TRUST FUND

For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: *Provided*, That for necessary administrative expenses, not to exceed \$2,991,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, XIX, XXI, and XXVI of the Public Health Service Act, sections 101, 102, 103, 201, 202, 203, 301, and 501 of the Federal Mine Safety and Health Act of 1977, sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970, title IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act of 1980; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, \$4,296,566,000, of which \$268,000,000 shall remain available until expended for equipment, and construction and renovation of facilities, and of which \$183,763,000 for international HIV/AIDS shall remain available until September 30, 2004, and in addition, such sums as may be derived from authorized user fees, which shall be credited to this account: *Provided*, That in addition to amounts provided herein, \$14,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out the National Immunization Surveys: *Provided further*, That in addition to amounts provided herein, \$125,899,000 shall be available from amounts available under section 241 of the Public Health

Service Act to carry out the National Center for Health Statistics surveys: *Provided further*, That none of the funds made available for injury prevention and control at the Centers for Disease Control and Prevention may be used, in whole or in part, to advocate or promote gun control: *Provided further*, That in addition to amounts provided herein, \$28,600,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out information systems standards development and architecture and applications-based research used at local public health levels: *Provided further*, That in addition to amounts provided herein, \$41,900,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out Research Tools and Approaches activities within the National Occupational Research Agenda: *Provided further*, That the Director may redirect the total amount made available under authority of Public Law 101-502, section 3, dated November 3, 1990, to activities the Director may so designate: *Provided further*, That the Congress is to be notified promptly of any such transfer: *Provided further*, That not to exceed \$12,500,000 may be available for making grants under section 1509 of the Public Health Service Act to not more than 15 States: *Provided further*, That without regard to existing statute, funds appropriated may be used to proceed, at the discretion of the Centers for Disease Control and Prevention, with property acquisition, including a long-term ground lease for construction on non-Federal land, to support the construction of a replacement laboratory in the Fort Collins, Colorado area: *Provided further*, That notwithstanding any other provision of law, a single contract or related contracts for development and construction of facilities may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause “availability of funds” found at 48 CFR 52.232-18.

Notification.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, \$4,622,394,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, \$2,812,011,000.

NATIONAL INSTITUTE OF DENTAL AND CRANIOFACIAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, \$374,067,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney disease, \$1,633,347,000.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, \$1,466,005,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

(INCLUDING TRANSFER OF FUNDS)

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, \$3,730,973,000: *Provided*, That \$100,000,000 may be made available to International Assistance Programs, “Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis”, to remain available until expended: *Provided further*, That up to \$375,000,000 shall be for extramural facilities construction grants to enhance the Nation’s capability to do research on biological and other agents.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, \$1,859,084,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, \$1,213,817,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, \$637,290,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, \$618,258,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, \$1,000,099,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis and musculoskeletal and skin diseases, \$489,324,000.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, \$372,805,000.

NATIONAL INSTITUTE OF NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, \$131,438,000.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse and alcoholism, \$418,773,000.

NATIONAL INSTITUTE ON DRUG ABUSE

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, \$968,013,000.

NATIONAL INSTITUTE OF MENTAL HEALTH

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, \$1,349,788,000.

NATIONAL HUMAN GENOME RESEARCH INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, \$468,037,000.

NATIONAL INSTITUTE OF BIOMEDICAL IMAGING AND BIOENGINEERING

For carrying out section 301 and title IV of the Public Health Service Act with respect to biomedical imaging and bioengineering research, \$280,100,000.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, \$1,146,272,000: *Provided*, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants: *Provided further*, That \$120,000,000 shall be for extramural facilities construction grants.

NATIONAL CENTER FOR COMPLEMENTARY AND ALTERNATIVE
MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to complementary and alternative medicine, \$114,149,000.

NATIONAL CENTER ON MINORITY HEALTH AND HEALTH DISPARITIES

For carrying out section 301 and title IV of the Public Health Service Act with respect to minority health and health disparities research, \$186,929,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, \$63,880,000.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, \$302,099,000, of which \$4,000,000 shall be available until expended for improvement of information systems: *Provided*, That in fiscal year 2003, the Library may enter into personal services contracts for the provision of services in facilities owned, operated, or constructed under the jurisdiction of the National Institutes of Health: *Provided further*, That in addition to amounts provided herein, \$8,200,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out National Information Center on Health Services Research and Health Care Technology and related health services.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, \$267,974,000: *Provided*, That funding shall be available for the purchase of not to exceed 29 passenger motor vehicles for replacement only: *Provided further*, That the Director may direct up to 1 percent of the total amount made available in this or any other Act to all National Institutes of Health appropriations to activities the Director may so designate: *Provided further*, That no such appropriation shall be decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer: *Provided further*, That the National Institutes of Health is authorized to collect third party payments for the cost of clinical services that are incurred in National Institutes of Health research facilities and that such payments shall be credited to the National Institutes of Health Management Fund: *Provided further*, That all funds credited to the National Institutes of Health Management Fund shall remain available for 1 fiscal year after the fiscal year in which they are deposited: *Provided further*, That up to \$500,000 shall be available to carry out section 499 of the Public Health Service Act.

BUILDINGS AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For the study of, construction of, renovation of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, \$632,800,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, single contracts or related contracts, which collectively include the full scope of the project, may be employed for the development and construction of the first and second phases of the John Edward Porter Neuroscience Research Center: *Provided further*, That the solicitations and contracts shall contain the clause “availability of funds” found at 48 CFR 52.232-18.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out titles V and XIX of the Public Health Service Act with respect to substance abuse and mental health services, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and section 301 of the Public Health Service Act with respect to program management, \$3,158,068,000, of which \$21,461,000 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act: *Provided*, That \$955,000, to remain available until expended, shall be for protection, maintenance, and environmental remediation of the Federally owned facilities at St. Elizabeths Hospital: *Provided further*, That in addition to amounts provided herein, \$62,200,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out subpart II of title XIX of the Public Health Service Act to fund section 1935(b) technical assistance, national data, data collection and evaluation activities, and further that the total available under this Act for section 1935(b) activities shall not exceed 5 percent of the amounts appropriated for subpart II of title XIX: *Provided further*, That in addition to amounts provided herein, \$12,000,000 shall be made available from amounts available under section 241 of the Public Health Service Act to carry out data collection activities supporting the annual National Household Survey.

AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

HEALTHCARE RESEARCH AND QUALITY

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data shall be credited to this appropriation and shall remain available until expended: *Provided*, That the amount made available pursuant to section 927(c) of the Public Health Service Act shall not exceed \$303,695,000.

CENTERS FOR MEDICARE AND MEDICAID SERVICES

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, \$112,090,218,000, to remain available until expended.

For making, after May 31, 2003, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 2003 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the first quarter of fiscal year 2004, \$51,861,386,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under section 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, \$81,462,700,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, XIX, and XXI of the Social Security Act, titles XIII and XXVII of the Public Health Service Act, and the Clinical Laboratory Improvement Amendments of 1988, not to exceed \$2,581,672,000, to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the Public Health Service Act and section 1857(e)(2) of the Social Security Act, and such sums as may be collected from authorized user fees and the sale of data, which shall remain available until expended, and together with administrative fees collected relative to Medicare overpayment recovery activities, which shall remain available until expended: *Provided*, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act shall be credited to and available for carrying out the purposes of this appropriation: *Provided further*, That from amounts appropriated under this heading, \$3,000,000 for the managed care system redesign shall remain available until expended: *Provided further*, That \$51,000,000, to remain available until September 30, 2004, is for contract costs for the Healthcare Integrated General Ledger Accounting System: *Provided further*, That of the amounts made available for research, demonstration and evaluation, \$1,500,000 is available for AIDS Healthcare Foundation in Los Angeles for a demonstration of residential and outpatient treatment facilities, \$500,000 is available for Bucks County Health Improvement Project, Langhorne, Pennsylvania, \$464,000 is available for Children's Hospice International demonstration program to provide a continuum of care for children with life-threatening conditions and their families, \$350,000 is available for Children's Hospitals and Clinics of Minneapolis/St. Paul, in partnership with the National Hospice and Palliative Care Organization, for a demonstration project to provide pediatric palliative care education and consultation services, \$100,000 is available for Community Catalyst Inc., in Boston, MA, to expand a benefits management program to improve the delivery of healthcare benefits to low-income individuals, \$75,000 is available for Cook County Illinois Bureau of Health Services to improve the management of the vulnerable patients with poorly controlled diabetes, \$700,000 is available for the County of Sacramento, California, for implementation of the SacAdvantage pilot program to increase availability of health insurance for uninsured workers and their dependents through premium subsidies and purchasing pools, \$200,000 is available for Equip for Equality in Chicago, Illinois, for a demonstration project to document the impact of an independent investigative unit to examine deaths and serious

allegations of abuse and neglect of people with disabilities at facilities in Illinois, \$300,000 is available for Hamot Medical Center, Erie, PA, for a demonstration project for the evaluation of advanced illness coordinated care for Medicare beneficiaries, \$100,000 is available for Hope House Day Care Center in Memphis, Tennessee, for a demonstration project on improving the overall well-being of HIV positive children, \$500,000 is available for the Hospice of Metro Denver in Denver, Colorado, to establish a clinical and training affiliation with the University of Colorado's Health Science Center and to develop cutting-edge palliative care practices, \$350,000 is available for Illinois Primary Health Care Association, in Springfield, Illinois, to implement the Shared Integrated Management Information System, \$100,000 is available for Jefferson Area Board for Aging, Charlottesville, Virginia, for continuation of the recruitment, retention, training, and support of nursing assistants, \$100,000 is available for Johns Hopkins School of Medicine, Baltimore, MD, for an advanced respiratory medicine project to study in-home, self-administered high frequency chest wall oscillation therapy, \$130,000 is available for Medical Care for Children Partnership, Fairfax, Virginia, to provide outreach to increase access to medical and dental care for children, and \$325,000 is available for The Breast Cancer Fund in San Francisco, California (in collaboration with Shanti) for the "Lifelines" project to increase access to breast cancer treatment for medically underserved women: *Provided further*, That to the extent Medicare claims volume is projected by the Centers for Medicare and Medicaid Services (CMS) to exceed 223,500,000 Part A claims and/or 870,000,000 Part B claims, an additional \$46,800,000 shall be available for obligation for every 50,000,000 increase in Medicare claims volume (including a pro rata amount for any increment less than 50,000,000) from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Fund: *Provided further*, That the Secretary of Health and Human Services is directed to collect fees in fiscal year 2003 from Medicare + Choice organizations pursuant to section 1857(e)(2) of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE
FUND

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 2003, no commitments for direct loans or loan guarantees shall be made.

ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND
FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV–D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), \$2,475,800,000, to remain available until expended; and for such purposes for the

first quarter of fiscal year 2004, \$1,100,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance for Needy Families (TANF) with respect to such State, such sums as may be necessary: *Provided*, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, \$1,700,000,000.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), \$436,724,000: *Provided*, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act for fiscal year 2003 shall be available for the costs of assistance provided and other activities through September 30, 2005: *Provided further*, That up to \$10,000,000 is available to carry out the Trafficking Victims Protection Act of 2000.

For carrying out section 5 of the Torture Victims Relief Act of 1998 (Public Law 105-320), \$10,000,000.

PAYMENTS TO STATES FOR THE CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), \$2,099,994,000 shall be used to supplement, not supplant State general revenue funds for child care assistance for low-income families: *Provided*, That \$19,120,000 shall be available for child care resource and referral and school-aged child care activities, of which \$1,000,000 shall be for the Child Care Aware toll free hotline: *Provided further*, That, in addition to the amounts required to be reserved by the States under section 658G, \$272,672,000 shall be reserved by the States for activities authorized under section 658G, of which \$100,000,000 shall be for activities that improve the quality of infant and toddler care: *Provided further*, That \$10,000,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, \$1,700,000,000: *Provided*, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act shall be 10 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act, sections 310 and 316 of the Family Violence Prevention and Services Act, as amended, the Native American Programs Act of 1974, title II of Public Law 95-266 (adoption opportunities), the Adoption and Safe Families Act of 1997 (Public Law 105-89), sections 1201 and 1211 of the Children's Health Act of 2000, the Abandoned Infants Assistance Act of 1988, the Early Learning Opportunities Act, part B(1) of title IV and sections 413, 429A, 1110, and 1115 of the Social Security Act, and sections 40155, 40211, and 40241 of Public Law 103-322; for making payments under the Community Services Block Grant Act, sections 439(h), 473A, and 477(i) of the Social Security Act, and title IV of Public Law 105-285, and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, section 5 of the Torture Victims Relief Act of 1998 (Public Law 105-320), sections 40155, 40211, and 40241 of Public Law 103-322, and section 126 and titles IV and V of Public Law 100-485, \$8,643,117,00, of which \$43,000,000, to remain available until September 30, 2004, shall be for grants to States for adoption incentive payments, as authorized by section 473A of title IV of the Social Security Act (42 U.S.C. 670-679) and may be made for adoptions completed in fiscal years 2001 and 2002; of which \$6,667,533,000 shall be for making payments under the Head Start Act, of which \$1,400,000,000 shall become available October 1, 2003 and remain available through September 30, 2004; and of which \$739,315,000 shall be for making payments under the Community Services Block Grant Act: *Provided*, That not less than \$7,250,000 shall be for section 680(3)(B) of the Community Services Block Grant Act, as amended: *Provided further*, That in addition to amounts provided herein, \$6,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out the provisions of section 1110 of the Social Security Act: *Provided further*, That to the extent Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under the Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes: *Provided further*, That the Secretary shall establish procedures regarding the disposition of intangible property which permits grant funds, or intangible assets acquired with funds authorized under section 680 of the Community Services Block Grant Act, as amended, to become the

Procedures.
42 USC 9921
note.

sole property of such grantees after a period of not more than 12 years after the end of the grant for purposes and uses consistent with the original grant: *Provided further*, That funds appropriated for section 680(a)(2) of the Community Services Block Grant Act, as amended, shall be available for financing construction and rehabilitation and loans or investments in private business enterprises owned by community development corporations: *Provided further*, That \$90,567,000 shall be for activities authorized by the Runaway and Homeless Youth Act, notwithstanding the allocation requirements of section 388(a) of such Act, of which \$40,770,000 is for the transitional living program: *Provided further*, That \$35,000,000 is for a compassion capital fund to provide grants to charitable organizations to emulate model social service programs and to encourage research on the best practices of social service organizations.

PROMOTING SAFE AND STABLE FAMILIES

For carrying out section 436 of the Social Security Act, \$305,000,000 and for section 437, \$100,000,000.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities under title IV-E of the Social Security Act, \$4,855,000,000.

For making payments to States or other non-Federal entities under title IV-E of the Act, for the first quarter of fiscal year 2004, \$1,745,600,000.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under section 474 of title IV-E, for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, and section 398 of the Public Health Service Act, \$1,376,001,000, of which \$5,500,000 shall be available for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions: *Provided*, That \$149,670,000 shall be available for carrying out section 311 of the Older Americans Act of 1965 consistent with the formula of such Act (as amended by section 217 of this Act).

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six sedans, and for carrying out titles III, XVII, and XX of the Public Health Service Act, and the United States-Mexico Border Health Commission Act, \$361,364,000, together with \$5,851,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental

Medical Insurance Trust Fund: *Provided*, That of the funds made available under this heading for carrying out title XX of the Public Health Service Act, \$11,885,000 shall be for activities specified under section 2003(b)(2), of which \$10,157,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX: *Provided further*, That of this amount, \$50,000,000 is for minority AIDS prevention and treatment activities; and \$20,000,000 shall be for an Information Technology Security and Innovation Fund for Department-wide activities involving cybersecurity, information technology security, and related innovation projects.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$37,300,000: *Provided*, That, of such amount, necessary sums are available for providing protective services to the Secretary and investigating non-payment of child support cases for which non-payment is a Federal offense under 18 U.S.C. 228.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, \$30,328,000, together with not to exceed \$3,314,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act and title III of the Public Health Service Act, \$2,499,000: *Provided*, That in addition to amounts provided herein, \$18,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out national health or human services research and evaluation activities: *Provided further*, That the expenditure of any funds available under section 241 of the Public Health Service Act are subject to the requirements of section 205 of this Act.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan, for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55 and 56), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year. The following are definitions for the medical benefits of the Public Health Service Commissioned Officers that apply to 10 U.S.C. chapter 56, section 1116(c). The source of funds for the monthly accrual payments into the Department of Defense Medicare-Eligible Retiree Health Care Fund shall be the Retirement Pay and Medical Benefits for Commissioned

Officers account. For purposes of this Act, the term “pay of members” shall be construed to be synonymous with retirement payments to United States Public Health Service officers who are retired for age, disability, or length of service; payments to survivors of deceased officers; medical care to active duty and retired members and dependents and beneficiaries; and for payments to the Social Security Administration for military service credits; all of which payments are provided for by the Retirement Pay and Medical Benefits for Commissioned Officers account.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For expenses necessary to support activities related to countering potential biological, disease and chemical threats to civilian populations, \$2,246,680,000: *Provided*, That this amount is distributed as follows: Centers for Disease Control and Prevention, \$1,543,440,000 of which \$300,000,000 shall remain available until expended for the National Pharmaceutical Stockpile; Office of the Secretary, \$152,240,000; Health Resources and Services Administration; \$546,000,000; and the Agency for Healthcare Research and Quality, \$5,000,000, to remain available until expended; *Provided further*, That at the discretion of the Secretary, these amounts may be transferred between categories subject to normal reprogramming procedures: *Provided further*, That employees of the Centers for Disease Control and Prevention or the Public Health Service, both civilian and Commissioned Officers, detailed to States, municipalities or other organizations under authority of section 214 of the Public Health Service Act for purposes related to homeland security, shall be treated as non-Federal employees for reporting purposes only and shall not be included within any personnel ceiling applicable to the Agency, Service, or the Department of Health and Human Services during the period of detail or assignment.

GENERAL PROVISIONS

SEC. 201. Funds appropriated in this title shall be available for not to exceed \$50,000 for official reception and representation expenses when specifically approved by the Secretary.

Children, youth
and families.
AIDS.

SEC. 202. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children’s Emergency Fund or the World Health Organization.

SEC. 203. None of the funds appropriated under this Act may be used to implement section 399F(b) of the Public Health Service Act or section 1503 of the National Institutes of Health Revitalization Act of 1993, Public Law 103-43.

SEC. 204. None of the funds appropriated in this Act for the National Institutes of Health, the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level I.

Reports.

SEC. 205. None of the funds appropriated in this Act may be expended pursuant to section 241 of the Public Health Service Act, except for funds specifically provided for in this Act, or for other taps and assessments made by any office located in the

Department of Health and Human Services, prior to the Secretary's preparation and submission of a report to the Committee on Appropriations of the Senate and of the House detailing the planned uses of such funds.

SEC. 206. Notwithstanding section 241(a) of the Public Health Service Act, such portion as the Secretary shall determine, but not more than 2.1 percent, of any amounts appropriated for programs authorized under said Act shall be made available for the evaluation (directly, or by grants or contracts) of the implementation and effectiveness of such programs.

(TRANSFER OF FUNDS)

SEC. 207. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Health and Human Services in this or any other Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That an appropriation may be increased by up to an additional 2 percent subject to approval by the House and Senate Committees on Appropriations: *Provided further*, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

Notification.

SEC. 208. The Director of the National Institutes of Health, jointly with the Director of the Office of AIDS Research, may transfer up to 3 percent among institutes, centers, and divisions from the total amounts identified by these two Directors as funding for research pertaining to the human immunodeficiency virus: *Provided*, That the Congress is promptly notified of the transfer.

Notification.

SEC. 209. Of the amounts made available in this Act for the National Institutes of Health, the amount for research related to the human immunodeficiency virus, as jointly determined by the Director of the National Institutes of Health and the Director of the Office of AIDS Research, shall be made available to the "Office of AIDS Research" account. The Director of the Office of AIDS Research shall transfer from such account amounts necessary to carry out section 2353(d)(3) of the Public Health Service Act.

SEC. 210. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities.

SEC. 211. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: *Provided*, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): *Provided further*, That nothing in this section shall be construed to change the Medicare program's coverage for such services and a Medicare+Choice organization described in this section shall be

responsible for informing enrollees where to obtain information about all Medicare covered services.

SEC. 212. Notwithstanding any other provision of law, no provider of services under title X of the Public Health Service Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual abuse, rape, or incest.

SEC. 213. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking “1997, 1998, 1999, 2000, and 2001” and inserting “1997, 1998, 1999, 2000, 2001, 2002 and 2003”; and

(B) in subsection (e), by striking “October 1, 2002” each place it appears and inserting “October 1, 2003”; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking “September 30, 2002” and inserting “September 30, 2003”.

Inter-
governmental
relations.

SEC. 214. (a) Except as provided by subsection (e) none of the funds appropriated by this Act may be used to withhold substance abuse funding from a State pursuant to section 1926 of the Public Health Service Act (42 U.S.C. 300x-26) if such State certifies to the Secretary of Health and Human Services by May 1, 2003 that the State will commit additional State funds, in accordance with subsection (b), to ensure compliance with State laws prohibiting the sale of tobacco products to individuals under 18 years of age.

(b) The amount of funds to be committed by a State under subsection (a) shall be equal to 1 percent of such State’s substance abuse block grant allocation for each percentage point by which the State misses the retailer compliance rate goal established by the Secretary of Health and Human Services under section 1926 of such Act.

Reports.
Deadline.

(c) The State is to maintain State expenditures in fiscal year 2003 for tobacco prevention programs and for compliance activities at a level that is not less than the level of such expenditures maintained by the State for fiscal year 2002, and adding to that level the additional funds for tobacco compliance activities required under subsection (a). The State is to submit a report to the Secretary on all fiscal year 2002 State expenditures and all fiscal year 2003 obligations for tobacco prevention and compliance activities by program activity by July 31, 2003.

(d) The Secretary shall exercise discretion in enforcing the timing of the State obligation of the additional funds required by the certification described in subsection (a) as late as July 31, 2003.

(e) None of the funds appropriated by this Act may be used to withhold substance abuse funding pursuant to section 1926 from a territory that receives less than \$1,000,000.

SEC. 215. In order for the Centers for Disease Control and Prevention to carry out international health activities, including HIV/AIDS and other infectious disease, chronic and environmental disease, and other health activities abroad during fiscal year 2003, the Secretary of Health and Human Services is authorized to provide such funds by advance or reimbursement to the Secretary

of State as may be necessary to pay the costs of acquisition, lease, alteration, renovation, and management of facilities outside of the United States for the use of the Department of Health and Human Services. The Department of State shall cooperate fully with the Secretary of Health and Human Services to ensure that the Department of Health and Human Services has secure, safe, functional facilities that comply with applicable regulation governing location, setback, and other facilities requirements and serve the purposes established by this Act. The Secretary of Health and Human Services is authorized, in consultation with the Secretary of State, through grant or cooperative agreement, to make available to public or nonprofit private institutions or agencies in participating foreign countries, funds to acquire, lease, alter, or renovate facilities in those countries as necessary to conduct programs of assistance for international health activities, including activities relating to HIV/AIDS and other infectious diseases, chronic and environmental diseases, and other health activities abroad.

SEC. 216. The Division of Federal Occupational Health may utilize personal services contracting to employ professional management/administrative and occupational health professionals.

SEC. 217. (a) Section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a) is amended—

(1) in subsection (b)—

(A) in the caption, by striking “of cash or commodities” and inserting “and payment”; and

(B) in paragraph (1)—

(i) by striking “The Secretary of Agriculture shall allot and provide in the form of cash or commodities or a combination thereof (at the discretion of the State) to each State agency” and inserting “The Secretary shall allot and provide, in accordance with this section, to or on behalf of each State agency”; and

(ii) by striking “to each grantee” and inserting “to or on behalf of each grantee”; and

(2) in subsection (d)—

(A) in the caption, to read as follows: “Option to obtain commodities from Secretary of Agriculture”;

(B) in paragraph (1), to read as follows: “Each State agency and each grantee under title VI shall be entitled to use all or any part of amounts allotted under subsection (b) to obtain from the Secretary of Agriculture commodities available through any Federal food commodity processing program, at the rates at which such commodities are valued for purposes of such program.”;

(C) by redesignating paragraphs (2) and (4) as paragraphs (4) and (5), respectively;

(D) by striking paragraph (3);

(E) by adding after paragraph (1) the following new paragraphs:

“(2) The Secretary of Agriculture shall determine and report to the Secretary, by such date as the Secretary may require, the amount (if any) of its allotment under subsection (b) which each State agency and title VI grantee has elected to receive in the form of commodities. Such amount shall include an amount bearing the same ratio to the costs to the Secretary of Agriculture of providing such commodities under this subsection as the value of commodities received by such State

Reports.

agency or title VI grantee under this subsection bears to the total value of commodities so received.

“(3) From the allotment under subsection (b) for each State agency and title VI grantee, the Secretary shall first reimburse the Secretary of Agriculture for costs of commodities received by such State agency or grantee under this subsection, and shall then pay the balance (if any) to such State agency or grantee.”;

(F) in paragraph (4), as redesignated, in the first sentence, to read as follows: “Each State agency shall promptly and equitably disburse amounts received under this subsection to recipients of grants and contracts.”; and

(G) in paragraph (5), as redesignated, by striking “donation” and inserting “provision”.

SEC. 218. Notwithstanding section 409B(c) of the Public Health Service Act regarding a limitation on the number of such grants, funds appropriated in this Act may be expended by the Director of the National Institutes of Health to award Core Center Grants to encourage the development of innovative multidisciplinary research and provide training concerning Parkinson’s disease. Each center funded under such grants shall be designated as a Morris K. Udall Center for Research on Parkinson’s Disease.

SEC. 219. The Supplemental Appropriations Act, 2001 (Public Law 107-20) is amended, in the matter under the heading “Low Income Home Energy Assistance” under the heading “Administration for Children and Families” under the heading “DEPARTMENT OF HEALTH AND HUMAN SERVICES”, in chapter 7 of title 11, by striking “\$300,000,000” and inserting “\$200,000,000”, and by adding under such heading the following new paragraph: “For an additional amount for the Low Income Home Energy Assistance Program authorized under title XXVI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621(e)), \$100,000,000, to remain available until expended.”

SEC. 220. Notwithstanding any other provision of this Act, the \$6,667,533,000 provided for the Head Start Act shall be exempt from the across-the-board rescission under section 601 of division N.

This title may be cited as the “Department of Health and Human Services Appropriations Act, 2003”.

115 Stat. 180.

Department of
Education
Appropriations
Act, 2003.

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965 (“ESEA”) and section 418A of the Higher Education Act of 1965, \$13,853,400,000, of which \$4,651,199,000 shall become available on July 1, 2003, and shall remain available through September 30, 2004, and of which \$9,027,301,000 shall become available on October 1, 2003, and shall remain available through September 30, 2004, for academic year 2003–2004: *Provided*, That \$7,172,971,000 shall be available for basic grants under section 1124: *Provided further*, That up to \$3,500,000 of these funds shall be available to the Secretary of Education on October 1, 2002, to obtain updated educational-agency-level census poverty data from the Bureau of the Census: *Provided further*, That \$1,365,031,000 shall be available for concentration grants under

section 1124A: *Provided further*, That \$1,670,239,000 shall be available for targeted grants under section 1125: *Provided further*, That \$1,541,759,000 shall be available for education finance incentive grants under section 1125A: *Provided further*, That \$235,000,000 shall be available for comprehensive school reform grants under part F of the ESEA.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, \$1,196,000,000, of which \$1,032,000,000 shall be for basic support payments under section 8003(b), \$51,000,000 shall be for payments for children with disabilities under section 8003(d), \$45,000,000 shall be for construction under section 8007 and shall remain available through September 30, 2004, \$60,000,000 shall be for Federal property payments under section 8002, and \$8,000,000, to remain available until expended, shall be for facilities maintenance under section 8008.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by titles II, IV, V, VI, and parts B and C of title VII of the Elementary and Secondary Education Act of 1965 (“ESEA”); part B of title II of the Higher Education Act; the McKinney-Vento Homeless Assistance Act; and the Civil Rights Act of 1964, \$8,052,957,000, of which \$508,100,000 shall become available October 1, 2002, and shall remain available through September 30, 2004, of which \$4,132,167,000 shall become available on July 1, 2003, and remain available through September 30, 2004, and of which \$1,765,000,000 shall become available on October 1, 2003, and shall remain available through September 30, 2004, for academic year 2003–2004: *Provided*, That up to \$12,000,000 may be used to carry out section 2345 of the ESEA: *Provided further*, That of the amount made available for subpart 3, part C, of title II of the ESEA, \$3,000,000 shall be used by the Center for Civic Education to implement a comprehensive program to improve public knowledge, understanding, and support of the Congress and the State legislatures: *Provided further*, That of the funds made available for subpart 2 of part A of title IV of the ESEA, \$5,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence program to provide education-related services to local educational agencies in which the learning environment has been disrupted due to a violent or traumatic crisis: *Provided further*, That \$75,000,000 for continuing and new grants to demonstrate effective approaches to comprehensive school reform shall be allocated and expended in the same manner as the funds provided under the Fund for the Improvement of Education for this purpose were allocated and expended in fiscal year 2002: *Provided further*, That \$162,000,000 shall be available to support the activities authorized under subpart 4 of part D of title V of the ESEA, of which up to 5 percent shall become available October 1, 2002, for evaluation, technical assistance, school networking, peer review of applications, and program outreach activities and of which not less than 95 percent shall become available on July 1, 2003, and remain available through September 30, 2004, for grants to local educational agencies: *Provided further*, That funds made available

to local educational agencies under this subpart shall be used only for activities related to establishing smaller learning communities in high schools: *Provided further*, That funds made available to carry out part C of title VII of the ESEA may be used for construction: *Provided further*, That funds made available to carry out part B of title VII of the ESEA may be used for construction, renovation and modernization of any elementary school, secondary school, or structure related to an elementary school or secondary school, run by the Department of Education of the State of Hawaii, that serves a predominantly Native Hawaiian student body: *Provided further*, That \$387,000,000 shall be for subpart 1 of part A of title VI of the ESEA: *Provided further*, That no funds appropriated under this heading may be used to carry out section 5494 under the Elementary and Secondary Education Act: *Provided further*, That \$814,660,000 shall be available to carry out part D of title V of the ESEA: *Provided further*, That \$212,160,000 of the funds for subpart 1, part D of title V of the ESEA shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, \$122,368,000.

ENGLISH LANGUAGE ACQUISITION

For carrying out title III, part A of the ESEA, \$690,000,000, of which \$494,000,000 shall become available on July 1, 2003, and shall remain available through September 30, 2004.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, \$10,095,639,000, of which \$4,135,233,000 shall become available for obligation on July 1, 2003, and shall remain available through September 30, 2004, and of which \$5,672,000,000 shall become available on October 1, 2003, and shall remain available through September 30, 2004, for academic year 2003-2004: *Provided*, That \$10,000,000 shall be for Recording for the Blind and Dyslexic to support the development, production, and circulation of recorded educational materials: *Provided further*, That \$1,500,000 shall be for the recipient of funds provided by Public Law 105-78 under section 687(b)(2)(G) of the Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities: *Provided further*, That the amount for section 611(c) of the Act shall be equal to the amount available for that section in the Department of Education Appropriations Act, 2002, increased by the amount of inflation as specified in section 611(f)(1)(B)(ii) of the Act: *Provided further*, That \$7,715,000 of the funds for section 672 of the Act shall be available for the projects and in the amounts specified in the statement of the managers of the conference report accompanying this Act.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, \$2,956,382,000, of which \$1,000,000 shall be used to improve the quality of applied orthotic and prosthetic research and help meet the demand for provider services: *Provided*, That the funds provided for title I of the Assistive Technology Act of 1998 (“the AT Act”) shall be allocated notwithstanding section 105(b)(1) of the AT Act: *Provided further*, That section 101(f) of the AT Act shall not limit the award of an extension grant to 3 years: *Provided further*, That no State or outlying area awarded funds under section 101 shall receive less than the amount received in fiscal year 2002: *Provided further*, That \$3,540,000 of the funds for section 303 of the Rehabilitation Act of 1973 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), \$15,500,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$54,050,000, of which \$1,600,000 shall be for construction and shall remain available until expended: *Provided*, That from the total amount available, the Institute may at its discretion use funds for the endowment program as authorized under section 207.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$98,438,000: *Provided*, That from the total amount available, the University may at its discretion use funds for the endowment program as authorized under section 207.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, and the Adult Education and Family Literacy Act, and title VIII—D of the Higher Education Act of 1965, as amended, and Public Law 102–73, \$1,956,060,000, of which \$1,158,060,000 shall become available on July 1, 2003 and shall remain available through September 30, 2004 and of which \$791,000,000 shall become available on October 1, 2003 and shall remain available through September 30, 2004: *Provided*, That notwithstanding any other provision of law or any regulation, the Secretary of Education shall not require the use of a restricted indirect cost rate for grants issued pursuant

to section 117 of the Carl D. Perkins Vocational and Applied Technology Education Act: *Provided further*, That of the amount provided for Adult Education State Grants, \$70,000,000 shall be made available for integrated English literacy and civics education services to immigrants and other limited English proficient populations: *Provided further*, That of the amount reserved for integrated English literacy and civics education, notwithstanding section 211 of the Adult Education and Family Literacy Act, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the Immigration and Naturalization Service data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which Immigration and Naturalization Service data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000: *Provided further*, That of the amounts made available for the Adult Education and Family Literacy Act, \$9,500,000 shall be for national leadership activities under section 243 and \$6,560,000 shall be for the National Institute for Literacy under section 242: *Provided further*, That \$23,500,000 shall be for Youth Offender Grants, of which \$5,000,000 shall be used in accordance with section 601 of Public Law 102-73 as that section was in effect prior to the enactment of Public Law 105-220.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3 and 4 of part A, section 428K, part C and part E of title IV of the Higher Education Act of 1965, as amended, \$13,450,500,000, which shall remain available through September 30, 2004.

20 USC 1070a
note.

The maximum Pell Grant for which a student shall be eligible during award year 2003-2004 shall be \$4,050.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, section 121 and titles II, III, IV, V, VI, and VII of the Higher Education Act of 1965 ("HEA"), as amended, section 1543 of the Higher Education Amendments of 1992, title VIII of the Higher Education Amendments of 1998, and the Mutual Educational and Cultural Exchange Act of 1961, \$2,100,701,000, of which \$3,000,000 for interest subsidies authorized by section 121 of the HEA, shall remain available until expended: *Provided*, That \$10,000,000, to remain available through September 30, 2004, shall be available to fund fellowships for academic year 2004-2005 under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1: *Provided further*, That \$1,000,000 is for data collection and evaluation activities for programs under the HEA, including such activities needed to comply with the Government Performance and Results Act of 1993: *Provided further*, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United

States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: *Provided further*, That up to 1 percent of the funds referred to in the preceding proviso may be used for program evaluation, national outreach, and information dissemination activities: *Provided further*, That \$140,599,000 of the funds for part B of title VII of the Higher Education Act of 1965 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), \$240,000,000, of which not less than \$3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act (Public Law 98-480) and shall remain available until expended.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses authorized under section 121 of the Higher Education Act of 1965, \$762,000 to carry out activities related to existing facility loans entered into under the Higher Education Act of 1965.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

The aggregate principal amount of outstanding bonds insured pursuant to section 344 of title III, part D of the Higher Education Act of 1965 shall not exceed \$357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title III, part D of the Higher Education Act of 1965, as amended, \$208,000.

INSTITUTE OF EDUCATION SCIENCES

For carrying out activities authorized by Public Law 107-279, \$450,887,000: *Provided*, That of the amount appropriated, \$140,000,000 shall be available for obligation through September 30, 2004: *Provided further*, That \$5,000,000 shall be available to extend for 1 additional year the contract for the Eisenhower National Clearinghouse for Mathematics and Science Education authorized under section 2102(a)(2) of the Elementary and Secondary Education Act of 1965, prior to its amendment by the No Child Left Behind Act of 2001, Public Law 107-110.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, \$412,545,000, of which \$12,795,000, to

remain available until expended, shall be for building alterations and related expenses for the modernization of the Mary E. Switzer Building in Washington, D.C.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, \$86,276,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, \$41,000,000.

STUDENT AID ADMINISTRATION

For Federal administrative expenses (in addition to funds made available under section 458), to carry out part D of title I, and subparts 1, 3, and 4 of part A, and parts B, C, D and E of title IV of the Higher Education Act of 1965, as amended, \$105,388,000.

GENERAL PROVISIONS

Busing.

SEC. 301. No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

Busing.

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

School prayer.

SEC. 303. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

Notification.

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

SEC. 305. Section 1202 of the Elementary and Secondary Education Act of 1965 is amended by inserting the following subsection at the end thereof: 20 USC 6362.

“(g) SUPPLEMENT, NOT SUPPLANT.—A State or local educational agency shall use funds received under this subpart only to supplement the level of non-Federal funds that, in the absence of funds under this subpart, would be expended for activities authorized under this subpart, and not to supplant those non-Federal funds.”.

This title may be cited as the “Department of Education Appropriations Act, 2003”.

TITLE IV—RELATED AGENCIES

ARMED FORCES RETIREMENT HOME

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, \$68,013,000, of which \$5,769,000 shall remain available until expended for construction and renovation of the physical plants at the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport: *Provided*, That, notwithstanding any other provision of law, a single contract or related contracts for development and construction, to include construction of a facility at the United States Naval Home, may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause “availability of funds” found at 48 CFR 52.232–18 and 252.232–7007, Limitation of Government Obligations.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

For expenses necessary for the Corporation for National and Community Service to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, \$356,205,000: *Provided*, That none of the funds made available to the Corporation for National and Community Service in this Act shall be used to provide stipends or other monetary incentives to volunteers or volunteer leaders whose incomes exceed 125 percent of the national poverty level.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 2005, \$390,000,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex: *Provided further*, That for fiscal year 2003, in addition to

the amounts provided above, \$48,744,000, for costs related to digital program production, development, and distribution, associated with the transition of public broadcasting to digital broadcasting, to be awarded as determined by the Corporation in consultation with public radio and television licensees or permittees, or their designated representatives: *Provided further*, That in addition to the funds provided under this heading in Public Law 106-554, \$183,000 shall be available for administrative costs for fiscal year 2003, notwithstanding section 396(k)(3)(A) of the Public Broadcasting Act.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act, 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. ch. 71), \$41,425,000, including \$1,500,000, to remain available through September 30, 2004, for activities authorized by the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a): *Provided*, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: *Provided further*, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: *Provided further*, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), \$7,178,000.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

For carrying out the Museum and Library Services Act, \$245,485,000, of which \$10,000,000 shall remain available until expended for the Recruiting and Educating Librarians for the 21st Century Initiative: *Provided*, That of the amount provided, \$25,000 shall be awarded to the Abington Art Center, Jenkintown, Pennsylvania, for a work-study program for at-risk junior and high school students, \$100,000 shall be awarded to the Aleutian World War II Museum in Alaska for interactive media display, \$75,000 shall be awarded to the Allentown Art Museum, Allentown, Pennsylvania, for educational programs for 25 school districts in 7 Pennsylvania counties, \$25,000 shall be awarded to the Alley Pond Environmental

Center, Douglaston, New York, for environmental education programs, \$500,000 shall be awarded to the American Village Project in Montevallo, Alabama, \$100,000 shall be awarded to the Army Aviation Heritage Foundation in Ozark, Alabama, for educational programs, \$175,000 shall be awarded to the Arts Council of New Orleans, \$500,000 shall be awarded to the Asian Art Museum, San Francisco, California, for exhibits and education programs, \$575,000 shall be awarded to the Berkshire Museum, Pittsfield, Massachusetts, for climate control systems to preserve collections, \$400,000 shall be awarded to the Bishops Museum in Honolulu, Hawaii, \$400,000 shall be awarded to the Boston Public Library Foundation, Boston, Massachusetts, for preservation and enhancement of the John Adams Presidential Library and for related educational programs, \$250,000 shall be awarded to the Bowers Museum, City of Santa Ana, California, for education programs, publications and technology, \$500,000 shall be awarded to the Brooklyn Children's Museum, Brooklyn, New York, for equipment and technology, exhibits and education programs, \$100,000 shall be awarded to the Butler Area Public Library, Pennsylvania, for program enhancements, \$275,000 shall be awarded to the California State University, San Marcos, California, to upgrade electronic catalog and to provide computer stations for the library, \$175,000 shall be awarded to the Cape Cod Maritime Museum to develop exhibits and academic programs, \$200,000 shall be awarded to the Carnegie Library of Pittsburgh, Pennsylvania, to purchase library materials and upgrade technology at the East Liberty Branch Library, \$250,000 shall be awarded to the Carnegie Library, Union Springs, Alabama, for program development, \$75,000 shall be awarded to the Chicago State University Gwendolyn Brooks Center to expand its repository of the literary works of Gwendolyn Brooks, \$100,000 shall be awarded to the Chickasaw Cultural Center in Chickasaw, Oklahoma, \$100,000 shall be awarded to the Children's Museum of Manhattan, New York, New York, to establish early childhood education programs and exhibits, \$100,000 shall be awarded to the Children's Museum of Stockton, Stockton, California, for a Delta Region Exhibit, \$100,000 shall be awarded to the City of Abilene, Texas, for the collection and display of artifacts, and for exhibits at the Texas Forts Trail Museum, \$50,000 shall be awarded to the City of Anaktuvik Pass Museum in Alaska for museum exhibits, \$200,000 shall be awarded to the City of Dallas, Texas, for the Dallas Public Library, to establish "Teen Wise Centers" for at-risk youth, \$150,000 shall be awarded to the Clark County Heritage Center, Springfield, Ohio, for technology upgrades and exhibit development, \$250,000 shall be awarded to the Cleveland Health Museum, Ohio, for exhibits, \$400,000 shall be awarded to the Commonwealth Zoological Corporation (Zoo New England), Boston, Massachusetts, for the "Living Classroom" science education program and for outreach, \$800,000 shall be awarded to the Davenport Music History Museum in Davenport, Iowa, \$300,000 shall be awarded to the Dayton Aviation Heritage National Historical Park in Ohio for education and cultural programs, \$75,000 shall be awarded to the Delaware and Lehigh National Heritage Corridor, Easton, Pennsylvania, to establish a National Museum of Industrial History in Bethlehem, Pennsylvania, to display a repository of industrial machines, equipment and technology of the 19th and 20th centuries focusing on steel, \$75,000 shall be awarded to the Delaware County Historical Society, Media,

Pennsylvania, to develop and expand educational programs highlighting historical themes and sites relating to the Delaware County, \$2,200,000 shall be awarded to the Discovery Center, Springfield, Missouri, \$250,000 shall be awarded to the Downtown Chambersburg, Inc., Pennsylvania, \$50,000 shall be awarded to the Eleanor Roosevelt's Papers at George Washington University for related program development, \$100,000 shall be awarded to the Exploris Museum, for the Global Awareness Program, including exhibits, a film program, and educational programs, \$100,000 shall be awarded to the Fine Arts Museums of San Francisco to expand educational programming and technology improvements at the de Young Museum, \$1,000,000 shall be awarded to the Florida International Museum, St. Petersburg, Florida, for the Centennial Russian Museum Exhibit, \$200,000 shall be awarded to the Franklin Institute, Philadelphia, Pennsylvania, for exhibits, professional development and educational programming to students to explore bioscience and biotechnology, \$200,000 shall be awarded to the Frederick C. Crawford Museum of Transportation Industry, Cleveland, Ohio, for educational programming, planning and exhibits, \$900,000 shall be awarded to the Fresno Metropolitan Museum of Art, History and Science, Fresno, California, for technology, exhibits, educational and outreach programs, and to develop a science-based exhibition and learning center, \$100,000 shall be awarded to the Gadsden Museum of Art in Alabama for museum programs, \$278,000 shall be awarded to the George Eastman House, Rochester, New York, for the "Picture Link" project, \$100,000 shall be awarded to the Georgia Hall of Fame at Museum of Aviation in Warner Robins, Georgia, for educational activities and programs, \$62,000 shall be awarded to the Glendale Public Library, Glendale, California, for personnel, equipment and other expenses to implement the Homework AssisTeens program, \$200,000 shall be awarded to the Hesperia Community Library, Hesperia, California, to purchase library materials and upgrade technology, \$150,000 shall be awarded to the Historical Society of Western Pennsylvania, for exhibits in conjunction with the 250th anniversary of the French and Indian War, \$250,000 shall be awarded to the Holmdel Township Library, Monmouth County, New Jersey, for technology equipment and upgrades, \$25,000 shall be awarded to the Hudson Waterfront Museum, Brooklyn, New York, to expand exhibits, education, arts and outreach programs, \$200,000 shall be awarded to the Huntsville Museum of Art, Huntsville, Alabama, for exhibits and educational programs, \$50,000 shall be awarded to the Imaginarium Science Center in Anchorage, Alaska, to develop science exhibits and distance delivery modules, \$150,000 shall be awarded to the Interboro Public Library, Pennsylvania, for library programs, \$150,000 shall be awarded to the International Wolf Center, Minneapolis, Minnesota, for education, outreach, and teacher training programs, \$300,000 shall be awarded to the Iowa Radio Reading Information Service (IRRIS), \$150,000 shall be awarded to the Italian-American Cultural Center of Iowa in Des Moines, Iowa, for exhibits, multi-media collections and displays, \$500,000 shall be awarded to the Kendall County Forest Preserve District, Yorkville, Illinois, for the consolidation and preservation of the collection at the Old Barn Museum, \$2,000,000 shall be awarded to the Kent State University, Kent, Ohio, for an Institute for Library and Information Literacy Education project, \$50,000 shall be awarded to the Kodiak Maritime Museum in Alaska, \$150,000

shall be awarded to the Lafayette College, Easton, Pennsylvania, for technology updates to the Skillman Library, \$375,000 shall be awarded to Leon County, Florida, for purchase of equipment and books for the Ft. Braden Branch Library, \$300,000 shall be awarded to the Lewis and Clark College Bicentennial Hall in Portland, Oregon, for program and equipment support, \$300,000 shall be awarded to the MacKay Library of Union County, Cranford, New Jersey, \$75,000 shall be awarded to the Magic Library in Kirkwood, Missouri, for design and development of interactive exhibits and software, \$50,000 shall be awarded to the Marion County Library, Marion, South Carolina, to establish a computer lab, \$45,000 shall be awarded to the McKinley Museum, Canton, Ohio, for equipment, \$200,000 shall be awarded to the MexicArte Museum, Austin, Texas, \$250,000 shall be awarded to the Middletown Township Public Library, Monmouth County, New Jersey, for technology equipment and upgrades, \$300,000 shall be awarded to the Monterey County Youth Museum, Monterey, California, for interactive mobile exhibits and educational programs, \$250,000 shall be awarded to the Museum of African Art, New York, New York, for exhibits and educational programs, \$750,000 shall be awarded to the National Baseball Hall of Fame and Museum, Cooperstown, New York, for educational outreach using baseball to teach students through distance learning technology, \$300,000 shall be awarded to the National Civil War Museum, Harrisburg, Pennsylvania, to develop and enhance educational exhibits and programs for area K-12 schools focusing on United States Civil War history, \$90,000 shall be awarded to the National Cowgirl Museum and Hall of Fame, Fort Worth, Texas, for creation of and equipment for an audio tour of the permanent exhibition, \$325,000 shall be awarded to the National Liberty Museum, Philadelphia, Pennsylvania, to institute a teacher-training program which will assist educators in responding to classroom challenges and establish a pilot program to address violence in schools, \$650,000 shall be awarded to the National Mississippi River Museum and Aquarium in Dubuque, Iowa, \$1,500,000 shall be awarded to the National Museum of Women in the Arts, Washington, D.C., \$775,000 shall be awarded to the Native American Cultural and Educational Authority, Oklahoma City, Oklahoma, for exhibits for the museum, \$75,000 shall be awarded to the Natural History Museum of Los Angeles, California, for its "Earth Odyssey" environmental science program, \$350,000 shall be awarded to the Nevada State Historic Preservation Office, \$500,000 shall be awarded to the New York Botanical Garden's Virtual Herbarium imaging project in Bronx, New York, \$1,000,000 shall be awarded to the New York Hall of Science to develop, expand, and display science-related educational materials, \$300,000 shall be awarded to the North Carolina State Museum of Natural Sciences, Raleigh, North Carolina, for development of environmental exhibits and educational programs, \$250,000 shall be awarded to the North Dakota Lewis and Clark Bicentennial Foundation in Washburn, North Dakota, for exhibits and other interpretation, \$250,000 shall be awarded to the Ogden Museum of Southern Art in New Orleans, Louisiana, \$90,000 shall be awarded to the Oneonta City Library, Blount County, Alabama, for books, internet, audiovisual and reading aids, \$200,000 shall be awarded to the Orangevale Library, Sacramento, California, for evaluation and analysis of existing library service, program and facilities, \$400,000

shall be awarded to the Pennsylvania Trolley Museum for exhibit development and educational programs, \$221,000 shall be awarded to the Pittsburgh Children's Museum, Pittsburgh, Pennsylvania, to develop and enhance educational exhibits and programs for area K-12 schools, \$725,000 shall be awarded to the Please Touch Museum, Philadelphia, Pennsylvania, to develop educational programs focusing on hands-on learning experiences, \$75,000 shall be awarded to Rivertownes, Pennsylvania, \$350,000 shall be awarded to the Rock and Roll Hall of Fame and Museum, Cleveland, Ohio, for music education programs for at-risk youth, \$250,000 shall be awarded to Rutgers, the State University of New Jersey, New Brunswick, New Jersey, to catalog, organize and preserve collections at the Carey Library, \$500,000 shall be awarded to the San Bernardino County Museum, California, to develop the Inland Empire Archival Heritage Center and Web Module, \$50,000 shall be awarded to the Schoharie Free Library in Schoharie County, New York, to purchase books and equipment, \$155,000 shall be awarded to the Science Center of Pinellas County, Inc., St. Petersburg, Florida, for a planetarium project, \$450,000 shall be awarded to the Shaker Museum and Library, Old Chatham, New York, \$100,000 shall be awarded to the Simon Wiesenthal Center's Los Angeles Museum for Tolerance, Los Angeles, California, for the Tools for Tolerance for Educators program to provide teacher training in diversity, tolerance and cooperation, \$150,000 shall be awarded to the Smith Robertson Museum in Jackson, Mississippi, for the development of exhibits regarding civil rights, \$25,000 shall be awarded to the St. Paul Public Library, Minnesota, to expand its School Work and Mentoring Place Program and its Small Business Resource Center, \$200,000 shall be awarded to the Standing Bear Museum and Learning Center in Ponca City, Oklahoma, \$75,000 shall be awarded to the State Historical Society of Iowa for Civil War flag restoration, \$1,000,000 shall be awarded to the State Historical Society of Iowa in Des Moines, Iowa, for the development of exhibits for the World Food Prize, \$100,000 shall be awarded to the State Theater of Easton, Easton, Pennsylvania, for technological infrastructure improvements and the development of educational programming, \$125,000 shall be awarded to The International Storytelling Center in Jonesborough, Tennessee, \$250,000 shall be awarded to The Museum of Science and Industry, Chicago, Illinois, for exhibits, education and outreach programs, \$70,000 shall be awarded to the Tillamook County Library, Oregon, for modernization of library services, \$200,000 shall be awarded to the Union City Public Library, New Jersey, for personnel, books and technology to improve library services for low-income individuals, \$100,000 shall be awarded to the Union County Historical Society & Heritage Museum in Mississippi, for exhibit and program development, \$400,000 shall be awarded to the University of Idaho for digital archiving, \$200,000 shall be awarded to the University of Maine at Fort Kent to house the Acadian Archives which preserves, celebrates and disseminates information about the region's history, \$400,000 shall be awarded to the Vietnam Archive Center, Texas Tech University, Lubbock, Texas, for digitization, \$150,000 shall be awarded to the Virginia Living Museum for the expansion of its educational programs in its capital campaign project, \$50,000 shall be awarded to the Wayne Art Center, Wayne, Pennsylvania, to develop programs in partnership with area K-12 schools for teacher training workshops and

specialized workshops for students, \$100,000 shall be awarded to the Westchester Library System, Ardsley, New York, for its digital divide online services project, \$450,000 shall be awarded to the Whitney Museum of American Art to establish a touring exhibition program in Iowa, \$300,000 shall be awarded to the Whittier Public Library, City of Whittier, California, to establish a children's homework center and family literacy center, \$100,000 shall be awarded to the Willet Memorial Library in Macon, Georgia, for library enhancements, \$150,000 shall be awarded to the Witte Museum of San Antonio, Texas, to develop the "American Originals" exhibit and educational programs, \$100,000 shall be awarded to the Zimmer Children's Museum of Jewish Community Centers of Greater Los Angeles, Los Angeles, California, for the expansion of the YouThink program, \$100,000 shall be awarded to the Zoological Society of Philadelphia, Pennsylvania, for educational programs for elementary and secondary students, and \$500,000 shall be awarded to the St. Louis Children's Museum, St. Louis, Missouri, for a collaborative project with the St. Louis Public Library to create interactive exhibits and educational programs.

MEDICARE PAYMENT ADVISORY COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1805 of the Social Security Act, \$8,585,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345, as amended), \$1,010,000.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, \$2,858,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, \$238,982,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of

the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, \$11,315,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), \$9,673,000.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, \$132,000,000, which shall include amounts becoming available in fiscal year 2003 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds \$132,000,000: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, 2004, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, \$100,000,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than \$6,363,000, to be derived from the railroad retirement accounts

and railroad unemployment insurance account: *Provided*, That none of the funds made available in any other paragraph of this Act may be transferred to the Office; used to carry out any such transfer; used to provide any office space, equipment, office supplies, communications facilities or services, maintenance services, or administrative services for the Office; used to pay any salary, benefit, or award for any personnel of the Office; used to pay any other operating expense of the Office; or used to reimburse the Office for any service provided, or expense incurred, by the Office.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance trust funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, \$20,400,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, \$300,177,000, to remain available until expended.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 2004, \$97,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$23,914,392,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2004, \$11,080,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed \$20,000 for official reception and representation expenses, not more than \$7,825,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That not less than \$1,800,000 shall be for the Social Security Advisory Board: *Provided further*, That unobligated

balances of funds provided under this paragraph at the end of fiscal year 2003 not needed for fiscal year 2003 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to section 7131 of title 5, United States Code, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

In addition, \$111,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such section 1616(d) or 212(b)(3) in fiscal year 2003 exceed \$111,000,000, the amounts shall be available in fiscal year 2004 only to the extent provided in advance in appropriations Acts.

From funds previously appropriated for this purpose, any unobligated balances at the end of fiscal year 2002 shall be available to continue Federal-State partnerships which will evaluate means to promote Medicare buy-in programs targeted to elderly and disabled individuals under titles XVIII and XIX of the Social Security Act.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$21,000,000, together with not to exceed \$62,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses", Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House and Senate.

Notification.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, \$16,362,000.

TITLE V—GENERAL PROVISIONS

SEC. 501. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself. Lobbying.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.

SEC. 504. The Secretaries of Labor and Education are authorized to make available not to exceed \$28,000 and \$20,000, respectively, from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed \$5,000 from the funds available for “Salaries and expenses, Federal Mediation and Conciliation Service”; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed \$5,000 from funds available for “Salaries and expenses, National Mediation Board”.

SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug. Needle exchange.

SEC. 506. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 507. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or program; and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Abortion.

SEC. 508. (a) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for any abortion.

(b) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term “health benefits coverage” means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 509. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State’s or locality’s contribution of Medicaid matching funds).

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State’s or locality’s contribution of Medicaid matching funds).

Embryos.

SEC. 510. (a) None of the funds made available in this Act may be used for—

(1) the creation of a human embryo or embryos for research purposes; or

(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).

(b) For purposes of this section, the term “human embryo or embryos” includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

Drugs and drug
abuse.

SEC. 511. (a) None of the funds made available in this Act may be used for any activity that promotes the legalization of

any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) The limitation in subsection (a) shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

SEC. 512. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity if—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

SEC. 513. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act (42 U.S.C. 1320d–2(b)) providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual’s capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard.

SEC. 514. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 515. Section 1708 of the United States Institute of Peace Act (22 U.S.C. 4607) is amended in subsection (g), by striking “on or before December 31, 1970”.

This division may be cited as the “Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2003”.

DIVISION H—LEGISLATIVE BRANCH APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes, namely:

Legislative
Branch
Appropriations
Act, 2003.

TITLE I—LEGISLATIVE BRANCH APPROPRIATIONS

SENATE

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF
CONGRESS

Paul David
Wellstone, Jr.
Mark D.
Wellstone.
Joshua Kerner.

For a payment to Paul David Wellstone, Jr., son of Paul David Wellstone, late a Senator from Minnesota, \$50,000; Mark D. Wellstone, son of Paul David Wellstone, late a Senator from Minnesota, \$50,000; and Michael Kerner, Guardian of the Estate of Joshua Kerner, for Joshua Kerner, minor, son of Marcia Wellstone Markuson, deceased, daughter of Paul David Wellstone, late a Senator from Minnesota, \$50,000.

EXPENSE ALLOWANCES

For expense allowances of the Vice President, \$20,000; the President Pro Tempore of the Senate, \$20,000; Majority Leader of the Senate, \$20,000; Minority Leader of the Senate, \$20,000; Majority Whip of the Senate, \$10,000; Minority Whip of the Senate, \$10,000; President Pro Tempore emeritus, \$7,500; Chairmen of the Majority and Minority Conference Committees, \$5,000 for each Chairman; and Chairmen of the Majority and Minority Policy Committees, \$5,000 for each Chairman; in all, \$127,500.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY
LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, \$15,000 for each such Leader; in all, \$30,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, and others as authorized by law, including agency contributions, \$117,041,000, which shall be paid from this appropriation without regard to the following limitations:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, \$1,949,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For the Office of the President Pro Tempore, \$518,000.

OFFICE OF THE PRESIDENT PRO TEMPORE EMERITUS

For the Office of the President Pro Tempore emeritus, \$150,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, \$3,094,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, \$2,042,000.

COMMITTEE ON APPROPRIATIONS

For salaries of the Committee on Appropriations, \$11,266,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, \$1,305,000 for each such committee; in all, \$2,610,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY
AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, \$648,000.

POLICY COMMITTEES

For salaries of the Majority Policy Committee and the Minority Policy Committee, \$1,362,000 for each such committee; in all, \$2,724,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, \$315,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, \$17,079,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, \$43,161,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, \$1,410,000.

AGENCY CONTRIBUTIONS AND RELATED EXPENSES

For agency contributions for employee benefits, as authorized by law, and related expenses, \$30,075,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, \$4,581,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, \$1,176,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SER-
GEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRE-
TARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expense allowances of the Secretary of the Senate, \$3,000; Sergeant at Arms and Doorkeeper of the Senate, \$3,000; Secretary

for the Majority of the Senate, \$3,000; Secretary for the Minority of the Senate, \$3,000; in all, \$12,000.

CONTINGENT EXPENSES OF THE SENATE

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted under section 134(a) of Public Law 601, Seventy-ninth Congress section 112 of Public Law 96-304 and Senate Resolution 281, agreed to March 11, 1980, \$109,450,000.

EXPENSES OF THE UNITED STATES SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

For expenses of the United States Senate Caucus on International Narcotics Control, \$520,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, \$7,077,000, of which \$5,000,000 shall remain available until September 30, 2007.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, \$114,423,000, of which \$9,570,000 shall remain available until September 30, 2005, and of which \$13,574,000 shall remain available until September 30, 2007.

MISCELLANEOUS ITEMS

For miscellaneous items, \$18,355,500, of which up to \$500,000 shall be made available for a pilot program for mailings of postal patron postcards by Senators for the purpose of providing notice of a town meeting by a Senator in a county (or equivalent unit of local government) with a population of less than 250,000 and at which the Senator will personally attend: *Provided*, That any amount allocated to a Senator for such mailing shall not exceed 50 percent of the cost of the mailing and the remaining cost shall be paid by the Senator from other funds available to the Senator: *Provided further*, That not later than October 31, 2003, the Sergeant at Arms and Doorkeeper of the Senate shall submit a report to the Committee on Rules and Administration and Committee on Appropriations of the Senate on the results of the program.

Deadline.
Reports.

SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

For Senators' Official Personnel and Office Expense Account, \$294,545,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the Senate, \$300,000.

ADMINISTRATIVE PROVISIONS

SECTION 1. (a) Section 111 of title 3, United States Code, is amended by striking "\$10,000" and inserting "\$20,000".

(b) The matter under the subheading “EXPENSE ALLOWANCES OF THE VICE PRESIDENT, PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS AND MAJORITY AND MINORITY WHIPS” under the heading “LEGISLATIVE BRANCH” under chapter VI of title I of the Second Supplemental Appropriations Act, 1978 (Public Law 95–355; 92 Stat. 532) is amended—

(1) in the second sentence (2 U.S.C. 31a–1) (relating to the Majority and Minority Leaders of the Senate) by striking “\$10,000” and inserting “\$20,000”; and

(2) in the third sentence (2 U.S.C. 32b) (relating to the President pro tempore) by striking “\$10,000” and inserting “\$20,000”.

(c) The matter under the subheading “EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, AND MAJORITY AND MINORITY WHIPS” under the heading “LEGISLATIVE BRANCH” under chapter IX of title I of the Supplemental Appropriations Act, 1983 (2 U.S.C. 31a–1; Public Law 98–63; 97 Stat. 333) (relating to the Majority and Minority Whips) is amended by striking “not exceed \$5,000” and inserting “not exceed \$10,000”.

(d) The matter under the subheading “EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, THE MAJORITY AND MINORITY WHIPS, AND THE CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES” under the heading “LEGISLATIVE BRANCH” under chapter IX of title I of the Supplemental Appropriations Act, 1985 (2 U.S.C. 31a–3; Public Law 99–88; 99 Stat. 348) (relating to the Chairmen of the Majority and Minority Conference Committees) is amended by striking “not exceed \$3,000” and inserting “not exceed \$5,000”.

(e) Section 5 of title I of the Legislative Branch Appropriations Act, 2001, as enacted into law by section 1(a) of Public Law 106–554 (2 U.S.C. 31a–4; 114 Stat. 2763A–97) (relating to the Chairmen of the Majority and Minority Policy Committees) is amended by striking “\$3,000” and inserting “\$5,000”.

(f) The amendments made by this section shall apply to fiscal year 2003 and each fiscal year thereafter.

Applicability.
2 USC 31a–1
note.

SEC. 2. (a) The matter under the subheading “STATIONERY (REVOLVING FUND)” under the heading “CONTINGENT EXPENSES OF THE SENATE” under the heading “LEGISLATIVE BRANCH” under chapter VII of title I of the Second Supplemental Appropriations Act, 1975 (2 U.S.C. 46a; Public Law 94–32; 89 Stat. 182) is amended by striking “\$4,500” and inserting “\$8,000”.

(b) The amendment made by this section shall apply to fiscal year 2003 and each fiscal year thereafter.

Applicability.
2 USC 46a note.

Effective date.
2 USC 61–1 note.

SEC. 3. Effective on and after October 1, 2002, each of the dollar amounts contained in the table under section 105(d)(1)(A) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(1)(A)) shall be deemed to be the dollar amounts in that table, as adjusted by law and in effect on September 30, 2002, increased by an additional \$50,000 each.

SEC. 4. PUBLIC SAFETY EXCEPTION TO INSCRIPTIONS REQUIREMENT ON MOBILE OFFICES. (a) IN GENERAL.—Section 3(f)(3) under the subheading “ADMINISTRATIVE PROVISIONS” under the heading “SENATE” in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 59(f)(3)) is amended by adding at the end the following flush sentence:

“The Committee on Rules and Administration of the Senate may prescribe regulations to waive or modify the requirement under subparagraph (B) if such waiver or modification is necessary to provide for the public safety of a Senator and the Senator’s staff and constituents.”.

Applicability.
2 USC 59 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act and apply to fiscal year 2003 and each fiscal year thereafter.

Regulations.
41 USC 253l–5.

SEC. 5. MULTI-YEAR CONTRACTING AUTHORITY. (a) Subject to regulations prescribed by the Committee on Rules and Administration of the Senate, the Secretary and the Sergeant at Arms and Doorkeeper of the Senate may—

(1) enter into contracts for the acquisition of severable services for a period that begins in one fiscal year and ends in the next fiscal year to the same extent and under the same conditions as the head of an executive agency under the authority of section 303L of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253l); and

(2) enter into multiyear contracts for the acquisition of property and services to the same extent and under the same conditions as the head of an executive agency under the authority of section 304B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c).

Effective date.
Applicability.

(b) This section shall take effect on October 1, 2002, and shall apply in fiscal year 2003 and successive fiscal years.

SEC. 6. CONSULTANTS. (a) IN GENERAL.—Section 101 of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6) is amended—

(1) in subsection (a), in the first sentence by striking “six individual consultants” and inserting “eight individual consultants”; and

(2) by adding at the end the following:

“(C) Each appointing authority under subsection (a) may designate the title of the position of any individual appointed under that subsection.”.

Applicability.
2 USC 61h–6
note.
2 USC 32b note.

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 7. OFFICE OF THE PRESIDENT PRO TEMPORE EMERITUS OF THE SENATE. (a) ESTABLISHMENT.—There is established the Office of the President pro tempore emeritus of the Senate.

(b) DESIGNATION.—Any Member of the Senate who—

(1) is designated by the Senate as the President pro tempore emeritus of the United States Senate; and

(2) is serving as a Member of the Senate,
shall be the President pro tempore emeritus of the United States Senate.

(c) APPOINTMENT AND COMPENSATION OF EMPLOYEES.—The President pro tempore emeritus is authorized to appoint and fix the compensation of such employees as the President pro tempore emeritus determines appropriate.

(d) EXPENSE ALLOWANCE.—There is authorized an expense allowance for the President pro tempore emeritus which shall not exceed \$7,500 each fiscal year. The President pro tempore emeritus may receive the expense allowance: (1) as reimbursement for actual expenses incurred upon certification and documentation of such expenses by the President pro tempore emeritus; or (2) in equal monthly payments. Such amounts paid to the President pro tempore

emeritus as reimbursement of actual expenses incurred upon certification and documentation under this subsection, shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction under the Internal Revenue Code of 1986.

(e) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act and shall apply only with respect to the 108th Congress. Applicability.

SEC. 8. ADMINISTRATION OF ACROSS-THE-BOARD REDUCTION. In the administration of section 601 of title VI of division N of this Act, with respect to the budget authority provided under the heading “SENATE” under this title—

(1) the percentage rescission under subsection (a) of that section shall apply to the total amount of all funds appropriated under that heading; and

(2) the rescission may be applied without regard to subsection (b) of that section.

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, \$956,086,000, as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, \$16,530,000, including: Office of the Speaker, \$1,979,000, including \$25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, \$1,899,000, including \$10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, \$2,309,000, including \$10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, \$1,624,000, including \$5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, \$1,214,000, including \$5,000 for official expenses of the Minority Whip; Speaker’s Office for Legislative Floor Activities, \$446,000; Republican Steering Committee, \$834,000; Republican Conference, \$1,397,000; Democratic Steering and Policy Committee, \$1,490,000; Democratic Caucus, \$741,000; nine minority employees, \$1,337,000; training and program development—majority, \$290,000; training and program development—minority, \$290,000; Cloakroom Personnel—majority, \$340,000; and Cloakroom Personnel—minority, \$340,000.

MEMBERS’ REPRESENTATIONAL ALLOWANCES

INCLUDING MEMBERS’ CLERK HIRE, OFFICIAL EXPENSES OF MEMBERS, AND OFFICIAL MAIL

For Members’ representational allowances, including Members’ clerk hire, official expenses, and official mail, \$476,536,000.

COMMITTEE EMPLOYEES

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by House resolutions, \$103,421,000: *Provided*, That such amount shall remain available for such salaries and expenses until December 31, 2004.

COMMITTEE ON APPROPRIATIONS

For salaries and expenses of the Committee on Appropriations, \$24,200,000, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: *Provided*, That such amount shall remain available for such salaries and expenses until December 31, 2004.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, \$152,027,000, including: for salaries and expenses of the Office of the Clerk, including not more than \$13,000, of which not more than \$10,000 is for the Family Room, for official representation and reception expenses, \$20,032,000, of which \$2,500,000 shall remain available until expended; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages, and including not more than \$3,000 for official representation and reception expenses, \$5,097,000; for salaries and expenses of the Office of the Chief Administrative Officer, \$105,363,000, of which \$7,693,000 shall remain available until expended; for salaries and expenses of the Office of the Inspector General, \$3,947,000; for salaries and expenses of the Office of Emergency Planning, Preparedness and Operations, \$6,000,000, to remain available until expended; for salaries and expenses of the Office of General Counsel, \$894,000; for the Office of the Chaplain, \$149,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian and \$2,000 for preparing the Digest of Rules, \$1,464,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, \$2,168,000; for salaries and expenses of the Office of the Legislative Counsel of the House, \$5,852,000; for salaries and expenses of the Corrections Calendar Office, \$915,000; and for other authorized employees, \$146,000: *Provided*, That of the amounts provided under this heading to the Office of the Chief Administrative Officer, up to \$660,000 may be transferred to the Office of the Architect of the Capitol, subject to the approval of the Committee on Appropriations of the House of Representatives.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, \$183,372,000, including: supplies, materials, administrative costs and Federal tort claims, \$3,384,000; official mail for committees, leadership offices, and administrative offices of the House, \$410,000; Government contributions for health, retirement, Social

Security, and other applicable employee benefits, \$178,888,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, \$690,000.

CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

ADMINISTRATIVE PROVISIONS

SEC. 101. (a) **REQUIRING AMOUNTS REMAINING IN MEMBERS' REPRESENTATIONAL ALLOWANCES TO BE USED FOR DEFICIT REDUCTION OR TO REDUCE THE FEDERAL DEBT.**—Notwithstanding any other provision of law, any amounts appropriated under this Act for “HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—MEMBERS' REPRESENTATIONAL ALLOWANCES” shall be available only for fiscal year 2003. Any amount remaining after all payments are made under such allowances for fiscal year 2003 shall be deposited in the Treasury and used for deficit reduction (or, if there is no Federal budget deficit after all such payments have been made, for reducing the Federal debt, in such manner as the Secretary of the Treasury considers appropriate).

(b) **REGULATIONS.**—The Committee on House Administration of the House of Representatives shall have authority to prescribe regulations to carry out this section.

(c) **DEFINITION.**—As used in this section, the term “Member of the House of Representatives” means a Representative in, or a Delegate or Resident Commissioner to, the Congress.

SEC. 102. (a) There is hereby established in the Treasury of the United States a revolving fund for the House of Representatives to be known as the Net Expenses of Equipment Revolving Fund (hereafter in this section referred to as the “Revolving Fund”), consisting of funds deposited by the Chief Administrative Officer of the House of Representatives from amounts provided by offices of the House of Representatives to purchase, lease, obtain, and maintain the equipment located in such offices, and amounts provided by Members of the House of Representatives (including Delegates and Resident Commissioners to the Congress) to purchase, lease, obtain, and maintain furniture for their district offices. 2 USC 112g.

(b) Amounts in the Revolving Fund shall be used by the Chief Administrative Officer without fiscal year limitation to purchase, lease, obtain, and maintain equipment for offices of the House of Representatives and furniture for the district offices of Members of the House of Representatives (including Delegates and Resident Commissioners to the Congress).

(c) The Revolving Fund shall be treated as a category of allowances and expenses for purposes of section 101(a) of the Legislative Branch Appropriations Act, 1993 (2 U.S.C. 95b(a)).

(d) This section shall apply with respect to fiscal year 2003 and each succeeding fiscal year, except that for purposes of making deposits into the Revolving Fund under subsection (a), the Chief Applicability.

Administrative Officer may deposit amounts provided by offices of the House of Representatives during fiscal year 2002 or any succeeding fiscal year.

Effective date.
2 USC 117l.

SEC. 103. Effective with respect to fiscal year 2003 and each succeeding fiscal year, any amount received by House Information Resources from any office of the House of Representatives as reimbursement for services provided shall be deposited in the Treasury for credit to the account of the Office of the Chief Administrative Officer of the House of Representatives.

41 USC 6a-3.

SEC. 104. Section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) does not apply to purchases and contracts for supplies or services for any office of the House of Representatives in any fiscal year.

2 USC 60c-6.

SEC. 105. (a) ESTABLISHMENT.—The Chief Administrative Officer shall establish a program under which an employing office of the House of Representatives may agree to repay (by direct payment on behalf of the employee) any student loan previously taken out by an employee of the office. For purposes of this section, a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress) shall not be considered to be an employee of the House of Representatives.

(b) REGULATIONS.—The Committee on House Administration shall promulgate such regulations as may be necessary to carry out the program under this section.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the program under this section during fiscal year 2003 and each succeeding fiscal year.

PROGRAM TO INCREASE EMPLOYMENT OPPORTUNITIES IN HOUSE OF REPRESENTATIVES FOR INDIVIDUALS WITH DISABILITIES

2 USC 130j.

SEC. 106. (a) IN GENERAL.—In order to promote an increase in opportunities for individuals with disabilities to provide services to the House of Representatives, the Chief Administrative Officer of the House of Representatives is authorized to—

(1) enter into 1 or more contracts with nongovernmental entities to provide for the performance of services for offices of the House of Representatives by individuals with disabilities who are employees of, or under contract with, such entities; and

(2) provide reasonable accommodations, including assistive technology devices and assistive technology services, to enable such individuals to perform such services under such contracts.

(b) ELEMENTS OF PROGRAM.—The Chief Administrative Officer of the House of Representatives, in entering into any contract under subsection (a), shall seek to ensure that—

(1) traditional and nontraditional outreach efforts are used to attract individuals with disabilities for educational benefit and employment opportunities in the House;

(2) the non-governmental entity provides adequate education and training for individuals with disabilities to enhance such employment opportunities; and

(3) efforts are made to educate employing offices in the House about opportunities to employ individuals with disabilities.

(c) FUNDING.—There are authorized to be appropriated from the applicable accounts of the House of Representatives \$500,000

to carry out this section for each of the fiscal years 2003 through 2007.

SEC. 107. (a) At any time on or after the date of the enactment of this Act, the Chief Administrative Officer of the House of Representatives may incur obligations and make expenditures out of available appropriations for meals, refreshments, and other support and maintenance for Members, officers, and employees of the House of Representatives when, in the judgment of the Chief Administrative Officer, such obligations and expenditures are necessary to respond to emergencies involving the safety of human life or the protection of property. 2 USC 130k.

(b) Nothing in this section may be construed to affect any other authority of the Chief Administrative Officer to incur obligations and make expenditures for the items and services described in subsection (a) for Members, officers, and employees of the House of Representatives.

SEC. 108. (a) Section 312(d) of the Legislative Branch Appropriations Act, 1992 (2 U.S.C. 2112(d)), is amended— 2 USC 2062.

(1) in paragraph (1), by striking “paragraph (2)” and inserting “paragraphs (2) and (3)”; and

(2) by adding at the end the following new paragraph:

“(3) The House of Representatives shall make payments from amounts provided in appropriations acts for salaries and expenses of the Office of the Chief Administrative Officer for the following activities carried out under this section:

“(A) The payment of the salary of the director of the center.

“(B) The reimbursement of individuals employed by the center for the cost of training classes and conferences in connection with the provision of child care services, together with the cost of travel (including transportation and subsistence) incurred in connection with such classes and conferences.”.

(b) The amendment made by subsection (a) shall apply with respect to fiscal year 2003 and each succeeding fiscal year. Applicability. 2 USC 2062 note.

SEC. 109. (a) Section 101 of the Legislative Branch Appropriations Act, 1993 (2 U.S.C. 95b) is amended by striking “upon approval of the Committee on Appropriations of the House of Representatives” each place it appears and inserting the following: “effective upon the expiration of the 21-day period (or such alternative period that may be imposed by the Committee on Appropriations of the House of Representatives) which begins on the date such Committee has been notified of the transfer”.

(b) The amendment made by subsection (a) shall apply with respect to fiscal year 2003 and each succeeding fiscal year. Applicability. 2 USC 95b note.

SEC. 110. (a) Section 202(b)(5) of the 21st Century Department of Justice Appropriations Authorization Act (Public Law 107–273; 116 Stat. 1775) is amended to read as follows:

“(5) Section 101(b) of the Legislative Branch Appropriations Act, 2000 (2 U.S.C. 130f(b)) is amended by striking ‘with respect to any proceeding’ and all that follows and inserting ‘as required by section 530D of title 28, United States Code.’.”.

(b) Section 712(b) of the Ethics in Government Act of 1978 (2 U.S.C. 288k(b)), as amended by section 202(b)(2) of the 21st Century Department of Justice Appropriations Authorization Act, is amended by inserting “, United States Code” after “title 28”.

(c) The amendments made by this section shall take effect as if included in the enactment of the 21st Century Department of Justice Appropriations Authorization Act. Effective date. 2 USC 130f note.

JOINT ITEMS

For Joint Committees, as follows:

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, \$3,658,000, to be disbursed by the Secretary of the Senate.

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, \$7,643,000, to be disbursed by the Chief Administrative Officer of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of \$2,175 per month to the Attending Physician; (2) an allowance of \$725 per month each to four medical officers while on duty in the Office of the Attending Physician; (3) an allowance of \$725 per month to two assistants and \$580 per month each not to exceed 11 assistants on the basis heretofore provided for such assistants; and (4) \$1,414,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, \$3,000,000, of which \$300,000 shall remain available until expended, to be disbursed by the Chief Administrative Officer of the House of Representatives.

CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

For salaries and expenses of the Capitol Guide Service and Special Services Office, \$3,035,000, to be disbursed by the Secretary of the Senate: *Provided*, That no part of such amount may be used to employ more than 58 individuals: *Provided further*, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than 120 days each, and not more than 10 additional individuals for not more than 6 months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and the House of Representatives, of the statements for the second session of the One Hundred Seventh Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, \$30,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

CAPITOL POLICE

SALARIES

For salaries of employees of the Capitol Police, including overtime, hazardous duty pay differential, and Government contributions for health, retirement, Social Security, and other applicable employee benefits, \$175,675,000, to be disbursed by the Chief of the Capitol Police or his designee.

GENERAL EXPENSES

For necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance program, the awards program, postage, communication services, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and not more than \$5,000 to be expended on the certification of the Chief of the Capitol Police in connection with official representation and reception expenses, \$28,100,000, of which \$1,400,000 shall remain available until expended, to be disbursed by the Chief of the Capitol Police or his designee: *Provided*, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 2003 shall be paid by the Secretary of Homeland Security from funds available to the Department of Homeland Security.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 1001. TRANSFER AUTHORITY.—Amounts appropriated for fiscal year 2003 for the Capitol Police may be transferred between the headings “SALARIES” and “GENERAL EXPENSES” upon the approval of the Committees on Appropriations of the Senate and the House of Representatives.

SEC. 1002. CAPITOL POLICE CONTRACT AUTHORITY. (a) IN GENERAL.—The United States Capitol Police may— 41 USC 253I–6.

(1) enter into contracts for the acquisition of severable services for a period that begins in 1 fiscal year and ends in the next fiscal year to the same extent as the head of an executive agency under the authority of section 303L of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253I); and

(2) enter into multiyear contracts for the acquisitions of property and nonaudit-related services to the same extent as executive agencies under the authority of section 304B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c).

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter. Applicability.

SEC. 1003. DISPOSAL OF SURPLUS PROPERTY. (a) IN GENERAL.— 2 USC 1906.
Within the limits of available appropriations, the Capitol Police may dispose of surplus or obsolete property of the Capitol Police

by interagency transfer, donation, sale, trade-in, or other appropriate method.

(b) AMOUNTS RECEIVED.—Any amounts received by the Capitol Police from the disposition of property under subsection (a) shall be credited to the account established for the general expenses of the Capitol Police, and shall be available to carry out the purposes of such account during the fiscal year in which the amounts are received and the following fiscal year.

Applicability.

(c) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter.

2 USC 1927.

SEC. 1004. RECRUITMENT AND RELOCATION BONUSES. Section 909 of the Emergency Supplemental Act, 2002 (Public Law 107-117; 115 Stat. 2320) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “the Board determines that the Capitol Police would be likely, in the absence of such a bonus, to encounter difficulty in filling the position” and inserting “the Chief, in the Chief’s sole discretion, determines that such a bonus will assist the Capitol Police in recruitment efforts”; and

(B) by adding at the end the following:

“(6) DETERMINATION NOT APPEALABLE OR REVIEWABLE.—Any determination of the Chief under this subsection shall not be appealable or reviewable in any manner.”;

(2) by striking subsections (e) and (f)(2); and

(3) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

SEC. 1005. RECRUITMENT OF INDIVIDUALS WITHOUT REGARD TO AGE. (a) IN GENERAL.—The Chief of the Capitol Police shall carry out any activities and programs to recruit individuals to serve as members of the Capitol Police without regard to the age of the individuals.

(b) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect any provision of law of any rule or regulation providing for the mandatory separation of members of the Capitol Police on the basis of age, or any provision of law or any rule or regulation regarding the calculation of retirement or other benefits for members of the Capitol Police.

SEC. 1006. RETENTION ALLOWANCES. Section 909(b) of the Emergency Supplemental Act, 2002 (Public Law 107-117; 115 Stat. 2320) is amended—

(1) in paragraph (1)—

(A) by striking subparagraphs (A) and (B); and

(B) by striking “if—” and inserting “if the Chief, in the Chief’s sole discretion, determines that such a bonus will assist the Capitol Police in retention efforts.”; and

(2) in paragraph (3), by striking “the reduction or the elimination of a retention allowance may not be appealed” and inserting “any determination of the Chief under this subsection, or the reduction or elimination of a retention allowance, shall not be appealable or reviewable in any manner”.

2 USC 1926.

SEC. 1007. EDUCATIONAL ASSISTANCE PROGRAM. Section 908 of the Emergency Supplemental Act, 2002 (2 U.S.C. 1924; Public Law 107-117; 115 Stat. 2319) is amended to read as follows:

“EDUCATIONAL ASSISTANCE PROGRAM FOR EMPLOYEES

“SEC. 908. (a) ESTABLISHMENT.—In order to recruit or retain qualified personnel, the Chief of the Capitol Police may establish an educational assistance program for employees of the Capitol Police under which the Capitol Police may agree—

“(1) to repay (by direct payments on behalf of the participating employee) all or any portion of a student loan previously taken out by the employee;

“(2) to make direct payments to an educational institution on behalf of a participating employee or to reimburse a participating employee for all or any portion of any tuition or related educational expenses paid by the employee.

“(b) SPECIAL RULES FOR STUDENT LOAN REPAYMENTS.—

“(1) APPLICATION OF REGULATIONS UNDER EXECUTIVE BRANCH PROGRAM.—In carrying out subsection (a)(1), the Chief of the Capitol Police may, by regulation, make applicable such provisions of section 5379 of title 5, United States Code, as the Chief determines necessary to provide for such program.

“(2) RESTRICTIONS ON PRIOR REIMBURSEMENTS.—The Capitol Police may not reimburse any individual under subsection (a)(1) for any repayments made by the individual prior to entering into an agreement with the Capitol Police to participate in the program under this section.

“(3) USE OF RECOVERED AMOUNTS.—Any amount repaid by, or recovered from, an individual under subsection (a)(1) and its implementing regulations shall be credited to the appropriation account available for salaries or general expenses of the Capitol Police at the time of repayment or recovery. Such credited amount may be used for any authorized purpose of the account and shall remain available until expended.

“(c) LIMIT ON AMOUNT OF PAYMENTS.—The total amount paid by the Capitol Police with respect to any individual under the program under this section may not exceed \$40,000.

“(d) NO REVIEW OF DETERMINATIONS.—Any determination made under the program under this section shall not be reviewable or appealable in any manner.

“(e) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2003 and each succeeding fiscal year.”. Applicability.

SEC. 1008. APPLICABLE PAY RATE UPON APPOINTMENT. (a) IN GENERAL.—Notwithstanding any other provision of law, the rate of basic pay payable to an individual upon appointment to a position with the Capitol Police shall be at a rate within the minimum and maximum pay rates applicable to the position. 2 USC 1930.

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter. Applicability.

SEC. 1009. OVERTIME COMPENSATION FOR OFFICERS AT RANK OF LIEUTENANT OR HIGHER. (a) IN GENERAL.—The Chief of the Capitol Police may provide for the compensation of overtime work of officers of the Capitol Police at the rank of lieutenant and higher. Nothing in this subsection may be construed to affect the compensation of overtime work of officers of the Capitol Police at any rank not described in the previous sentence.

(b) TERMS AND CONDITIONS.—In providing for the compensation of overtime work under this section, the Chief shall provide the compensation in the same manner and subject to the same terms and conditions which are applicable to the compensation of overtime

work of officers and members of the United States Secret Service Uniformed Division and the United States Park Police who serve at the rank of lieutenant and higher, in accordance with section 1 of the Act entitled “An Act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force, and for other purposes”, approved August 15, 1950 (sec. 5-1304, D.C. Official Code).

SEC. 1010. TRAINING PROGRAMS FOR PERSONNEL. (a) IN GENERAL.—Chapter 41 of title 5, United States Code, is amended by adding at the end the following new section:

“§ 4120. Training for employees of the Capitol Police

“(a) The Chief of the Capitol Police may, by regulation, make applicable such provisions of this chapter as the Chief determines necessary to provide for training of employees of the Capitol Police. The regulations shall provide for training which, in the determination of the Chief, is consistent with the training provided by agencies under the preceding sections of this chapter.

“(b) The Office of Personnel Management shall provide the Chief of the Capitol Police with such advice and assistance as the Chief may request in order to enable the Chief to carry out the purposes of this section.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 41 of such title is amended by adding at the end the following:

“4120. Training for employees of the Capitol Police.”.

2 USC 1931.

SEC. 1011. ADDITIONAL COMPENSATION FOR EMPLOYEES WITH SPECIALTY ASSIGNMENTS AND PROFICIENCIES. (a) ESTABLISHMENT OF POSITIONS.—The Chief of the Capitol Police may establish and determine, from time to time, positions in salary classes of employees of the Capitol Police to be designated as employees with specialty assignments or proficiencies, based on the experience, education, training, or other appropriate factors required to carry out the duties of such employees.

(b) ADDITIONAL COMPENSATION.—In addition to the regularly scheduled rate of basic pay, each employee holding a position designated under this section shall receive an amount determined by the Chief, except that—

(1) such amount may not exceed 25 percent of the employee’s annual rate of basic pay; and

(2) such amount may not be paid in a calendar year to the extent that, when added to the total basic pay paid or payable to such employee for service performed in the year, such amount would cause the total to exceed the annual rate of basic pay payable for level II of the Executive Schedule, as of the end of such year.

(c) MANNER OF PAYMENT.—The additional compensation authorized by this subsection shall be paid to an employee in a manner determined by the Chief or his designee except when the employee ceases to be assigned to the specialty assignment or ceases to maintain the required proficiency. The loss of such additional compensation shall not constitute an adverse action for any purpose.

(d) DETERMINATION NOT APPEALABLE OR REVIEWABLE.—Any determination under section (a) shall not be appealable or reviewable in any manner.

SEC. 1012. APPLICATION OF PREMIUM PAY LIMITS ON ANNUALIZED BASIS. (a) IN GENERAL.—Any limits on the amount of premium pay which may be earned by officers and members of the Capitol Police during emergencies (as determined by the Capitol Police Board) shall be applied by the Chief of the Capitol Police on an annual basis and not on a pay period basis. Any determination under this subsection shall not be reviewable or appealable in any manner. 2 USC 1932.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to hours of duty occurring on or after September 11, 2001. Applicability.

SEC. 1013. (a) Subsection (c) of the first section of Public Law 96–152 (2 U.S.C. 1902) is amended to read as follows:

“(c) The annual rate of pay for the Chief of the Capitol Police shall be the amount equal to \$1,000 less than the lower of the annual rate of pay in effect for the Sergeant-at-Arms of the House of Representatives or the annual rate of pay in effect for the Sergeant-at-Arms and Doorkeeper of the Senate.”.

(b) Section 907(b) of the Emergency Supplemental Act, 2002 (2 U.S.C. 1901 note) is amended to read as follows:

“(b) The annual rate of pay for the Assistant Chief of the Capitol Police shall be the amount equal to \$1,000 less than the annual rate of pay in effect for the Chief of the Capitol Police.”.

(c) Section 108(a)(4) of the Legislative Branch Appropriations Act, 2001 (2 U.S.C. 1903(a)(4)) is amended to read as follows:

“(4) The annual rate of pay for the Chief Administrative Officer shall be the amount equal to \$1,000 less than the annual rate of pay in effect for the Chief of the Capitol Police.”.

(d) The amendments made by this section shall apply with respect to the first pay period beginning on or after the date of the enactment of this Act. Applicability.
2 USC 1902 note.

SEC. 1014. (a) CAPITOL POLICE BOARD; COMPOSITION; REDEFINING MISSION.— 2 USC 1901 note.

(1) PURPOSE.—The purpose of the Capitol Police Board is to oversee and support the Capitol Police in its mission and to advance coordination between the Capitol Police and the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate, in their law enforcement capacities, and the Congress. Consistent with this purpose, the Capitol Police Board shall establish general goals and objectives covering its major functions and operations to improve the efficiency and effectiveness of its operations.

(2) COMPOSITION.—The Capitol Police Board shall consist of the Sergeant at Arms of the House of Representatives, the Sergeant at Arms and Doorkeeper of the Senate, the Chief of the Capitol Police, and the Architect of the Capitol. The Chief of Capitol Police shall serve in an ex-officio capacity and be a non-voting member of the Board.

(b) INITIAL REVIEW AND REPORT.—Not later than 180 days after the date of the enactment of this Act, the Capitol Police Board shall— Deadline.

(1) examine the mission of the Capitol Police Board and, based on that analysis, redefine the Capitol Police Board’s mission, mission-related processes, and administrative processes;

(2) conduct an assessment of the effectiveness and usefulness of its statutory functions in contributing to the Capitol Police Board’s ability to carry out its mission and meet its

goals, including an explanation of the reasons for any determination that the statutory functions are appropriate and advisable in terms of its purpose, mission, and long-term goals; and

(3) submit to the Speaker and minority leader of the House of Representatives and the President pro tempore and minority leader of the Senate a report on the results of its examination and assessment, including recommendations for any legislation that the Capitol Police Board considers appropriate and necessary.

(c) EXECUTIVE ASSISTANT.—

(1) ESTABLISHMENT.—There shall be established in the Capitol Police an Executive Assistant for the Capitol Police Board to act as a central point for communication and enhance the overall effectiveness and efficiency of the Capitol Police Board's administrative activities.

(2) APPOINTMENT.—The Executive Assistant shall be appointed by the Chief of the Capitol Police in consultation with the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate.

(3) DUTIES.—The Executive Assistant shall be assigned to, and report to, the Chairman of the Board. The Executive Assistant shall assist the Capitol Police Board in developing, documenting, and implementing a clearly defined process for additional tasks assigned to the Capitol Police Board under this section, and shall perform any additional duties assigned by the Capitol Police Board.

(d) DOCUMENTATION.—

(1) FUNCTIONS AND PROCESSES.—The Capitol Police Board shall document its functions and processes, including its mission statement, policies, directives, and operating procedures established or revised under subsection (a)(1) or (b), and make such documentation available for examination to the Speaker and minority leader of the House of Representatives, the President pro tempore and minority leader of the Senate, the Chief of the Capitol Police, and the Comptroller General.

(2) MEETINGS.—The Capitol Police Board shall document Board meetings and make the documentation available for distribution to the Speaker and minority leader of the House of Representatives and the President pro tempore and minority leader of the Senate.

(e) ASSISTANCE OF COMPTROLLER GENERAL.—Upon request, the Comptroller General shall provide assistance to the Capitol Police Board in carrying out its responsibilities under this subsection.

(f) REFERENCES IN LAW; EFFECT ON OTHER LAWS.—(1) Any reference in any law or resolution in effect as of the date of the enactment of this Act to the "Capitol Police Board" shall be deemed to refer to the Capitol Police Board as composed under subsection (a)(2).

(2) Nothing in this section shall be construed to affect the jurisdiction, powers, or prerogatives of the Capitol Police Board or its individual members unless specifically provided herein.

SEC. 1015. TRANSFER OF LIBRARY OF CONGRESS POLICE TO THE UNITED STATES CAPITOL POLICE. (a) TRANSFER OF LIBRARY OF CONGRESS POLICE TO THE UNITED STATES CAPITOL POLICE.—

(1) TRANSFER OF PERSONNEL AND FUNCTIONS.—There are transferred to the United States Capitol Police—

(A) each Library of Congress Police employee; and

(B) any functions performed under the first section of the Act of August 4, 1950 (2 U.S.C. 167) and section 9 of that Act (2 U.S.C. 167h) (as in effect immediately before the effective date of this section).

(2) EFFECT ON PERSONNEL.—

(A) ANNUAL AND SICK LEAVE.—Any annual or sick leave to the credit of an individual transferred under paragraph (1) shall be transferred to the credit of that individual as an employee of the United States Capitol Police.

(B) SERVICE PERFORMED FOR RETIREMENT PURPOSES.—For those Library of Congress Police employees transferred under paragraph (1)(A), any period of service performed by a Library of Congress Police employee shall be deemed to be service performed as a member of the United States Capitol Police for purposes of chapters 83 and 84 of title 5, United States Code.

(C) VACANCIES.—Notwithstanding any other provision of law, upon the date of enactment of this section and until completion of the transfer under paragraph (1), vacancies in Library of Congress police employee positions, if filled, shall be filled in accordance with the employment standards of the United States Capitol Police, to the extent practicable as determined by the Chief of the Capitol Police.

(3) EFFECTIVE DATE OF TRANSFER OF PERSONNEL AND FUNCTIONS.—Library of Congress employees transferred to the United States Capitol Police under paragraph (1)(A), and Library of Congress functions transferred under paragraph (1)(B) shall be transferred to the United States Capitol Police upon approval of the Committees on Appropriations of the House and Senate and the appropriate authorizing committees.

(b) TRANSITION.—

(1) IMPLEMENTATION PLAN.—

(A) PLAN.—Not later than 180 days after the date of enactment of this section, the Chief of the Capitol Police shall prepare and submit to the appropriate committees of Congress for approval, and to the Capitol Police Board and the Librarian of Congress, a plan—

Deadline.

(i) describing the policies and procedures, and actions the Chief of the Capitol Police will take in implementing the transfer provisions under this section;

(ii) establishing dates by which Library of Congress personnel and functions authorized to be transferred under subsection (a)(1) shall be transferred to the United States Capitol Police;

(iii) in consultation with the Librarian of Congress, providing for the performance of law enforcement and protection functions relating to the buildings and grounds of the Library of Congress, including collections security, within the overall security responsibilities of the United States Capitol Police;

(iv) recommending legislative changes needed to implement the transfers under subsection (a)(1), including—

(I) identifying options for addressing how to apply United States Capitol Police retirement provisions to such transferred personnel;

(II) identifying options related to providing voluntary separation incentives to transferred personnel; and

(III) identifying options to ensure the Librarian of Congress maintains appropriate authority to execute his security responsibilities;

(v) detailing the mechanisms to be used by the Chief of the Capitol Police for ensuring that Library of Congress employees transferred to the United States Capitol Police under subsection (a)(1) are not adversely affected by the transfer with respect to pay;

(vi) addressing—

(I) how United States Capitol Police training and qualification requirements will be applied to Library of Congress employees transferred under subsection (a)(1); and

(II) the overall training needs of the merged police force; and

(vii) providing an analysis of the cost implications of implementing the plan.

Deadline.

(2) IMPLEMENTATION REPORT.—Not later than 1 year after the date of enactment of this section, and annually thereafter until the transfer is fully implemented, the Chief of the Capitol Police shall prepare and submit a report to the appropriate committees of Congress, the Capitol Police Board, and the Librarian of Congress, on the Chief of the Capitol Police's progress in implementing the plan required in paragraph (1)(A) of this subsection, including any adjustments to cost estimates or legislative changes needed to implement the provisions of this section.

(c) DEFINITIONS.—In this section—

(1) the term “Act of August 4, 1950” means the Act entitled “An Act relating to the policing of the buildings and grounds of the Library of Congress”, approved August 4, 1950 (2 U.S.C. 167 et seq.); and

(2) the term “Library of Congress Police employee”—

(A) means an employee of the Library of Congress designated as police under the first section of the Act of August 4, 1950 (2 U.S.C. 167) (as in effect immediately before the effective date of this section); and

(B) does not include any civilian employee performing police support functions.

(d) EFFECTIVE DATE.—Except as otherwise provided in this section, this section shall take effect on the date of enactment of this section.

SEC. 1016. CLARIFICATION OF AUTHORITY OF CAPITOL POLICE TO POLICE BOTANIC GARDEN. (a) BUILDINGS.—Section 5101 of title 40, United States Code, is amended by inserting “all buildings on the real property described under section 5102(c) (including the Administrative Building of the United States Botanic Garden),” after “Capitol Power Plant,”.

(b) GROUNDS.—Section 5102 of title 40, United States Code, is amended by adding at the end the following:

“(c) NATIONAL GARDEN OF THE UNITED STATES BOTANIC GARDEN.—

“(1) IN GENERAL.—Except as provided under paragraph (2), the United States Capitol Grounds shall include—

“(A) the National Garden of the United States Botanic Garden;

“(B) all grounds contiguous to the Administrative Building of the United States Botanic Garden, including Bartholdi Park; and

“(C) all grounds bounded by the curblines of First Street, Southwest on the east; Washington Avenue, Southwest to its intersection with Independence Avenue, and Independence Avenue from such intersection to its intersection with Third Street, Southwest on the south; Third Street, Southwest on the west; and Maryland Avenue, Southwest on the north.

“(2) MAINTENANCE AND IMPROVEMENTS.—Notwithstanding subsections (a) and (b), jurisdiction and control over the buildings on the grounds described in paragraph (1) shall be retained by the Joint Committee on the Library, and the Joint Committee on the Library shall continue to be solely responsible for the maintenance and improvement of the grounds described in such paragraph.

“(3) AUTHORITY NOT LIMITED.—Nothing in this subsection shall limit the authority of the Architect of the Capitol under section 307E of the Legislative Branch Appropriations Act, 1989 (40 U.S.C. 216c).”

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 9(a) of the Act of July 31, 1946 (2 U.S.C. 1961(a)) is amended by striking “sections 193a to 193m, 212a, 212a–2, and 212b of this title and regulations promulgated under section 212b of this title,” and inserting “this Act (and regulations promulgated under section 14 of this Act (2 U.S.C. 1969)), and chapter 51 of title 40, United States Code,”.

(d) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fiscal year 2003 and each fiscal year thereafter.

Applicability.
2 USC 1961 note.

SEC. 1017. CAPITOL POLICE SPECIAL OFFICERS. (a) IN GENERAL.—In the event of an emergency, as determined by the Capitol Police Board or in a concurrent resolution of Congress, the Chief of the Capitol Police may appoint—

2 USC 1974.

(1) any law enforcement officer from any Federal agency or State or local government agency made available by that agency to serve as a special officer of the Capitol Police within the authorities of the Capitol Police in policing the Capitol buildings and grounds; and

(2) any member of the uniformed services, including members of the National Guard, made available by the appropriate authority to serve as a special officer of the Capitol Police within the authorities of the Capitol Police in policing the Capitol buildings and grounds.

(b) CONDITIONS OF APPOINTMENT.—An individual appointed as a special officer under this section shall—

(1) serve without pay for service performed as a special officer (other than pay received from the applicable employing agency or service);

(2) serve as a special officer no longer than a period specified at the time of appointment;

(3) not be a Federal employee by reason of service as a special officer, except as provided under paragraph (4); and

(4) shall be an employee of the Government for purposes of chapter 171 of title 28, United States Code, if that individual is acting within the scope of his office or employment in service as a special officer.

(c) QUALIFICATIONS.—Any individual appointed under subsection (a) shall be subject to—

(1) qualification requirements as the Chief of the Capitol Police determines necessary; and

(2) approval by the Capitol Police Board.

(d) REIMBURSEMENT AGREEMENTS.—Nothing in this section shall prohibit the Capitol Police from entering into an agreement for the reimbursement of services provided under this section with any Federal, State, or local agency.

(e) Any appointment under this section shall be subject to initial approval by the Capitol Police Board and to final approval by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives) and the President pro tempore of the Senate (in consultation with the Minority Leader of the Senate), acting jointly.

(f) Subject to approval by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives) and the President pro tempore of the Senate (in consultation with the Minority Leader of the Senate), acting jointly, the Capitol Police Board may prescribe regulations to carry out this section.

Applicability.

(g) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act and shall apply to fiscal year 2003 and each fiscal year thereafter.

2 USC 1907.

SEC. 1018. TRANSFER OF DISBURSING FUNCTION. (a) IN GENERAL.—

(1) DISBURSING OFFICER.—The Chief of the Capitol Police shall be the disbursing officer for the Capitol Police. Any reference in any law or resolution before the date of enactment of this section to funds paid or disbursed by the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate relating to the pay and allowances of Capitol Police employees shall be deemed to refer to the Chief of the Capitol Police.

(2) TRANSFER.—Any statutory function, duty, or authority of the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate as disbursing officers for the Capitol Police shall transfer to the Chief of the Capitol Police as the single disbursing officer for the Capitol Police.

(3) CONTINUITY OF FUNCTION DURING TRANSITION.—Until such time as the Chief notifies the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate that systems are in place for discharging the disbursing functions under this subsection, the House of Representatives and the Senate shall continue to serve as the disbursing authority on behalf of the Capitol Police.

(b) TREASURY ACCOUNTS.—

(1) SALARIES.—

(A) IN GENERAL.—There is established in the Treasury of the United States a separate account for the Capitol Police, into which shall be deposited appropriations received by the Chief of the Capitol Police and available for the salaries of the Capitol Police.

(B) TRANSFER AUTHORITY DURING TRANSITION.—Until such time as the Chief notifies the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate that systems are in place for discharging the disbursing functions under subsection (a), the Chief shall have the authority to transfer amounts in the account to the House of Representatives and the Senate to the extent necessary to enable the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate to continue to serve as the disbursing authority on behalf of the Capitol Police pursuant to subsection (a)(3).

(2) GENERAL EXPENSES.—There is established in the Treasury of the United States a separate account for the Capitol Police, into which shall be deposited appropriations received by the Chief of the Capitol Police and available for the general expenses of the Capitol Police.

(c) TRANSFER OF FUNDS, ASSETS, ACCOUNTS, RECORDS, AND AUTHORITY.—

(1) IN GENERAL.—The Chief Administrative Officer of the House of Representatives and the Secretary of the Senate are authorized and directed to transfer to the Chief of the Capitol Police all funds, assets, accounts, and copies of original records of the Capitol Police that are in the possession or under the control of the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate in order that all such items may be available for the unified operation of the Capitol Police. Any funds so transferred shall be deposited in the Treasury accounts established under subsection (b) and be available to the Chief of the Capitol Police for the same purposes as, and in like manner and subject to the same conditions as, the funds prior to the transfer.

(2) EXISTING TRANSFER AUTHORITY.—Any transfer authority existing before the date of enactment of this Act granted to the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate for salaries, expenses, and operations of the Capitol Police shall be transferred to the Chief of the Capitol Police.

(d) UNEXPENDED BALANCES.—Except as may otherwise be provided in law, the unexpended balances of appropriations for the fiscal year 2003 and succeeding fiscal years that are subject to disbursement by the Chief of the Capitol Police shall be withdrawn as of September 30 of the fifth fiscal year following the period or year for which provided. Unpaid obligations chargeable to any of the balances so withdrawn or appropriations for prior years shall be liquidated from any appropriations for the same general purpose, which, at the time of payment, are available for disbursement.

(e) HIRING AUTHORITY; ELIGIBILITY FOR SAME BENEFITS AS HOUSE EMPLOYEES.—

(1) AUTHORITY.—

(A) IN GENERAL.—Subject to subparagraph (B), the Chief of the Capitol Police, in carrying out the duties

of office, is authorized to appoint, hire, discharge, and set the terms, conditions, and privileges of employment of employees of the Capitol Police, subject to and in accordance with applicable laws and regulations.

(B) REVIEW AND APPROVAL.—In carrying out the authority under this paragraph, the Chief of the Capitol Police shall be subject to the following requirements:

(i) The appointment and termination of any officer, member, or employee shall be subject to the approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate.

(ii) The promotion of any noncivilian officer, member, or employee to any rank higher than Private First Class, and the promotion of any civilian employee to any position, shall be subject to the approval of the Committees referred to in clause (i).

(iii) The establishment of any new position for officers, members, or employees shall be subject to the approval of the Committees referred to in clause (i).

(2) BENEFITS.—Employees of the Capitol Police who are appointed by the Chief under the authority of this subsection shall be subject to the same type of benefits (including the payment of death gratuities, the withholding of debt, and health, retirement, Social Security, and other applicable employee benefits) as are provided to employees of the House of Representatives, and any such individuals serving as employees of the Capitol Police as of the date of enactment of this Act shall be subject to the same rules governing rights, protections, pay, and benefits in effect immediately before such date until such rules are changed under applicable laws or regulations.

(f) WORKER'S COMPENSATION.—

(1) ACCOUNT.—There shall be established a separate account in the Capitol Police for purposes of making payments for employees of the Capitol Police under section 8147 of title 5, United States Code.

(2) PAYMENTS WITHOUT FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law, payments may be made from the account established under paragraph (1) of this subsection without regard to the fiscal year for which the obligation to make such payments is incurred.

(g) EFFECT ON EXISTING LAW.—

(1) IN GENERAL.—The provisions of this section shall not be construed to reduce the pay or benefits of any employee of the Capitol Police whose pay was disbursed by the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate before the date of enactment of this Act.

(2) SUPERSEDING PROVISIONS.—All provisions of law inconsistent with this section are hereby superseded to the extent of the inconsistency.

(h) CONFORMING AMENDMENTS.—(1) Section 1821 of the Revised Statutes of the United States (2 U.S.C. 1901) is amended by striking the third sentence.

(2) Section 1822 of the Revised Statutes of the United States (2 U.S.C. 1921) is repealed.

(3) Section 111 of title I of the Act entitled “Making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes”, approved May 4, 1977 (2 U.S.C. 64–3), is amended—

(A) by striking “Secretary of the Senate” and inserting “Chief of the Capitol Police”; and

(B) by striking “United States Senate” and inserting “Capitol Police”.

(i) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act and shall apply to fiscal year 2003 and each fiscal year thereafter.

Applicability.

SEC. 1019. (a) LONG TERM STRATEGIC PLAN.—

2 USC 1901 note.

(1) IN GENERAL.—The Chief of the United States Capitol Police, in consultation with the Comptroller General, shall develop a long term strategic plan which outlines the goals and objectives of the Capitol Police.

(2) ANNUAL UPDATE.—During the period in which the strategic plan developed under this subsection is in effect, the Chief shall annually update the plan.

(3) PERIOD COVERED BY PLAN.—The strategic plan under this subsection shall cover the first 5 fiscal years which begin after the plan is developed.

(b) ANNUAL PERFORMANCE PLAN.—

(1) IN GENERAL.—With respect to each year which is covered by the strategic plan developed under subsection (a), the Chief of the Capitol Police, in consultation with the Comptroller General, shall develop an annual performance plan for implementing the goals and objectives of the strategic plan during the year.

(2) CONTENTS.—The annual performance plan developed under this subsection for a year shall include performance goals for each of the goals and objectives of the strategic plan which apply during the year, and shall include (to the extent practicable) quantifiable performance measures for determining the success of the Capitol Police in meeting each such performance goal.

(3) EVALUATION BY COMPTROLLER GENERAL.—The Comptroller General shall annually evaluate the implementation of the plan and the extent to which the Capitol Police have met the performance goals of the plan, and shall provide the results of the evaluation to the Capitol Police Board, the Committees on Appropriations of the House of Representatives and Senate, the Committee on House Administration of the House of Representatives, and the Committee on Rules and Administration of the Senate.

(c) INITIAL ACTION PLAN.—Not later than 180 days after the date of the enactment of this Act, the Chief of the Capitol Police shall develop an initial action plan describing the policies, procedures, and actions the Chief will carry out to meet the requirements of this section and setting forth a timetable for carrying out each such policy, procedure, and action, and shall submit such plan (upon the approval of the Capitol Police Board) to the Committees on Appropriations of the House of Representatives and Senate,

Deadline.

the Committee on House Administration of the House of Representatives, and the Committee on Rules and Administration of the Senate.

2 USC 1926 note.

SEC. 1020. DEADLINE FOR REGULATIONS. Not later than 60 days after the date of the enactment of this Act, the Chief of the Capitol Police shall promulgate any regulations required by sections 1004, 1006, 1007, and 1011 of this Act.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), \$2,059,000, of which \$254,000 shall remain available until September 30, 2004: *Provided*, That the Executive Director of the Office of Compliance may have the authority, within the limits of available appropriations, to dispose of surplus or obsolete personal property by interagency transfer, donation, or discarding.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary for operation of the Congressional Budget Office, including not more than \$3,000 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, \$32,101,000, of which not more than \$100,000 is to remain available until September 30, 2006, for the acquisition and partial support for implementation of a Central Financial Management System: *Provided*, That no part of such amount may be used for the purchase or hire of a passenger motor vehicle.

ADMINISTRATIVE PROVISIONS

2 USC 611.

SEC. 1101. (a) The Director of the Congressional Budget Office may, by regulation, make applicable such provisions of section 3396 of title 5, United States Code, as the Director determines necessary to establish a program providing opportunities for employees of the Office to engage in details or other temporary assignments in other agencies, study, or uncompensated work experience which will contribute to the employees' development and effectiveness.

Applicability.

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter.

41 USC 6a–4.

SEC. 1102. (a) The Director of the Congressional Budget Office may enter into agreements or contracts without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5).

Applicability.

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter.

ARCHITECT OF THE CAPITOL

GENERAL ADMINISTRATION

For salaries for the Architect of the Capitol, and other personal services, at rates of pay provided by law; for surveys and studies in connection with activities under the care of the Architect of the Capitol; for all necessary expenses for the general and administrative support of the operations under the Architect of the Capitol including the Botanic Garden; electrical substations of the Capitol, Senate and House office buildings, and other facilities under the jurisdiction of the Architect of the Capitol; including furnishings and office equipment; including not more than \$5,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance, and operation of a passenger motor vehicle, \$59,343,000, of which \$450,000 shall remain available until September 30, 2007.

CAPITOL BUILDING

For all necessary expenses for the maintenance, care and operation of the Capitol, \$32,094,000, of which \$19,065,000 shall remain available until September 30, 2007.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, \$8,356,000, of which \$1,780,000 shall remain available until September 30, 2007.

SENATE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, \$64,871,000, of which \$21,600,000 shall remain available until September 30, 2007.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, \$60,960,000, of which \$25,610,000 shall remain available until September 30, 2007.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which

shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, \$102,286,000, of which \$61,739,000 shall remain available until September 30, 2007: *Provided*, That not more than \$4,400,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 2003.

LIBRARY BUILDINGS AND GROUNDS

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, \$37,521,000, of which \$18,014,000 shall remain available until September 30, 2007 and \$5,500,000 shall remain available until expended.

CAPITOL POLICE BUILDINGS AND GROUNDS

(INCLUDING TRANSFER OF FUNDS)

For all necessary expenses for the maintenance, care, and operation of buildings and grounds of the United States Capitol Police, \$23,900,000, of which \$23,500,000 shall remain available until September 30, 2007: *Provided*, That \$22,000,000 of the amount provided is withheld from obligation subject to the notification of the Committees on Appropriations of the House of Representatives and Senate: *Provided further*, That any amounts provided to the Architect of the Capitol prior to the date of the enactment of this Act for maintenance, care, and operation of buildings of the United States Capitol Police which remain unobligated as of the date of the enactment of this Act shall be transferred to the account under this heading.

BOTANIC GARDEN

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, \$6,103,000, of which \$120,000 shall remain available until September 30, 2007: *Provided*, That this appropriation shall not be available for any activities of the National Garden.

ADMINISTRATIVE PROVISIONS

2 USC 1821.

SEC. 1201. SMALL PURCHASE CONTRACTING AUTHORITY. (a) IN GENERAL.—Notwithstanding any other provision of law—

(1) section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) shall apply with respect to purchases and contracts for the Architect of the Capitol as if the reference to “\$25,000” in paragraph (1) of such section were a reference to “\$100,000”; and

(2) the Architect may procure services, equipment, and construction for security related projects in the most efficient manner he determines appropriate.

Applicability.

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 1202. MULTI-YEAR CONTRACT AUTHORITY. (a) IN GENERAL.—The Architect of the Capitol may— 41 USC 253l–7.

(1) enter into contracts for the acquisition of severable services for a period that begins in 1 fiscal year and ends in the next fiscal year to the same extent as the head of an executive agency under the authority of section 303L of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253l); and

(2) enter into multiyear contracts for the acquisitions of property and nonaudit-related services to the same extent as executive agencies under the authority of section 304B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c).

(b) EFFECTIVE DATE.—This section shall apply to fiscal year 2003 and each fiscal year thereafter. Applicability.

SEC. 1203. DEPUTY ARCHITECT OF THE CAPITOL/CHIEF OPERATING OFFICER. (a) ESTABLISHMENT OF DEPUTY ARCHITECT OF THE CAPITOL.—There shall be a Deputy Architect of the Capitol who shall serve as the Chief Operating Officer of the Office of the Architect of the Capitol. The Deputy Architect of the Capitol shall be appointed by the Architect of the Capitol and shall report directly to the Architect of the Capitol and shall be subject to the authority of the Architect of the Capitol. The Architect of the Capitol shall appoint the Deputy Architect of the Capitol not later than 90 days after the date of enactment of this Act. The Architect of the Capitol shall consult with the Comptroller General or his designee before making the appointment. 2 USC 1805.

(b) QUALIFICATIONS.—The Deputy Architect of the Capitol shall have strong leadership skills and demonstrated ability in management, including in such areas as strategic planning, performance management, worker safety, customer satisfaction, and service quality. Deadline.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Deputy Architect of the Capitol shall be responsible to the Architect of the Capitol for the overall direction, operation, and management of the Office of the Architect of the Capitol, including implementing the Office's goals and mission; providing overall organization management to improve the Office's performance; and assisting the Architect of the Capitol in promoting reform, and measuring results.

(2) RESPONSIBILITIES.—The Deputy Architect's responsibilities include—

(A) developing, implementing, annually updating, and maintaining a long-term strategic plan covering a period of not less than 5 years for the Office of the Architect of the Capitol;

(B) developing and implementing an annual performance plan that includes annual performance goals covering each of the general goals and objectives in the strategic plan and including to the extent practicable quantifiable performance measures for the annual goals;

(C) proposing organizational changes and staffing needed to carry out the Office of the Architect of the Capitol's mission and strategic and annual performance goals; and

(D) reviewing and directing the operational functions of the Office of the Architect of the Capitol.

(d) **ADDITIONAL RESPONSIBILITIES.**—The Architect of the Capitol may delegate to the Deputy Architect such additional duties as the Architect determines are necessary or appropriate.

(e) **ACTION PLAN.**—

Deadline.

(1) **IN GENERAL.**—No later than 90 days after the appointment, the Deputy Architect shall prepare and submit to the Committees on Appropriations of the House of Representatives and Senate and the Committee on Rules and Administration of the Senate, an action plan describing the policies, procedures, and actions the Deputy Architect will implement and timeframes for carrying out the responsibilities under this section.

(2) **ACTION PLAN.**—The action plan shall be—

(A) approved and signed by both the Architect of the Capitol and the Deputy Architect; and

(B) developed concurrently and consistent with the development of a strategic plan.

(3) **ADDITIONAL SENIOR POSITIONS.**—Notwithstanding section 108(a) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 1839), as amended by section 129(c) of the Legislative Branch Appropriations Act, 2002, the Architect of the Capitol may fix the rate of basic pay for not more than 3 additional positions at a rate not to exceed the highest total rate of pay for the Senior Executive Service under subchapter VIII of chapter 53 of title 5, United States Code, for the locality involved.

(f) **EVALUATION.**—The General Accounting Office shall evaluate annually the implementation of the action plan and provide the results of the evaluation to the Architect of the Capitol, the Committees on Appropriations of the House of Representatives and Senate and the Committee on Rules and Administration of the Senate.

(g) **REMOVAL.**—The Deputy Architect of the Capitol may be removed by the Architect of the Capitol for misconduct or failure to meet performance goals set forth in the performance agreement in subsection (i). Upon the removal of the Deputy Architect of the Capitol, the Architect of the Capitol shall immediately notify in writing the Committees on Appropriations of the House of Representatives and Senate, and the Committee on Rules and Administration of the Senate, stating the specific reasons for the removal.

(h) **COMPENSATION.**—The Deputy Architect of the Capitol shall be paid at an annual rate of pay to be determined by the Architect but not to exceed \$1,500 less than the annual rate of pay for the Architect of the Capitol.

(i) **ANNUAL PERFORMANCE REPORT.**—The Deputy Architect of the Capitol shall prepare and transmit to the Architect of the Capitol an annual performance report. This report shall contain an evaluation of the extent to which the Office of the Architect of the Capitol met its goals and objectives.

(j) **TERMINATION OF ROLE.**—As of October 1, 2006, the role of the Comptroller General and the General Accounting Office, as established by this section, will cease.

2 USC 1804.

SEC. 1204. DEPUTY ARCHITECT TO ACT IN CASE OF ABSENCE, DISABILITY, OR VACANCY. The proviso under the subheading “SALARIES” under the heading “OFFICE OF THE ARCHITECT OF THE CAPITOL” under the heading “ARCHITECT OF THE CAPITOL” of the Legislative Branch Appropriations Act, 1971 (2 U.S.C. 1805) is amended by striking “Assistant Architect” and inserting “Deputy Architect”.

SEC. 1205. DELEGATION OF AUTHORITY BY ARCHITECT OF THE CAPITOL. The matter under the subheading “OFFICE OF THE ARCHITECT OF THE CAPITOL” under the heading “ARCHITECT OF THE CAPITOL” of the Legislative Appropriation Act, 1956 (2 U.S.C. 1804) is amended by striking “Architect of the Capitol is authorized” through “proper” and inserting “Architect of the Capitol may delegate to the assistants of the Architect such authority of the Architect as the Architect may determine proper, except those authorities, duties, and responsibilities specifically assigned to the Deputy Architect of the Capitol by the Legislative Branch Appropriations Act, 2003”.

2 USC 1803.

SEC. 1206. ASSISTANT ARCHITECT. Notwithstanding any other provision of law, the compensation of the Assistant Architect who is incumbent in that position when the position of Assistant Architect is abolished shall not be reduced so long as the former Assistant Architect is employed at the Office of the Architect of the Capitol. Whenever the Architect of the Capitol receives a pay adjustment after the date of enactment of this section, the compensation of such former Assistant Architect shall be adjusted by the same percentage as the compensation of the Architect of the Capitol. The authority granted in this section shall be in addition to the authority the Architect of the Capitol has in section 129(c)(1)(A) of the Legislative Branch Appropriations Act, 2002, as amended by this Act, to fix the rate of basic pay for not more than 15 positions at a rate not to exceed the highest total rate of pay for the Senior Executive Service under subchapter VIII of chapter 53 of title 5, United States Code, for the locality involved.

2 USC 1848.

SEC. 1207. SENATE STAFF HEALTH AND FITNESS FACILITY. Section 4 of the Legislative Branch Appropriations Act, 2001 (2 U.S.C. 121f) is amended—

- (1) in subsection (a), by inserting “Staff” after “Senate”;
- (2) in subsection (b)(1), by inserting “Staff” after “Senate”;
- (3) in subsection (c), by inserting “Staff” after “costs of the Senate”;
- (4) in subsection (d), by inserting “Staff” after “Senate”;

and

- (5) by striking subsection (e) and inserting the following:

“(e) The Committee on Rules and Administration of the Senate shall promulgate regulations pertaining to the operation and use of the Senate Staff Health and Fitness Facility.”.

Regulations.

SEC. 1208. ALLOCATION OF RESPONSIBILITY FOR LIBRARY BUILDINGS AND GROUNDS. (a) IN GENERAL.—The first section of the Act of June 29, 1922 (2 U.S.C. 141) is amended to read as follows:

2 USC 142.

“SECTION 1. ALLOCATION OF RESPONSIBILITIES FOR LIBRARY BUILDINGS AND GROUNDS.

“(a) ARCHITECT OF THE CAPITOL.—

“(1) IN GENERAL.—The Architect of the Capitol shall have charge of all work at the Library of Congress buildings and grounds (as defined in section 11 of the Act entitled ‘An Act relating to the policing of the buildings of the Library of Congress’ approved August 4, 1950 (2 U.S.C. 167(j)) that affects—

“(A) the structural integrity of the buildings;

“(B) buildings systems, including mechanical, electrical, plumbing, and elevators;

“(C) the architectural features of the buildings;

“(D) compliance with building and fire codes, laws, and regulations with respect to the specific responsibilities set forth under this paragraph;

“(E) the care and maintenance of Library grounds; and

“(F) purchase of all equipment necessary to fulfill the responsibilities set forth under this paragraph.

“(2) EMPLOYEES.—The employees required for the performance of the duties under paragraph (1) shall be appointed by the Architect of the Capitol.

“(b) LIBRARIAN OF CONGRESS.—The Librarian of Congress shall have charge of all work (other than work under subsection (a)) at the Library of Congress buildings and grounds.

“(c) TRANSFER OF FUNDS.—The Architect of the Capitol and the Librarian of Congress may enter into agreements with each other to perform work under this section, and, subject to the approval of the Committees on Appropriations of the House of Representatives and the Senate and the Joint Committee on the Library, may transfer between themselves appropriations or other available funds to pay the costs therefor.”

Applicability.
2 USC 141 note.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 1209. Notwithstanding any other provision of law, the Architect of the Capitol may accept appropriations and services from other Federal agencies for the purpose of enhancing security for projects under his jurisdiction upon the prior approval of the Committees on Appropriations of the House and the Senate.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Union Catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, \$358,474,000, of which not more than \$6,500,000 shall be derived from collections credited to this appropriation during fiscal year 2003, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C. 150) and not more than \$350,000 shall be derived from collections during fiscal year 2003 and shall remain available until expended for the development and maintenance of an international legal information database and activities related thereto: *Provided*, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: *Provided further*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the \$6,850,000: *Provided further*, That of the total amount appropriated, \$10,886,000 is to remain available until

expended for acquisition of books, periodicals, newspapers, and all other materials including subscriptions for bibliographic services for the Library, including \$40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: *Provided further*, That of the total amount appropriated, not more than \$12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices: *Provided further*, That of the total amount appropriated, \$911,000 shall remain available until expended for the acquisition and partial support for implementation of an Integrated Library System (ILS): *Provided further*, That of the total amount appropriated, \$11,100,000 shall remain available until expended for the purpose of teaching educators how to incorporate the Library's digital collections into school curricula and shall be transferred to the educational consortium formed to conduct the "Joining Hands Across America: Local Community Initiative" project as approved by the Library: *Provided further*, That of the amount appropriated, \$500,000 shall remain available until expended, and shall be transferred to the Abraham Lincoln Bicentennial Commission for carrying out the purposes of Public Law 106–173, of which amount \$10,000 may be used for official representation and reception expenses of the Abraham Lincoln Bicentennial Commission: *Provided further*, That of the total amount appropriated, \$4,250,000 shall remain available until September 30, 2007 for the acquisition and partial support for implementation of a Central Financial Management System: *Provided further*, That of the total amount appropriated, \$789,000 shall remain available until September 30, 2004 for the Lewis and Clark Exhibition and an additional \$200,000 shall remain available until expended, and shall be transferred to Southern Illinois University for the purpose of developing a permanent commemoration of the Lewis and Clark Expedition: *Provided further*, That of the total amount appropriated, \$10,000,000 shall remain available until expended for the purpose of developing a high-speed data transmission between the Library of Congress and educational facilities, libraries, or networks serving Western North Carolina: *Provided further*, That, of the total amount appropriated, \$500,000 shall remain available until expended and shall be equally divided and transferred to the Alexandria Museum of Art and the New Orleans Museum of Art for activities relating to the Louisiana Purchase Bicentennial Celebration.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, \$39,226,000, of which not more than \$23,321,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal year 2003 under section 708(d) of title 17, United States Code: *Provided*, That the Copyright Office may not obligate or expend any funds derived from collections under such section, in excess of the amount authorized for obligation or expenditure in appropriations Acts: *Provided further*, That not more than \$6,191,000 shall be derived from collections during fiscal year 2003 under sections 111(d)(2), 119(b)(2), 802(h), and 1005 of such title: *Provided further*, That the total amount available for obligation

shall be reduced by the amount by which collections are less than \$29,512,000: *Provided further*, That not more than \$100,000 of the amount appropriated is available for the maintenance of an “International Copyright Institute” in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: *Provided further*, That not more than \$4,250 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute and for copyright delegations, visitors, and seminars.

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, \$86,952,000: *Provided*, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C. 135a), \$50,963,000, of which \$14,697,000 shall remain available until expended: *Provided*, That, of the total amount appropriated, \$1,000,000 shall remain available until expended to reimburse the National Federation of the Blind for costs incurred in the operation of its “NEWSLINE” program.

ADMINISTRATIVE PROVISIONS

SEC. 1301. Of the amounts appropriated to the Library of Congress in this Act, not more than \$5,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the incentive awards program.

SEC. 1302. (a) For fiscal year 2003, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed \$109,929,000.

(b) The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch.

(c) During fiscal year 2003, the Librarian of Congress may temporarily transfer funds appropriated in this Act under the heading “LIBRARY OF CONGRESS—SALARIES AND EXPENSES” to the revolving fund for the FEDLINK Program and the Federal

Research Program established under section 103 of the Library of Congress Fiscal Operations Improvement Act of 2000 (Public Law 106–481; 2 U.S.C. 182c): *Provided*, That the total amount of such transfers may not exceed \$1,900,000: *Provided further*, That the appropriate revolving fund account shall reimburse the Library for any amounts transferred to it before the period of availability of the Library appropriation expires.

SEC. 1303. NATIONAL DIGITAL INFORMATION INFRASTRUCTURE AND PRESERVATION PROGRAM.—The Miscellaneous Appropriations Act, 2001 (as enacted by section 1(a)(4) of Public Law 106–554, 114 Stat. 2763A–194), division A, chapter 9, under the heading “Library of Congress” “Salaries and Expenses” is amended by striking “March 31, 2003” and inserting “March 31, 2005”.

SEC. 1304. ABRAHAM LINCOLN BICENTENNIAL COMMISSION. The Abraham Lincoln Bicentennial Commission Act (36 U.S.C. note prec. 101; Public Law 106–173) is amended—

(1) in section 6(b), by striking paragraph (2) and inserting the following:

“(2) STAFF.—Consistent with all other applicable Federal laws governing appointments and compensation, the staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.”; and

(2) in section 7(h)(3), by striking “subsection (b)(2)” and inserting “section 6(b)(2)”.

SEC. 1305. Section 2(c)(3) of the History of the House Awareness and Preservation Act (2 U.S.C. 183(c)(3)) is amended by inserting “excerpts of” after “dissemination of”.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(INCLUDING TRANSFER OF FUNDS)

For authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (section 902 of title 44, United States Code); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, \$90,143,000: *Provided*, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under section 906 of title 44, United States Code: *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years: *Provided further*, That notwithstanding the 2-year limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter

7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code: *Provided further*, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, \$29,661,000: *Provided*, That amounts of not more than \$2,000,000 from current year appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for 2001 and 2002 to depository and other designated libraries: *Provided further*, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the Government Printing Office revolving fund: *Provided*, That not more than \$2,500 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: *Provided further*, That the revolving fund shall be available for the hire or purchase of not more than 12 passenger motor vehicles: *Provided further*, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: *Provided further*, That the revolving fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: *Provided further*, That the revolving fund and the funds provided under the headings "OFFICE OF SUPERINTENDENT OF DOCUMENTS" and

“SALARIES AND EXPENSES” together may not be available for the full-time equivalent employment of more than 3,219 workyears (or such other number of workyears as the Public Printer may request, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate): *Provided further*, That activities financed through the revolving fund may provide information in any format.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not more than \$12,500 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with section 3324 of title 31, United States Code; benefits comparable to those payable under section 901(5), (6), and (8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), (6), and (8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, \$451,134,000: *Provided*, That not more than \$2,210,000 of payments received under section 782 of title 31, United States Code, shall be available for use in fiscal year 2003: *Provided further*, That not more than \$790,000 of reimbursements received under section 9105 of title 31, United States Code, shall be available for use in fiscal year 2003: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum’s costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants: *Provided further*, That payments hereunder to the Forum may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences.

PAYMENT TO THE OPEN WORLD LEADERSHIP CENTER TRUST FUND

For a payment to the Open World Leadership Center Trust Fund for financing activities of the Open World Leadership Center, \$13,000,000.

ADMINISTRATIVE PROVISION

SEC. 1401. OPEN WORLD LEADERSHIP CENTER. (a) IN GENERAL.—Section 313 of the Legislative Branch Appropriations Act, 2001 (2 U.S.C. 1151) is amended—

(1) in the section heading, by striking “CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT” and inserting “OPEN WORLD LEADERSHIP CENTER”;

(2) in subsection (a)—

(A) in paragraph (1), by striking all after “Government” and inserting “a center to be known as the ‘Open World Leadership Center (the ‘Center’).”;

(B) in paragraph (2)—

(i) by inserting “(the ‘Board’)” after “Board of Trustees”;

(ii) in subparagraph (D), by striking “United States and Russian relations” and inserting “relations between the United States and eligible foreign states”;

(3) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “Russia” and inserting “eligible foreign states”;

(ii) by striking the period at the end and inserting the following: “and to establish and administer a program to enable cultural leaders of Russia to gain significant, firsthand exposure to the operation of American cultural institutions.”;

(B) in paragraph (2), by striking “Russian nationals” and inserting “nationals of eligible foreign states”;

(C) in paragraph (3)—

(i) in subparagraph (B), by striking “3,000” and inserting “3,500”;

(ii) in subparagraph (C)(i), by striking “Russia” and inserting “an eligible foreign state”;

(4) in subsection (c)—

(A) in paragraph (1), by striking “Russian Leadership Development Center Trust Fund” and inserting “Open World Leadership Center Trust Fund”;

(B) in paragraph (3)(B), by striking “of Trustees of the Center”;

(5) in subsection (h)(2), by striking “of Trustees of the Center”;

(6) by adding at the end the following:

“(j) ELIGIBLE FOREIGN STATE DEFINED.—In this section, the term ‘eligible foreign state’ means—

“(1) any country specified in section 3 of the FREEDOM Support Act (22 U.S.C. 5801); and

“(2) Estonia, Latvia, and Lithuania.”.

2 USC 1151 note.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of enactment of this Act.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under

regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 202. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal year 2003 unless expressly so provided in this Act.

SEC. 203. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: *Provided*, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto.

SEC. 204. The expenditure of any appropriation under this Act for any consulting service through procurement contract, under section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued under existing law.

Contracts.
Public
information.

SEC. 205. Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of the Congressional Accountability Act to pay awards and settlements as authorized under such subsection.

SEC. 206. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed \$2,000.

SEC. 207. Section 316 of Public Law 101-302 is amended in the first sentence of subsection (a) by striking “2002” and inserting “2003”.

2 USC 2107.

SEC. 208. The Architect of the Capitol, in consultation with the District of Columbia, is authorized to maintain and improve the landscape features, excluding streets and sidewalks, in the irregular shaped grassy areas bounded by Washington Avenue, SW on the northeast, Second Street SW on the west, Square 582 on the south, and the beginning of the I-395 tunnel on the southeast.

SEC. 209. JOHN C. STENNIS CENTER FOR PUBLIC SERVICE TRAINING AND DEVELOPMENT. There are appropriated, out of any funds in the Treasury not otherwise appropriated, \$300,000, to remain available until expended, to the John C. Stennis Center for Public Service Training and Development.

SEC. 210. TITLE II OF THE CONGRESSIONAL AWARD ACT. There are appropriated, out of any funds in the Treasury not otherwise appropriated, \$250,000, to remain available until expended, to carry out title II of the Congressional Award Act (2 U.S.C. 811 et seq.): *Provided*, That funds appropriated for this purpose do not exceed 100 percent of funds donated to the Board in cash or in kind

under section 208(c) of the Congressional Award Act: *Provided further*, That such funds are used for staff salaries and overhead, postage, travel, equipment, and accounting costs.

26 USC note
prec. 6031.

SEC. 211. (a) Each office in the legislative branch, except the House and the Senate, which is responsible for preparing any written statement furnished under part 3 of subchapter A of chapter 61 of the Internal Revenue Code of 1986 on behalf of a person shall make the statement available to the person in an electronic format (at the direction of the person) which will enable the person to provide the statement electronically to a tax preparer or other provider of financial services.

Applicability.

(b) Subsection (a) shall apply with respect to statements prepared for taxable years ending on or after December 31, 2004.

SEC. 212. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

This division may be cited as the “Legislative Branch Appropriations Act, 2003”.

Transportation
and Related
Agencies
Appropriations
Act, 2003.

DIVISION I—TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, \$89,447,000, of which not to exceed \$2,211,000 shall be available for the immediate Office of the Secretary; not to exceed \$809,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed \$15,657,000 shall be available for the Office of the General Counsel; not to exceed \$12,452,000 shall be available for the Office of the Under Secretary of Transportation for Policy; not to exceed \$8,375,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed \$2,453,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed \$29,071,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed \$1,926,000 shall be available for the Office of Public Affairs; not to exceed \$1,391,000 shall be available for the Office of the Executive Secretariat; not to exceed \$611,000 shall be available for the Board of Contract Appeals; not to exceed

\$1,304,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed \$13,187,000 shall be available for the Office of the Chief Information Officer: *Provided*, That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: *Provided further*, That no appropriation for any office shall be increased or decreased by more than 5 percent by all such transfers: *Provided further*, That any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations: *Provided further*, That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: *Provided further*, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees: *Provided further*, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, \$8,700,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, \$21,000,000.

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed \$131,766,000, shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency modal administrator: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, \$500,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, \$400,000.

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, \$3,000,000, to remain available until September 30, 2004: *Provided*, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

In addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, \$52,100,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For necessary expenses of the Transportation Security Administration related to providing civil aviation security services pursuant to Public Law 107-71, \$4,516,300,000, to remain available until expended, of which \$3,037,900,000 shall be available for screening activities and of which \$1,478,400,000 shall be available for airport support and enforcement presence: *Provided*, That \$144,000,000 shall be derived by reimbursement from “Federal Aviation Administration, Facilities and equipment”, for explosives detection systems: *Provided further*, That security service fees authorized under 49 U.S.C. 44940 shall be credited to this appropriation as offsetting collections and used for providing civil aviation security services authorized by that section: *Provided further*, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2003, so as to result in a final fiscal year appropriation from the general fund estimated at not more than \$1,866,300,000: *Provided further*, That any security service fees collected in excess of the amount appropriated under this heading shall be treated as offsetting collections in fiscal year 2004: *Provided further*, That none of the funds in this Act shall be used to recruit or hire personnel into the Transportation Security Administration which would cause the agency to exceed a staffing level of 45,000 full-time permanent positions: *Provided further*, That of the total amount provided herein, \$265,000,000 shall be available only for physical modification of commercial service airports for the purpose of installing checked baggage explosive detection systems and \$174,500,000 shall be available only for procurement of checked baggage explosive detection systems, including explosive trace detection systems.

MARITIME AND LAND SECURITY

For necessary expenses of the Transportation Security Administration related to maritime and land transportation security grants and services pursuant to Public Law 107-71, \$244,800,000, to remain available until expended: *Provided*, That of the total amount provided herein, \$150,000,000 shall be available only to make port

security grants, which shall be distributed under the same terms and conditions as provided for under Public Law 107-117; \$4,000,000 shall be available only for radiation detection and monitoring system evaluation and procurement; and \$30,000,000 shall be available only to execute grants, contracts, and interagency agreements for the purpose of deploying Operation Safe Commerce.

RESEARCH AND DEVELOPMENT

For necessary expenses of the Transportation Security Administration for research and development related to transportation security, \$110,200,000, to remain available until expended: *Provided*, That of the total amount provided herein, \$10,000,000 shall be available only to make research and development grants for port security pursuant to the terms and conditions of section 70107(i) of Public Law 107-295.

ADMINISTRATION

For necessary administrative expenses of the Transportation Security Administration, including intelligence activities, pursuant to Public Law 107-71, \$308,700,000, to remain available until expended.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare, \$4,322,122,000, of which \$340,000,000 shall be available for defense-related activities; and of which \$25,000,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That none of the funds appropriated in this or any other Act shall be available for pay of administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available to compensate in excess of 37 active duty flag officer billets: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further*, That notwithstanding section 1116(c) of title 10, United States Code, amounts made available under this heading may be used to make payments into the Department of Defense Medicare-Eligible Retiree Health Care Fund for fiscal year 2003 under section 1116(a) of title 10, United States Code: *Provided further*, That of the amounts made available under this heading, not less than \$15,686,000 shall be used solely to increase staffing at search and rescue stations, surf stations and command centers; increase the training and experience level of individuals serving in said stations through targeted retention efforts; revise personnel policies and expand training programs; and to modernize and improve the quantity and quality of personal safety equipment, including survival suits, for personnel assigned to said stations:

Records.
Certification.

Provided further, That the Comptroller General of the United States shall audit and certify to the House and Senate Committees on Appropriations that the funding described in the preceding proviso is being used solely to supplement and not supplant the Coast Guard's level of effort in this area in fiscal year 2002.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, \$742,100,000, of which \$20,000,000 shall be derived from the Oil Spill Liability Trust Fund; of which \$25,600,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2007; \$4,000,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 2005; \$121,300,000 shall be available for other equipment, to remain available until September 30, 2005; \$50,200,000 shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 2005; \$63,000,000 shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 2004; and \$478,000,000 shall be available for the Integrated Deepwater Systems program, to remain available until September 30, 2006: *Provided*, That the Commandant of the Coast Guard is authorized to dispose of surplus real property, by sale or lease, and the proceeds shall be credited to this appropriation as offsetting collections and made available only for the National Distress and Response System Modernization program, to remain available for obligation until September 30, 2004: *Provided further*, That none of the funds provided under this heading may be obligated or expended for the Integrated Deepwater Systems (IDS) system integration contract in fiscal year 2003 until the Secretary or Deputy Secretary of Transportation and the Director, Office of Management and Budget jointly certify to the House and Senate Committees on Appropriations that funding for the IDS program for fiscal years 2004 through 2008, funding for the National Distress and Response System Modernization program to allow for full deployment of said system by 2006, and funding for other essential search and rescue procurements, are fully funded in the Coast Guard Capital Investment Plan and within the Office of Management and Budget's budgetary projections for the Coast Guard for those years: *Provided further*, That the Director, Office of Management and Budget shall submit the budget request for the IDS integration contract delineating subheadings which include the following: systems integrator, ship construction, aircraft, equipment, and communication, providing specific assets and costs under each subheading: *Provided further*, That upon initial submission to the Congress of the fiscal year 2004 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the United States Coast Guard which includes funding for each budget line item for fiscal years 2004 through 2008, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget: *Provided further*, That the amount herein appropriated shall be reduced by \$150,000 per day for each

day after initial submission of the President's budget that the plan has not been submitted to the Congress.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, \$17,000,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, \$17,000,000, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, \$17,200,000, to remain available until expended: *Provided*, That funds for bridge alteration projects conducted pursuant to 33 U.S.C. 511 are available only to the extent that the steel, iron, and manufactured products used in such projects are produced in the United States, unless contrary to law or international agreement, or unless the Commandant of the Coast Guard determines such action to be inconsistent with the public interest or the cost unreasonable.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payments for career status bonuses under the National Defense Authorization Act, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), \$889,000,000.

RESERVE TRAINING

For all necessary expenses of the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, \$86,495,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, \$22,000,000, to remain available until expended, of which \$3,500,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That there may be credited to and used for the purposes of this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities, the operation (including leasing) and maintenance of aircraft, subsidizing the cost of aeronautical charts and maps sold to the public, lease or purchase of passenger motor vehicles for replacement only, in addition to amounts made available by Public Law 104-264, \$7,069,019,000, of which \$3,799,278,000 shall be derived from the Airport and Airway Trust Fund, of which not to exceed \$5,716,046,000 shall be available for air traffic services program activities; not to exceed \$836,007,000 shall be available for aviation regulation and certification program activities; not to exceed \$207,600,000 shall be available for research and acquisition program activities; not to exceed \$12,325,000 shall be available for commercial space transportation program activities; not to exceed \$48,782,000 shall be available for financial services program activities; not to exceed \$69,307,000 shall be available for human resources program activities; not to exceed \$83,392,000 shall be available for regional coordination program activities; not to exceed \$82,974,000 shall be available for staff offices; and not to exceed \$29,650,000 shall be available for information services: *Provided*, That none of the funds in this Act shall be available for the Federal Aviation Administration to finalize or implement any regulation that would promulgate new aviation user fees not specifically authorized by law after the date of the enactment of this Act: *Provided further*, That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: *Provided further*, That of the funds appropriated under this heading, not less than \$6,000,000 shall be for the contract tower cost-sharing program: *Provided further*, That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: *Provided further*, That none of the funds in this Act shall be available for new applicants for the second career training program: *Provided further*, That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: *Provided further*, That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United States: *Provided further*, That none of the funds in this Act for aeronautical charting and cartography are available for activities conducted by, or coordinated through, the Working Capital Fund.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized under part A of subtitle VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this heading; to be derived from the Airport and Airway Trust Fund, \$2,981,022,000, of which \$2,576,366,760 shall remain available until September 30, 2005, and of which \$404,655,240 shall remain available until September 30, 2003: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further*, That upon initial submission to the Congress of the fiscal year 2004 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the Federal Aviation Administration which includes funding for each budget line item for fiscal years 2004 through 2008, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget. Plan.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, \$20,000,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, \$148,450,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2005: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations; for procurement, installation, and commissioning of runway incursion prevention devices and systems at airports of such title; for implementation of section 203 of Public Law 106-181; and for inspection activities and administration of airport safety programs, including those related to airport operating certificates under section 44706 of title 49, United States Code, \$3,100,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds under this heading shall be available for the planning or execution of programs the obligations for which are in excess of \$3,400,000,000 in fiscal year 2003, notwithstanding section 47117(g) of title 49, United States Code: *Provided further*, That notwithstanding any other provision of law, not more than \$63,620,000 of funds limited under this heading shall be obligated for administration and not less than \$20,000,000 shall be for the Small Community Air Service Development Pilot Program.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program for aviation insurance activities under chapter 443 of title 49, United States Code.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Necessary expenses for administration and operation of the Federal Highway Administration, not to exceed \$316,126,000, shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That of the funds available under section 104(a)(1)(A) of title 23, United States Code: \$7,500,000 shall be available for “Child Passenger Protection Education Grants” under section 2003(b) of Public Law 105-178, as amended; \$47,000,000 shall be available for construction of State border safety inspection facilities at the United States/Mexico border, and shall remain available until expended; \$59,967,000 shall be available for border enforcement activities required by section 350 of Public Law 107-87, and shall remain available until expended; \$269,700,000 shall be available in addition to funds made available by section 330

of this Act, to enable the Secretary of Transportation to make grants for surface transportation projects, and shall remain available until expended; and \$7,000,000 shall be available for environmental streamlining activities, which may include making grants to, or entering into contracts, cooperative agreements, and other transactions, with a Federal agency, State agency, local agency, authority, association, nonprofit or for-profit corporation, or institution of higher education: *Provided further*, That notwithstanding any other provision of law, the surface transportation projects identified in the Joint Explanatory Statement of the Committee of Conference accompanying this Act are eligible for funding made available for surface transportation projects under this heading: *Provided further*, That the Federal share payable on account of any such project carried out with funds made available under this heading shall be 100 percent.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of \$31,800,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 2003: *Provided*, That within the \$31,800,000,000 obligation limitation on Federal-aid highways and highway safety construction programs, not more than \$462,500,000 shall be available for the implementation or execution of programs for transportation research (sections 502, 503, 504, 506, 507, and 508 of title 23, United States Code, as amended; section 5505 of title 49, United States Code, as amended; and sections 5112 and 5204–5209 of Public Law 105–178) for fiscal year 2003: *Provided further*, That this limitation on transportation research programs shall not apply to any authority previously made available for obligation: *Provided further*, That within the \$232,000,000 obligation limitation on Intelligent Transportation Systems, the following sums shall be made available for Intelligent Transportation System projects that are designed to achieve the goals and purposes set forth in section 5203 of the Intelligent Transportation Systems Act of 1998 (subtitle C of title V of Public Law 105–178; 112 Stat. 453; 23 U.S.C. 502 note) in the following specified areas:

23 USC 104 note.

Advance Traveler Information System & Smart Card System, Ohio, \$1,000,000;

Advanced Traffic Analysis Center, North Dakota State University, \$1,000,000;

Alaska Statewide: Smart Emergency Medical Access System, \$1,000,000;

Automated Vehicle Location (AVL) and Mobile Data Terminals—PalmTran, Palm Beach, Florida, \$850,000;

Baton Rouge, Louisiana, \$750,000;

Bozeman Pass Wildlife Channelization Study, Montana, \$250,000;

Capital District Transportation Authority, Customer Information ITS Project, New York, \$800,000;

CCTA Burlington Multimodal Transit Center, Vermont, \$500,000;

C-DOT ITS for I-70 Tunnels, Colorado, \$3,700,000;
Center for Injury Sciences UAB Crash Notification, Alabama, \$3,000,000;
Central Florida Regional Trans. Authority Orange/Seminole ITS, \$1,500,000;
Chapel Hill Transit, North Carolina, real time passenger information system and vehicle location system, \$750,000;
Chattanooga (CARTA) ITS, Tennessee, \$1,875,000;
Cicero Avenue travel information system, Illinois, \$300,000;
City of Austin, Texas ITS Deployment Program, Texas, \$500,000;
City of Boston intelligent transportation system, Massachusetts, \$1,000,000;
City of Inglewood, California intelligent transportation system deployment project, \$500,000;
CVISN, New Mexico, \$525,000;
DelDOT Integrated Transportation Management System, DelTrac, Statewide Transit Passenger Information System, Delaware, \$1,000,000;
Elkhorn Boulevard Project, Sacramento, California, \$125,000;
Emergency Vehicle Access Program, Antrim, Pennsylvania, \$60,000;
Emergency Vehicle Optical Pre-Emption, Town of Islip, New York, \$595,000;
Flint Mass Transportation Authority ITS program, Michigan, \$1,000,000;
Fog Detection Improvements and Traffic Monitoring, Rural Mountain Region, North Carolina, \$200,000;
Gettysburg Borough Signal Coordination and Upgrade-Signalization; Adams County, Pennsylvania, \$1,500,000;
GMU ITS Research, Virginia, \$1,000,000;
Great Lakes ITS program, Michigan, \$1,500,000;
Harrison County Sheriff's Department ITS, Mississippi, \$750,000;
HART Bus Tracking & Communication, Florida, \$4,000,000;
Hoosier SAFE-T, Indiana, \$500,000;
Houma, Louisiana, \$1,250,000;
Huntsville, Alabama, \$1,500,000;
I-80 Dynamic Message Signs, Southern Wyoming, \$3,000,000;
I-90 Truck Wind Warning System, Columbia River, Washington, \$125,000;
Idaho Commercial Vehicle Systems and Networks (CVISN), \$750,000;
Illinois Statewide, \$2,500,000;
Intelligent transportation, Autonomous dial-a-ride transit (ADART) phase IV implementation, Corpus Christi, Texas, \$500,000;
Intermodal ITS center, Orleans Parish, Louisiana, \$500,000;
Interstate 95/Interstate 40 travel information improvements, Johnston County, North Carolina, \$500,000;
Iowa Statewide ITS, Iowa, \$1,400,000;
Kansas City Scout Advanced Traffic Management System, Missouri, \$1,500,000;

Kansas City, Kansas Smart Port, \$500,000;
Kent Intracity Transit Project, Washington, \$1,500,000;
Law Enforcement Communications for Security, Biometrics, Iowa, \$2,550,000;
Lynnwood ITS, Washington, \$2,000,000;
Macomb County ITS Integration, Michigan, \$250,000;
Maine Statewide Rural Advanced Traveler Info. System, \$1,000,000;
Maryland Statewide ITS, \$1,000,000;
Metrolina Traffic Management Center Communication, North Carolina, \$2,000,000;
MetroLink Los Angeles Union Station (LAUS) passenger information delivery system project, California, \$500,000;
Minnesota Guidestar, \$9,100,000;
Missouri Statewide Rural ITS, \$2,150,000;
Montachusett Area Regional Transit (MART) advanced vehicle located system, Massachusetts, \$200,000;
Monterey-Salinas Transit, intelligent transportation system, California, \$750,000;
Nebraska Statewide ITS, \$3,000,000;
New Bedford ITS Port Information Center, Massachusetts, \$1,000,000;
New York Metropolitan Area enhanced operations, New York, \$655,000;
Northern Virginia ITS, Virginia, \$750,000;
Oklahoma Statewide ITS, \$2,750,000;
Pennsylvania Turnpike Commission, Pennsylvania, \$2,000,000;
Program of Projects, Washington, \$5,000,000;
Providence Transportation Information Center ITS, Rhode Island, \$1,500,000;
Richmond Highway intelligent transportation system project, Virginia, \$400,000;
Round Rock, Texas, Williamson County, Communications Integration, \$500,000;
Rural Highway Information System, Kentucky, \$6,000,000;
Sacramento Area Council of Governments, Sacramento region intelligent transportation system projects, California, \$1,000,000;
Salem, New Hampshire ITS, \$900,000;
San Diego Joint Transportation Operations Center, California, \$2,000,000;
Santa Teresa Border Tech Center, New Mexico State University, \$1,000,000;
Shreveport ITS, Louisiana, \$1,000,000;
Sierra Madre Intermodal Transportation Center, California, \$1,500,000;
South Carolina DOT Statewide ITS, \$1,500,000;
South Com Regional Dispatch Trauma Center, Matteson, Olympia Fields, and Richton Park, Illinois, \$100,000;
SR-68/Riverside Dr. ITS, Espanola, New Mexico, \$500,000;
State of Wisconsin, deployment of commercial vehicle information system and networks, level one capability, \$500,000;
Statewide Transportation Operations Center, Kentucky, \$1,365,000;

Surface Transportation Institute, University of North Dakota, \$1,000,000;

Surveillance Camera and Transportation Management Center, Des Moines, Iowa, \$400,000;

The Rapid, Grand Rapids, Michigan Public Transportation, \$1,000,000;

Traffic Corridor Communications System, Lake County, Illinois, \$2,000,000;

Tri-Cities Advanced Traffic Management System, Washington, \$500,000;

Tucson ER-LINK ITS project, Arizona, \$625,000;

UALR Intelligent transportation system, Little Rock, Arkansas, \$250,000;

University of Nebraska Lincoln SMART Transportation, \$1,000,000;

University of Kentucky Transportation Center, \$1,500,000;

US-395 Columbia River Bridge Traffic Operations and Traveler Information System, Washington, \$250,000;

Utah ITS Commuter Link, Davis and Utah Counties, \$1,000,000;

Vermont Statewide Rural Advanced Traveler System, \$1,500,000;

Vermont Variable Message Signs, \$1,000,000;

Washington, DC Metro ITS, \$2,000,000; and

Wisconsin State Patrol Mobile Data Communications Network Upgrade, \$2,000,000.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursement for sums expended pursuant to the provisions of 23 U.S.C. 308, \$32,000,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

(RESCISSION)

Of the unobligated balances made available under Public Law 103-331, Public Law 102-388, Public Law 102-240, Public Law 102-143, Public Law 101-516, Public Law 97-424, Public Law 101-164, Public Law 100-17, and Public Law 95-599, \$5,609,337 is rescinded.

(RESCISSION)

Of the unobligated balances of funds apportioned to each State under the programs authorized under sections 1101(a)(1), 1101(a)(2), 1101(a)(3), 1101(a)(4) and 1101(a)(5) of Public Law 105-178, as amended, \$250,000,000 are rescinded.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

For necessary expenses for the Appalachian Development Highway System as authorized under section 1069(y) of Public Law 102–240, as amended, \$188,000,000, to remain available until expended.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

MOTOR CARRIER SAFETY

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

For necessary expenses for administration of motor carrier safety programs and motor carrier safety research, pursuant to section 104(a)(1)(B) of title 23, United States Code, not to exceed \$117,464,000 shall be paid in accordance with law from appropriations made available by this Act and from any available take-down balances to the Federal Motor Carrier Safety Administration, together with advances and reimbursements received by the Federal Motor Carrier Safety Administration: *Provided*, That such amounts shall be available to carry out the functions and operations of the Federal Motor Carrier Safety Administration.

NATIONAL MOTOR CARRIER SAFETY PROGRAM

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for payment of obligations incurred in carrying out 49 U.S.C. 31102, 31106 and 31309, \$190,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of \$190,000,000 for “Motor Carrier Safety Grants”, and “Information Systems”.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 49, United States Code, and part C of subtitle VI of title 49, United States Code, \$138,288,000, of which \$98,161,131 shall remain available until September 30, 2005: *Provided*, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 403, to remain available until expended, \$72,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2003, are in excess of \$72,000,000 for programs authorized under 23 U.S.C. 403.

NATIONAL DRIVER REGISTER

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to the National Driver Register under chapter 303 of title 49, United States Code, \$2,000,000, to be derived from the Highway Trust Fund, and to remain available until expended.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402, 405, and 410, to remain available until expended, \$225,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2003, are in excess of \$225,000,000 for programs authorized under 23 U.S.C. 402, 405, and 410, of which \$165,000,000 shall be for “Highway Safety Programs” under 23 U.S.C. 402, \$20,000,000 shall be for “Occupant Protection Incentive Grants” under 23 U.S.C. 405, and \$40,000,000 shall be for “Alcohol-Impaired Driving Countermeasures Grants” under 23 U.S.C. 410: *Provided further*, That none of these funds shall be used for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That not to exceed \$8,150,000 of the funds made available for section 402, not to exceed \$1,000,000 of the funds made available for section 405, and not to exceed \$2,000,000 of the funds made available for section 410 shall be available to NHTSA for administering highway safety grants under chapter 4 of title 23, United States Code: *Provided further*, That not to exceed \$500,000 of the funds made available for section 410 “Alcohol-Impaired Driving Countermeasures Grants” shall be available for technical assistance to the States.

FEDERAL RAILROAD ADMINISTRATION

SAFETY AND OPERATIONS

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, \$117,363,000, of which \$6,636,000 shall remain available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, \$29,325,000, to remain available until expended.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantee commitments shall be made using Federal funds for the credit risk premium during fiscal year 2003: *Provided further*, That no payments of principal or interest shall be collected during fiscal year 2003 for the direct loan made to the National Railroad Passenger Corporation under section 502 of such Act.

NEXT GENERATION HIGH-SPEED RAIL

For necessary expenses for the Next Generation High-Speed Rail program as authorized under 49 U.S.C. 26101 and 26102, \$30,450,000, to remain available until expended.

ALASKA RAILROAD REHABILITATION

To enable the Secretary of Transportation to make grants to the Alaska Railroad, \$22,000,000 shall be for capital rehabilitation and improvements benefiting its passenger operations, to remain available until expended.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation, \$1,050,000,000, to remain available until September 30, 2003, including \$522,000,000 for quarterly grants for operating expenses, \$295,000,000 for quarterly grants for capital expenses along the Northeast Corridor Mainline, and \$233,000,000 for quarterly grants for general capital improvements: *Provided*, That the Secretary of Transportation shall approve funding to cover operating losses on a long-distance train of the National Railroad Passenger Corporation only after receiving and reviewing a grant request for each specific train route: *Provided further*, That each such grant request shall be accompanied by a detailed financial analysis and revenue projection justifying the Federal support to the Secretary's satisfaction: *Provided further*,

That the Secretary of Transportation and the Amtrak Board of Directors shall ensure that, of the amount made available under this heading, sufficient sums are reserved to satisfy the contractual obligations of the National Railroad Passenger Corporation for commuter and intercity passenger rail service: *Provided further*, That within 60 days of enactment of this Act but not later than May 1, 2003, Amtrak shall transmit to the Secretary of Transportation and the House and Senate Committees on Appropriations a business plan for operating and capital improvements to be funded in fiscal year 2003 under section 24104(a) of title 49, United States Code: *Provided further*, That the business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by this business plan: *Provided further*, That not later than June 1, 2003 and each month thereafter, Amtrak shall submit to the Secretary of Transportation and the House and Senate Committees on Appropriations a supplemental report regarding the business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes: *Provided further*, That excluding payments made before March 1, 2003, none of the funds in this Act may be used for operating expenses and capital projects not approved by the Secretary of Transportation nor on the National Railroad Passenger Corporation's fiscal year 2003 business plan: *Provided further*, That none of the funds under this heading may be obligated or expended until the National Railroad Passenger Corporation agrees to continue abiding by the provisions of paragraphs 1, 2, 3, 5, 9, and 11 of the summary of conditions for the direct loan agreement of June 28, 2002, in the same manner as in effect on the date of enactment of this Act.

Deadline.
Plan.

Deadline.
Reports.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, \$14,600,000: *Provided*, That no more than \$73,000,000 of budget authority shall be available for these purposes: *Provided further*, That of the funds in this Act available for the execution of contracts under section 5327(c) of title 49, United States Code, \$2,000,000 shall be reimbursed to the Department of Transportation's Office of Inspector General for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems: *Provided further*, That not to exceed \$2,600,000 for the National transit database shall remain available until expended.

FORMULA GRANTS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out 49 U.S.C. 5307, 5308, 5310, 5311, 5327, and section 3038 of Public Law 105-178, \$767,800,000, to remain available until expended: *Provided*, That no more than \$3,839,000,000 of budget authority shall be available for these purposes: *Provided further*, That notwithstanding section 3008 of Public Law 105-178, \$50,000,000 of the funds to carry out 49 U.S.C. 5308 shall be transferred to and merged with funding

provided for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities under “Federal Transit Administration, Capital investment grants”.

UNIVERSITY TRANSPORTATION RESEARCH

For necessary expenses to carry out 49 U.S.C. 5505, \$1,200,000, to remain available until expended: *Provided*, That no more than \$6,000,000 of budget authority shall be available for these purposes.

TRANSIT PLANNING AND RESEARCH

For necessary expenses to carry out 49 U.S.C. 5303, 5304, 5305, 5311(b)(2), 5312, 5313(a), 5314, 5315, and 5322, \$24,200,000, to remain available until expended: *Provided*, That no more than \$122,000,000 of budget authority shall be available for these purposes: *Provided further*, That \$5,250,000 is available to provide rural transportation assistance (49 U.S.C. 5311(b)(2)), \$4,000,000 is available to carry out programs under the National Transit Institute (49 U.S.C. 5315), \$8,250,000 is available to carry out transit cooperative research programs (49 U.S.C. 5313(a)), \$60,385,600 is available for metropolitan planning (49 U.S.C. 5303, 5304, and 5305), \$12,614,400 is available for State planning (49 U.S.C. 5313(b)); and \$31,500,000 is available for the national planning and research program (49 U.S.C. 5314).

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for payment of obligations incurred in carrying out 49 U.S.C. 5303–5308, 5310–5315, 5317(b), 5322, 5327, 5334, 5505, and sections 3037 and 3038 of Public Law 105–178, \$5,781,000,000, to remain available until expended, and to be derived from the Mass Transit Account of the Highway Trust Fund: *Provided*, That \$3,071,200,000 shall be paid to the Federal Transit Administration’s formula grants account: *Provided further*, That \$97,800,000 shall be paid to the Federal Transit Administration’s transit planning and research account: *Provided further*, That \$58,400,000 shall be paid to the Federal Transit Administration’s administrative expenses account: *Provided further*, That \$4,800,000 shall be paid to the Federal Transit Administration’s university transportation research account: *Provided further*, That \$120,000,000 shall be paid to the Federal Transit Administration’s job access and reverse commute grants program: *Provided further*, That \$2,428,800,000 shall be paid to the Federal Transit Administration’s capital investment grants account.

CAPITAL INVESTMENT GRANTS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out 49 U.S.C. 5308, 5309, 5318, and 5327, \$607,200,000, to remain available until expended: *Provided*, That no more than \$3,036,000,000 of budget authority shall be available for these purposes: *Provided further*, That there

shall be available for fixed guideway modernization, \$1,214,400,000; there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities, \$607,200,000, which shall include \$50,000,000 made available under 5309(m)(3)(C) of this title, plus \$50,000,000 transferred from “Federal Transit Administration, Formula Grants”; and there shall be available for new fixed guideway systems \$1,214,400,000, together with \$45,000,000 transferred from the Job Access and Reverse Commute Grants Program account and all unobligated balances made available in Public Law 105-277 to carry out section 3037 of Public Law 105-178, as amended; to be available as follows:

- Alaska-Hawaii Setaside, \$10,296,000;
- Altamont, CA, Commuter Express Maintenance Facility
- San Joaquin Rail Commission, \$1,000,000;
- Atlanta North Springs, GA (North Line Extension), \$16,110,000;
- Baltimore, MD, Central LRT Double Tracking Project, \$18,000,000;
- Birmingham, AL, Transit Corridor Study, \$2,000,000;
- Boston, MA, North Shore Corridor Project, \$338,000;
- Boston, MA, South Boston Piers Transitway, \$681,000;
- Bridgeport, CT, Intermodal Transportation Center Project, \$2,500,000;
- Burlington-Middlebury, VT, Commuter Rail, \$1,500,000;
- Central Phoenix/East Valley, AZ, Light Rail, \$12,000,000;
- Charlotte, NC, South Corridor Light Rail Transit Project, \$11,000,000;
- Chicago Transit Authority, IL, Dougals Branch Reconstruction, \$55,000,000;
- Chicago Transit Authority, IL, Ravenswood Reconstruction, \$3,000,000;
- Cleveland, OH, Euclid Corridor Transportation Project, \$6,000,000;
- Dallas, TX, North Central Light Rail Extension, \$60,000,000;
- Denver, CO, Southeast Center LRT (T-REX), \$70,000,000;
- Fort Lauderdale, Tri-County Commuter Rail Upgrades, \$29,250,000;
- Houston, TX, Advanced Metro Transit Plan, \$11,000,000;
- Las Vegas, NV, Resort Corridor Fixed Guideway, \$7,000,000;
- Little Rock, AR, River Rail Streetcar Project, \$1,700,000;
- Los Angeles, CA, Eastside Corridor LRT, \$4,000,000;
- Los Angeles, CA, North Hollywood Red Line, \$40,490,000;
- Lowell, MA to Nashua, NH, Commuter Rail Extension, \$3,000,000;
- Maryland, MARC Commuter Rail Improvements, \$11,750,000;
- Memphis, TN, Medical Center Rail Extension, \$15,610,000;
- Metra Commuter Rail and Line Extension Projects (North Central, Union Pacific West, SouthWest), \$52,000,000;
- Metro North Rolling Stock, CT, \$4,000,000;
- Minneapolis, MN, Hiawatha Corridor LRT, \$60,000,000;
- Minneapolis, MN, Northstar Corridor, \$5,000,000;
- Nashville, TN, East Corridor Commuter Rail, \$4,000,000;

New Jersey, Hudson-Bergen Light Rail—MOS1,
 \$19,200,000;
 New Jersey, Hudson-Bergen Light Rail—MOS2,
 \$50,000,000;
 New Orleans, LA, Canal Street Streetcar Project,
 \$22,000,000;
 New York, Long Island Railroad East Side Access Project,
 \$13,500,000;
 New York, Second Avenue Subway, \$2,000,000;
 Newark-Elizabeth, NJ, Rail Link, \$60,000,000;
 Northern Indiana South Shore Commuter Rail Project,
 \$2,500,000;
 Oceanside-Escondido, CA, Rail Corridor, \$13,600,000;
 Ogden to Provo, UT, Commuter Rail Corridor, \$5,000,000;
 Orange County, CA, Centerline Light Rail Project,
 \$1,500,000;
 Pawtucket, RI, Layover Facility, \$4,500,000;
 Pittsburgh, PA, North Shore Connector, \$7,025,000;
 Pittsburgh, PA, Stage II LRT Reconstruction, \$26,250,000;
 Portland, OR, Interstate MAX Light Rail Extension,
 \$70,000,000;
 Puget Sound, WA, Sounder Commuter Rail, \$30,000,000;
 Raleigh, NC, Triangle Transit Regional Rail Service,
 \$9,000,000;
 Salt Lake City, UT, CBD to University LRT, \$68,760,000;
 Salt Lake City, UT, Medical Center LRT, \$12,000,000;
 Salt Lake City, UT, North/South LRT, \$720,000;
 San Diego, CA, Trolley Mission Valley East LRT Extension,
 \$65,000,000;
 San Francisco, CA, BART Extension to San Francisco Air-
 port, \$100,000,000;
 San Francisco, CA, Third Street Light Rail Extension
 (Phase II), \$1,500,000;
 San Jose, CA, Silicon Valley Rapid Transit Corridor Project,
 \$250,000;
 San Juan, PR, Tren Urbano, \$40,000,000;
 Scranton, PA to New York City, NY, Passenger Rail
 Service, \$2,000,000;
 SEPTA, PA, Schuylkill Valley Metro Line, \$9,000,000;
 St. Louis, MO, Metrolink, St. Clair Extension, \$3,370,000;
 Stamford, CT, Urban Transitway, \$10,000,000;
 Vermont Transportation Authority Rolling Stock, \$500,000;
 Virginia Railway Express project, \$2,000,000;
 Washington, DC, Dulles Corridor Rapid Transit Project,
 \$26,500,000;
 Washington, DC/MD, Largo Extension, \$60,000,000;
 Wilmington, DE, Train Station improvements, \$2,000,000;
 Wilsonville-Beaverton Commuter Rail Line, OR,
 \$2,500,000.

JOB ACCESS AND REVERSE COMMUTE GRANTS

Notwithstanding section 3037(l)(3) of Public Law 105-178, as amended, for necessary expenses to carry out section 3037 of the Federal Transit Act of 1998, \$30,000,000, to remain available until expended: *Provided*, That no more than \$150,000,000 of budget authority shall be available for these purposes: *Provided further*,

That up to \$300,000 of the funds provided under this heading may be used by the Federal Transit Administration for technical assistance and support and performance reviews of the Job Access and Reverse Commute Grants program: *Provided further*, That \$45,000,000 of the funds provided under this heading together with all unobligated balances made available in Public Law 105-277 to carry out section 3037 of Public Law 105-178 shall be transferred to and merged with funds for new fixed guideway systems under the Federal Transit Administration's Capital Investment Grants account.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operations and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, \$14,086,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, \$40,980,000, of which \$645,000 shall be derived from the Pipeline Safety Fund, and of which \$3,250,000 shall remain available until September 30, 2005: *Provided*, That up to \$1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: *Provided further*, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, \$63,842,000, of which \$7,472,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2005; of which \$56,370,000 shall be derived from the Pipeline Safety Fund, of which \$24,823,000 shall remain available until September 30, 2005.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), \$200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2005: *Provided*, That not more than \$14,300,000 shall be made available for obligation in fiscal year 2003 from amounts made available by 49 U.S.C. 5116(i) and 5127(d): *Provided further*, That none of the funds made available by 49 U.S.C. 5116(i) and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, \$57,421,000: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App. 3) to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department: *Provided further*, That the funds made available under this heading shall be used to investigate, pursuant to section 41712 of title 49, United States Code: (1) unfair or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents; and (2) the compliance of domestic and foreign air carriers with respect to item (1) of this proviso.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, \$19,450,000: *Provided*, That notwithstanding any other provision of law, not to exceed \$1,000,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used for necessary and authorized

expenses under this heading: *Provided further*, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2003, to result in a final appropriation from the general fund estimated at no more than \$18,450,000.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended \$5,194,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-15; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902) \$72,450,000, of which not to exceed \$2,000 may be used for official reception and representation expenses.

TITLE III

GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Such sums as may be necessary for fiscal year 2003 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 303. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 304. None of the funds in this Act shall be available for salaries and expenses of more than 106 political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision or political and

Presidential appointees in an independent agency funded in this Act may be assigned on temporary detail outside the Department of Transportation or such independent agency.

SEC. 305. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 306. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 307. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Contracts.
Public
information.

SEC. 308. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 309. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

49 USC 5338
note.

SEC. 310. (a) For fiscal year 2003, the Secretary of Transportation shall—

23 USC 104 note.

(1) not distribute from the obligation limitation for Federal-aid Highways amounts authorized for administrative expenses and programs funded from the administrative takedown authorized by section 104(a)(1)(A) of title 23, United States Code, for the highway use tax evasion program and for the Bureau of Transportation Statistics;

(2) not distribute an amount from the obligation limitation for Federal-aid Highways that is equal to the unobligated balance of amounts made available from the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid highways and highway safety programs for the previous fiscal year the funds for which are allocated by the Secretary;

(3) determine the ratio that—

(A) the obligation limitation for Federal-aid Highways less the aggregate of amounts not distributed under paragraphs (1) and (2), bears to

(B) the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction programs (other than sums authorized to be appropriated for sections set forth in paragraphs (1) through (7) of subsection (b) and sums authorized to be appropriated for section 105 of title 23, United States Code, equal to the amount referred to in subsection (b)(8)) for such fiscal year less the aggregate of the amounts not distributed under paragraph (1) of this subsection;

(4) distribute the obligation limitation for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) of section 117 of title 23, United States Code (relating to high priority projects program), section 201 of the Appalachian Regional Development Act of 1965, the Woodrow Wilson Memorial Bridge Authority Act of 1995, and

\$2,000,000,000 for such fiscal year under section 105 of title 23, United States Code (relating to minimum guarantee) so that the amount of obligation authority available for each of such sections is equal to the amount determined by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such section (except in the case of section 105, \$2,000,000,000) for such fiscal year;

(5) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraph (4) for each of the programs that are allocated by the Secretary under title 23, United States Code (other than activities to which paragraph (1) applies and programs to which paragraph (4) applies) by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such program for such fiscal year: *Provided*, That the amount of obligation limitation distributed for each program does not exceed 90 percent of the amount authorized to be appropriated for such program, except that for each of the programs authorized under section 129(c) of title 23, United States Code and section 1064 of Public Law 102-240, as amended, sections 1118 and 1119 of Public Law 105-178, as amended, section 1101(a)(11) of Public Law 105-178, as amended, section 118(c) of title 23, United States Code, section 144(g) of title 23, United States Code, section 1221 of Public Law 105-178, as amended, section 1101(a)(15) of Public Law 105-178, as amended, section 104(b)(1)(A) of title 23, United States Code, section 104(d)(1) of title 23, United States Code, and section 202(b) of title 23, United States Code (excluding the portion to be made available for Forest Highways under such subsection), the amount of obligation limitation distributed for each program shall equal the amount authorized to be appropriated for such program; and

(6) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraphs (4) and (5) for Federal-aid highways and highway safety construction programs (other than the minimum guarantee program, but only to the extent that amounts apportioned for the minimum guarantee program for such fiscal year exceed \$2,639,000,000, and the Appalachian development highway system program) that are apportioned by the Secretary under title 23, United States Code, in the ratio that—

(A) sums authorized to be appropriated for such programs that are apportioned to each State for such fiscal year, bear to

(B) the total of the sums authorized to be appropriated for such programs that are apportioned to all States for such fiscal year.

(b) The obligation limitation for Federal-aid Highways shall not apply to obligations: (1) under section 125 of title 23, United States Code; (2) under section 147 of the Surface Transportation Assistance Act of 1978; (3) under section 9 of the Federal-Aid Highway Act of 1981; (4) under sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982; (5) under sections 149(b) and 149(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987; (6) under sections 1103 through 1108

of the Intermodal Surface Transportation Efficiency Act of 1991; (7) under section 157 of title 23, United States Code, as in effect on the day before the date of the enactment of the Transportation Equity Act for the 21st Century; and (8) under section 105 of title 23, United States Code (but, only in an amount equal to \$639,000,000 for such fiscal year).

(c) Notwithstanding subsection (a), the Secretary shall after August 1 for such fiscal year revise a distribution of the obligation limitation made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 104 and 144 of title 23, United States Code, section 160 (as in effect on the day before the enactment of the Transportation Equity Act for the 21st Century) of title 23, United States Code, and under section 1015 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1943–1945).

(d) The obligation limitation shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code, except that obligation authority made available for such programs under such limitation shall remain available for a period of 3 fiscal years.

Applicability.

(e) Not later than 30 days after the date of the distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds: (1) that are authorized to be appropriated for such fiscal year for Federal-aid highways programs (other than the program under section 160 of title 23, United States Code) and for carrying out subchapter I of chapter 311 of title 49, United States Code, and highway-related programs under chapter 4 of title 23, United States Code; and (2) that the Secretary determines will not be allocated to the States, and will not be available for obligation, in such fiscal year due to the imposition of any obligation limitation for such fiscal year. Such distribution to the States shall be made in the same ratio as the distribution of obligation authority under subsection (a)(6). The funds so distributed shall be available for any purposes described in section 133(b) of title 23, United States Code.

Deadline.

(f) Obligation limitation distributed for a fiscal year under subsection (a)(4) of this section for a section set forth in subsection (a)(4) shall remain available until used and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

SEC. 311. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.

SEC. 312. None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between

49 USC 44502
note.

the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 313. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport-aid program, airport development aid program or airport improvement program grant: *Provided*, That, the Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by FAA in accordance with agency criteria.

SEC. 314. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under “Federal Transit Administration, Capital investment grants” for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2005, and other recoveries, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 315. Notwithstanding any other provision of law, any funds appropriated before October 1, 2002, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 316. None of the funds in this Act may be used to compensate in excess of 350 technical staff-years under the federally funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 2003.

SEC. 317. Notwithstanding any other provision of law, whenever an allocation is made of the sums authorized to be appropriated for expenditure on the Federal lands highway program, and whenever an apportionment is made of the sums authorized to be appropriated for expenditure on the surface transportation program, the congestion mitigation and air quality improvement program, the National Highway System, the Interstate maintenance program, the bridge program, the Appalachian development highway system, and the minimum guarantee program, the Secretary of Transportation shall—

(1) deduct a sum in such amount not to exceed .45 percent of all sums so made available, as the Secretary determines necessary, to administer the provisions of law to be financed from appropriations for motor carrier safety programs and motor carrier safety research: *Provided*, That any deduction by the Secretary of Transportation in accordance with this subsection shall be deemed to be a deduction under section 104(a)(1)(B) of title 23, United States Code, and the sum so deducted shall remain available until expended; and

(2) deduct a sum in such amount not to exceed 2.65 percent of all sums so made available, as the Secretary determines necessary to administer the provisions of law to be financed from appropriations for the programs authorized under chapters 1 and 2 of title 23, United States Code, and to make transfers in accordance with section 104(a)(1)(A)(ii) of title 23, United States Code: *Provided*, That any deduction by the Secretary of Transportation in accordance with this subsection shall be deemed to be a deduction under section 104(a)(1)(A) of title

23, United States Code, and the sum so deducted shall remain available until expended.

SEC. 318. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's "Federal-Aid Highways" account, the Federal Transit Administration's "Transit Planning and Research" account, and to the Federal Railroad Administration's "Safety and Operations" account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 319. Funds made available for Alaska or Hawaii ferry boats or ferry terminal facilities pursuant to 49 U.S.C. 5309(m)(2)(B) may be used to construct new vessels and facilities, or to improve existing vessels and facilities, including both the passenger and vehicle-related elements of such vessels and facilities, and for repair facilities: *Provided*, That not more than \$3,000,000 of the funds made available pursuant to 49 U.S.C. 5309(m)(2)(B) may be used by the State of Hawaii to initiate and operate a passenger ferryboat services demonstration project to test the viability of different intra-island and inter-island ferry boat routes and technology: *Provided further*, That notwithstanding 49 U.S.C. 5302(a)(7), funds made available for Alaska or Hawaii ferry boats may be used to acquire passenger ferry boats and to provide passenger ferry transportation services within areas of the State of Hawaii under the control or use of the National Park Service.

SEC. 320. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to 49 U.S.C. 111 may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: *Provided*, That such funds shall be subject to the obligation limitation for Federal-aid highways and highway safety construction.

SEC. 321. (a) Section 47107 of title 49, United States Code, is amended by inserting after section 47107(p) the following:

"(q) Notwithstanding any written assurances prescribed in subsections (a) through (p), a general aviation airport with more than 300,000 annual operations may be exempt from having to accept scheduled passenger air carrier service, provided that the following conditions are met:

"(1) No scheduled passenger air carrier has provided service at the airport within 5 years prior to January 1, 2002.

"(2) The airport is located within the Class B airspace of an airport that maintains an airport operating certificate pursuant to section 44706 of title 49.

"(3) The certificated airport operating under section 44706 of title 49 has sufficient capacity and does not contribute to significant delays as defined by DOT/FAA in the 'Airport Capacity Benchmark Report 2001'.

"(r) An airport that meets the conditions of subsections (q)(1) through (3) is not subject to section 47524 of title 49 with respect to a prohibition on all scheduled passenger service."

(b) This section shall be effective upon enactment, notwithstanding any other section of title 49.

SEC. 322. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly

Effective date.
49 USC 47107
note.

to pay for any personal service, advertisement, telegraph, telephone, letter, printed or written material, radio, television, video presentation, electronic communications, or other device, intended or designed to influence in any manner a Member of Congress or of a State legislature to favor or oppose by vote or otherwise, any legislation or appropriation by Congress or a State legislature after the introduction of any bill or resolution in Congress proposing such legislation or appropriation, or after the introduction of any bill or resolution in a State legislature proposing such legislation or appropriation: *Provided*, That this shall not prevent officers or employees of the Department of Transportation or related agencies funded in this Act from communicating to Members of Congress or to Congress, on the request of any Member, or to members of a State legislature, or to a State legislature, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of business.

SEC. 323. (a) Funds provided in Public Law 106-69 for the Wilmington, Delaware downtown transit connector and funds provided in Public Law 106-346 for the Wilmington downtown corridor project shall be available for Wilmington, Delaware commuter rail improvements.

(b) Funds provided in Public Law 106-346 for Missoula Ravalli Transportation Management Administration buses shall be available for Missoula Ravalli Transportation Management Administration buses and bus facilities.

SEC. 324. (a) IN GENERAL.—Hereafter, none of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a-10c).

(b) SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 325. Notwithstanding any other provision of law, Walnut Ridge Regional Airport shall transfer to the Federal Aviation Administration (FAA) their localizer instrument landing system,

which shall thereafter be operated and maintained by FAA in accordance with agency criteria.

SEC. 326. Notwithstanding any other provision of law, Williams Gateway Airport shall transfer to the Federal Aviation Administration (FAA) air traffic control tower equipment, which shall thereafter be operated and maintained by FAA in accordance with agency criteria.

SEC. 327. Section 218(a) of title 23, United States Code, is amended by inserting “reauthorization of the” before “Transportation”.

SEC. 328. Notwithstanding any other provision of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any preferred stock heretofore sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

SEC. 329. None of the funds in this Act may be used to make a grant unless the Secretary of Transportation, or the Secretary of the department in which the Transportation Security Administration is operating, notifies the House and Senate Committees on Appropriations not less than 3 full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling \$1,000,000 or more is announced by the department or its modal administrations from: (1) any discretionary grant program of the Federal Highway Administration other than the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; (3) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs; or (4) any port security grants totaling \$500,000 or more of the Transportation Security Administration: *Provided*, That no notification shall involve funds that are not available for obligation.

SEC. 330. In addition to amounts otherwise made available in this Act, to enable the Secretary of Transportation to make grants for surface transportation projects, \$90,600,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, the surface transportation projects identified in the Joint Explanatory Statement of the Committee of Conference accompanying this Act are eligible for funding made available by the immediately preceding clause of this provision.

SEC. 331. None of the funds made available in this Act may be used for engineering work related to an additional runway at Louis Armstrong New Orleans International Airport.

SEC. 332. (a) None of the funds made available in this Act shall be available for the design or construction of a light rail system in Houston, Texas.

(b) Notwithstanding (a), amounts made available in this Act or previous Acts under the heading “Federal Transit Administration, Capital investment grants” for a Houston, Texas, Metro advanced transit plan project shall be available for obligation or expenditure subject to the following conditions:

(1) Sufficient amounts shall be used for major investment studies in 4 major corridors.

(2) The Texas Department of Transportation shall review and comment on the findings of the studies under paragraph (1). Any comments by such department on such findings shall be included in any final report on such studies.

Public
information.
Deadline.

(3) If a final report on the studies under paragraph (1) is not available for at least the 1-month period preceding the date of any referendum held by the City of Houston, Texas, or by a county of Texas, regarding approval of the issuance of bonds for funding a light rail system in Houston, Texas, all information developed by such studies regarding passenger and cost estimates for such a system shall be made available to the public at least 1 month before the date of the referendum.

SEC. 333. Of the funds provided in section 101(a)(2) of Public Law 107-42, \$90,000,000 are rescinded.

SEC. 334. (a) The Secretary of Transportation shall enter into an agreement with the National Academy of Sciences under which agreement the National Academy of Sciences shall conduct a study of the procedures by which the Department of Energy, together with the Department of Transportation and the Nuclear Regulatory Commission, selects routes for the shipment of spent nuclear fuel from research nuclear reactors between or among existing Department of Energy facilities currently licensed to accept such spent nuclear fuel.

(b) In conducting the study under subsection (a), the National Academy of Sciences shall analyze the manner in which the Department of Energy—

(1) selects potential routes for the shipment of spent nuclear fuel from research nuclear reactors between or among existing Department facilities currently licensed to accept such spent nuclear fuel;

(2) selects such a route for a specific shipment of such spent nuclear fuel; and

(3) conducts assessments of the risks associated with shipments of such spent nuclear fuel along such a route.

(c) The analysis under subsection (b) shall include a consideration whether, and to what extent, the procedures analyzed for purposes of that subsection take into account the following:

(1) The proximity of the routes under consideration to major population centers and the risks associated with shipments of spent nuclear fuel from research nuclear reactors through densely populated areas.

(2) Current traffic and accident data with respect to the routes under consideration.

(3) The quality of the roads comprising the routes under consideration.

(4) Emergency response capabilities along the routes under consideration.

(5) The proximity of the routes under consideration to places or venues (including sports stadiums, convention centers, concert halls and theaters, and other venues) where large numbers of people gather.

(d) In conducting the study under subsection (a), the National Academy of Sciences shall also make such recommendations regarding the matters studied as the National Academy of Sciences considers appropriate.

Deadline.

(e) The Secretary shall disburse to the National Academy of Sciences the funds for the cost of the study required by subsection (a) not later than 30 days after the date of the enactment of this Act.

Deadline.
Reports.

(f) Not later than 6 months after the date of the disbursal of funds under subsection (e), the National Academy of Sciences

shall submit to the appropriate committees of Congress a report on the study conducted under subsection (a), including the recommendations required by subsection (d).

(g) In this section, the term “appropriate committees of Congress” means—

(1) the Committees on Commerce, Science, and Transportation, Energy and Natural Resources, and Environment and Public Works of the Senate;

(2) the Committee on Energy and Commerce of the House of Representatives; and

(3) the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 335. None of the funds in this Act shall be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide to the Federal Aviation Administration and the Transportation Security Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to air traffic control, air navigation, aviation security or weather reporting: *Provided*, That the prohibition of funds in this section does not apply to negotiations between the agency and airport sponsors to achieve agreement on “below-market” rates for these items or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities and the TSA for necessary security checkpoints.

SEC. 336. For the purpose of any applicable law, for fiscal year 2003, the City of Norman, Oklahoma, shall be considered to be part of the Oklahoma City Transportation Management Area.

SEC. 337. For an airport project that the Administrator of the Federal Aviation Administration (FAA) determines will add critical airport capacity to the national air transportation system, the Administrator is authorized to accept funds from an airport sponsor, including entitlement funds provided under the “Grants-in-Aid for Airports” program, for the FAA to hire additional staff or obtain the services of consultants: *Provided*, That the Administrator is authorized to accept and utilize such funds only for the purpose of facilitating the timely processing, review, and completion of environmental activities associated with such project.

SEC. 338. (a) IN GENERAL.—Notwithstanding any other provision of subchapter I of Chapter 471 of title 49, the Secretary of Transportation may provide grants under such subchapter I of chapter 471 to the airport sponsor of the Double Eagle II Airport in Albuquerque, New Mexico, for—

(1) the construction of an air traffic control tower; and

(2) the acquisition and installation of air traffic control equipment to be used in the air traffic control tower that will assist in sustaining or improving the safe and efficient movement of air traffic.

(b) ELIGIBILITY.—The sponsor shall be eligible for a grant under this section if—

(1) the sponsor would otherwise be eligible to participate in the pilot program established under section 47124(b)(3) of title 49 except for the lack of the air traffic control tower proposed to be constructed under this section; and

(2) the sponsor agrees to fund not less than 10 percent of the costs of construction of the air traffic control tower.

(c) PROJECT COSTS.—Grants under this act shall be paid only from amounts apportioned to the sponsor or for airports in the State under section 47114(d) of title 49, United States Code.

(d) FEDERAL COST.—The Federal cost of construction of an air traffic control tower under this section may not exceed \$1,800,000.

Reports.

SEC. 339. Notwithstanding any other provision of law, States may use funds provided in this Act under section 402 of title 23, United States Code, to produce and place highway safety public service messages in television, radio, cinema, and print media, and on the Internet in accordance with guidance issued by the Secretary of Transportation: *Provided*, That any State that uses funds for such public service messages shall submit to the Secretary a report describing and assessing the effectiveness of the messages: *Provided further*, That \$10,000,000 of the funds allocated for innovative seat belt projects under section 157 of title 23, United States Code, and \$11,000,000 of funds allocated under section 163 of title 23, United States Code, shall be used as directed by the National Highway Traffic Safety Administrator, to purchase advertising in broadcast media to support the national mobilizations conducted in all 50 States, aimed at increasing seat belt use and reducing impaired driving: *Provided further*, That up to \$1,000,000 of the funds allocated under section 163 of title 23, United States Code, shall be used by the Administrator to evaluate the effectiveness of alcohol-impaired driving programs that purchase advertising as provided by this section.

SEC. 340. For purposes of entering into joint public-private partnerships and other cooperative arrangements for the performance of work, the Coast Guard Yard and other Coast Guard specialized facilities designated by the Commandant may enter into agreements or other arrangements, receive and retain funds from and pay funds to such public and private entities, and may accept contributions of funds, materials, services, and the use of facilities from such entities: *Provided*, That amounts received under this section may be credited to appropriate Coast Guard accounts.

SEC. 341. None of the funds in this Act may be obligated for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, except for activities underway on the date of enactment of this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Reports.

SEC. 342. None of the funds in this Act may be expended to issue, implement, or enforce a regulation that diminishes or revokes an exemption authorized under section 345 of the National Highway System Designation Act of 1995 (Public Law 104-59; 109 Stat. 613; 49 U.S.C. 31136 note) before the Secretary of Transportation determines by a rulemaking proceeding that the exemptions granted are not in the public interest and adversely affects the safety of commercial motor vehicles with respect to such exemption that is required under subsection (c) of such section and, as under subsection (d), if a result of monitoring the safety performance of drivers of commercial vehicles that are subject to an exemption under section 345, the Secretary determines that public safety has been severely affected by an exemption granted under this section, the Secretary shall report to Congress that determination: *Provided*, That this limitation shall not preclude

the Secretary from revoking an exemption granted to an individual, farm, company, or other entity under section 345 of Public Law 104-59 for national security reasons.

SEC. 343. (a) From the unexpended balances of the Local Rail Freight Assistance program under chapter 221 of title 49, United States Code, \$690,287 are rescinded.

(b) For the necessary expenses of the State of Iowa for a rail infrastructure rehabilitation project on the Iowa Northern Railway, \$690,287, to remain available until expended.

SEC. 344. In addition to amounts otherwise made available in this Act, to enable the Secretary of Transportation to make grants for surface transportation projects, \$285,000,000, to be derived from the Highway Trust Fund (other than the Mass Transit Account) and to remain available until expended: *Provided*, That notwithstanding any other provision of law, the surface transportation projects identified in the Joint Explanatory Statement of the Committee of Conference accompanying this Act are eligible for funding made available by the immediately preceding clause of this provision.

SEC. 345. Notwithstanding any other provision of law—

(1) in section 1602 of the Transportation Equity Act for the 21st Century—

(A) item number 426 (112 Stat. 272) is amended by striking “Louisiana Highway 16” and inserting the following: “Louisiana Highway 1026”;

(B) item number 696 (112 Stat. 383), relating to Gettysburg, Pennsylvania, is amended by inserting after “Gettysburg comprehensive road improvement study” the following: “and construction of projects identified in the study”;

(C) item number 230 is amended by striking “Construct new exit 46A on I-90 at route 170 in North Chili” and inserting “Monroe County transportation improvements on Long Pond Road, Pattonwood Road, and Leyll road”;

112 Stat. 265.

(D) item number 1344 (112 Stat. 306) is amended by striking “Upgrade” and all that follows through “City” and inserting the following: “Upgrade Frederic Douglas Circle and Manhattan Avenue from West 110th Street to West 125th Street, New York City”;

(E) item number 1108 is amended by striking “Construct” and all that follows through “Brownsville” and inserting “Construct west Rail Project in or near Brownsville, including a new railroad international bridge crossing over the Rio Grande River”;

112 Stat. 298.

(F) item number 1269 (112 Stat. 303) is amended by striking “Implement” and all that follows through “system” and inserting the following: “New York City Department of Parks and Recreation, Bronx, NY Center Transportation Project”;

(G) item number 933 (112 Stat. 291) is amended by striking “Redesign” and all that follows through “City” and inserting the following: “Design, construction and related enhancement of the Grand Concourse between E. 161st St. and E. 166th St., New York City”;

(H) item number 75 (112 Stat. 259) is amended by striking “Construct” and all that follows through “Route”

and inserting the following: “Bronx, NY River Greenway”;
and

(I) item number 1735 (112 Stat. 320) is amended by inserting: “, and/or, notwithstanding any other provision of law, design, and construction of Type II noise abatement projects south of the new interchange and Neshaminy Creek, along Interstate 95 between Exit 25 and 26 in Bensalem Township, Bucks County” after “improvements”;

115 Stat. 871.

(2) section 3030(d)(3) of the Transportation Equity Act for the 21st Century (Public Law 105-178) is amended by redesignating the second subparagraph (D) (as added by section 361 of Public Law 107-87) as subparagraph (E) and by inserting at the end:

“(F) Port of Anchorage Intermodal passenger and freight facility.

“(G) Mobile Waterfront Terminal and Maritime Center of the Gulf.”

(3) of the \$668,000 appropriated under the heading “Surface Transportation Projects” in Public Law 103-331 for CA 113 railroad grade separation, California, the unobligated share shall be available for railroad grade separation for the City of Dixon, Solano County, California;

(4) the \$500,000 appropriated under the heading “Surface Transportation Projects” in Public Law 103-331 for 6th and 7th Sts. improvements Brownsville, TX may be used to construct the West Rail project in or near Brownsville, including a new international railroad bridge crossing over the Rio Grande River;

45 USC 1203,
1208, 1209.

(5) section 610, section 609(c), and the last sentence of section 604(b)(1) of Public Law 97-468 are repealed; and

(6) for the purpose of further leveraging Federal resources and enhancing private investment supporting the financing of public toll roads in Orange County, California, authorized by section 129(d) of title 23, United States Code, the Secretary of Transportation shall modify the agreements entered into with the San Joaquin Hills Transportation Corridor Agency and the Foothill Eastern Transportation Corridor Agency pursuant to section 339 of Public Law 102-388, section 336 of Public Law 103-331 and section 356 of Public Law 104-50, to extend the term of coverage provided by such lines throughout the term of the revenue bonds issued to acquire, finance or refinance those facilities, including revenue bonds issued by a new joint powers agency to finance the acquisition of assets from the existing Transportation Corridor Agencies: *Provided*, That notwithstanding any other provision of law, such modifications shall be deemed eligible under section 184 of title 23, United States Code, and shall be funded under section 188 of title 23, United States Code: *Provided further*, That notwithstanding any other provision of law, any amounts of the original Federal lines of credit not drawn upon, up to the combined original principal amount of \$240,000,000, shall continue to be available for draws until such revenue bonds have been retired: *Provided further*, That notwithstanding any other provision of law, not more than 20 percent of the combined original principal amount shall be available for draws in any 1 year: *Provided further*, That notwithstanding any other provision of law, any draw (except for operation and maintenance

Deadline.

expenses) shall be repaid not later than 5 years following the year in which such revenue bonds have been retired. In implementing this section, the Secretary may modify other terms of the existing Federal lines of credit, including by combining them into a single line of credit the principal amount of which is limited to \$240,000,000, provided that the marginal budgetary cost of any such additional modifications is funded under section 188 of title 23, United States Code.

SEC. 346. None of the funds in this Act may be obligated or expended by the Federal Motor Carrier Safety Administration for the development or implementation of a pilot program for the purpose of allowing commercial drivers 18 to 20 years of age to operate the trucks and buses of motor carriers in interstate commerce.

SEC. 347. Section 1023(h) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note; Public Law 102–240) is amended—

(1) in the subsection heading, by inserting “OVER-THE-ROAD BUSES AND” before “PUBLIC”; and

(2) in paragraph (1), by striking “to any vehicle which” and inserting the following: “to—

“(A) any over-the-road bus (as defined in section 301 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181)); or

“(B) any vehicle that”.

SEC. 348. Funds appropriated or limited in this Act shall be subject to the terms and conditions stipulated in section 350 of Public Law 107–87, including that the Secretary submit a report to the House and Senate Appropriations Committees annually on the safety and security of transportation into the United States by Mexico-domiciled motor carriers.

Reports.

SEC. 349. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 350. On February 15, 2003, and on each year thereafter, the National Railroad Passenger Corporation shall submit to the appropriate Congressional Committees a report detailing the per passenger operating loss on each rail line.

Deadline.
Reports.
49 USC 24315
note.

SEC. 351. DEPUTATION OF LAW ENFORCEMENT OFFICERS. (a) DEPUTATION AUTHORITY.—Subchapter I of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

“SEC. 44922. DEPUTATION OF STATE AND LOCAL LAW ENFORCEMENT OFFICERS.

“(a) DEPUTATION AUTHORITY.—The Under Secretary of Transportation for Security may deputize a State or local law enforcement officer to carry out Federal airport security duties under this chapter.

“(b) FULFILLMENT OF REQUIREMENTS.—A State or local law enforcement officer who is deputized under this section shall be treated as a Federal law enforcement officer for purposes of meeting the requirements of this chapter and other provisions of law to provide Federal law enforcement officers to carry out Federal airport security duties.

“(c) AGREEMENTS.—To deputize a State or local law enforcement officer under this section, the Under Secretary shall enter into a voluntary agreement with the appropriate State or local law enforcement agency that employs the State or local law enforcement officer.

“(d) REIMBURSEMENT.—

“(1) IN GENERAL.—The Under Secretary shall reimburse a State or local law enforcement agency for all reasonable, allowable, and allocable costs incurred by the State or local law enforcement agency with respect to a law enforcement officer deputized under this section.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.

“(e) FEDERAL TORT CLAIMS ACT.—A State or local law enforcement officer who is deputized under this section shall be treated as an ‘employee of the Government’ for purposes of sections 1346(b), 2401(b), and chapter 171 of title 28, United States Code, while carrying out Federal airport security duties within the course and scope of the officer’s employment, subject to Federal supervision and control, and in accordance with the terms of such deputation.

“(f) STATIONING OF OFFICERS.—The Under Secretary may allow law enforcement personnel to be stationed other than at the airport security screening location if that would be preferable for law enforcement purposes and if such personnel would still be able to provide prompt responsiveness to problems occurring at the screening location.”

(b) SECURITY SERVICE FEE.—Section 44940(a)(1) of title 49, United States Code, is amended by adding at the end the following: “For purposes of subparagraph (A), the term ‘Federal law enforcement personnel’ includes State and local law enforcement officers who are deputized under section 44922.”

(c) CONFORMING AMENDMENT.—The table of sections for chapter 449 of title 49, United States Code, is amended by adding at the end of the items relating to subchapter I the following:

“44922. Deputation of State and local law enforcement officers.”.

(d) DEPUTATION OF FEDERAL LAW ENFORCEMENT OFFICERS.—Section 114(q)(1) of title 49, United States Code, is amended by adding “or other Federal agency” after “Transportation Security Administration”.

SEC. 352. FAA NOTICE TO AIRMEN FDC 2/0199. (a) IN GENERAL.—The Secretary of Transportation—

(1) shall maintain in full force and effect, for a period of 1 year after the date of enactment of this Act, the restrictions imposed under Federal Aviation Administration Notice to Airmen FDC 2/0199 and the restrictions that had been in effect on September 26, 2002 and that were imposed under local Notices to Airmen based on or derived from Notice to Airmen FDC 1/3353;

(2) shall rescind immediately any waivers or exemptions from those restrictions that are in effect on the date of enactment of this Act; and

(3) may not grant any waivers or exemptions from those restrictions, except—

(A) as authorized by air traffic control for operational or safety purposes;

(B) for operational purposes of an event, stadium, or other venue, including (in the case of a sporting event) equipment or parts, transport of team members, officials of the governing body and immediate family members and guests of such teams and officials to and from the event, stadium, or other venue;

(C) for broadcast coverage for any broadcast rights holder;

(D) for safety and security purposes of the event, stadium, or other venue; or

(E) to operate an aircraft in restricted airspace to the extent necessary to arrive at or depart from an airport using standard air traffic procedures.

(b) **WAIVERS.**—Beginning no earlier than 1 year after the date of enactment of this Act, the Secretary may modify or terminate such restrictions, or issue waivers or exemptions from such restrictions, if the Secretary promulgates, after public notice and an opportunity for comment, a rule setting forth the standards under which the Secretary may grant a waiver or exemption. Such standards shall provide a level of security at least equivalent to that provided by the waiver policy applied by the Secretary as of the date of enactment of this Act.

(c) **FUNDING LIMITATION.**—Unless and until the Secretary promulgates a rule in accordance with subsection (b) above, none of the funds made available in this Act or any other Act may be used to terminate or limit the restrictions described in paragraph (a)(1) above or to grant waivers of, or exemptions from, such restrictions except as provided in paragraph (a)(3) above.

(d) **BROADCAST CONTRACTS NOT AFFECTED.**—Nothing in this section shall be construed to affect contractual rights pertaining to any broadcasting agreement.

SEC. 353. None of the funds in this Act shall be used to procure Coast Guard ships, including main diesel engines, unless such procurement is in compliance with the Buy American Act, 41 U.S.C. 10(a)–10(d).

SEC. 354. Title 49, United States Code, is amended by striking subsection (d) of section 13703 and relettering subsequent subsections accordingly.

SEC. 355. No funds appropriated in this Act may be used to apply or enforce a regulatory requirement for strengthening of flight deck doors on classes of aircraft not specifically required to take such action under Public Law 107-71, section 104(a)(1), unless and until the Under Secretary of Transportation for Security, after opportunity for notice and comment, determines that such strengthening is necessary for aviation security purposes.

SEC. 356. Insert the following new section at the end of chapter 53 of title 49, United States Code:

“SEC. 5339. Effective for funds not yet expended on the effective date of this section, the Federal share for funds under this chapter for a grantee named in section 603(14) of Public Law 97-468 shall be the same as the Federal share under 23 U.S.C. section 120(b) for Federal aid highway funds apportioned to the State in which it operates.”.

SEC. 357. (a) **IN GENERAL.**—As soon as practicable after the date of enactment of this Act, the Secretary of Transportation shall enter into an agreement with the State of Nevada, the State of Arizona, or both, to provide a method of funding for construction

of a Hoover Dam Bypass Bridge from funds allocated for the Federal Lands Highway Program under section 202(b) of title 23, United States Code.

(b) METHODS OF FUNDING.—

(1) The agreement entered into under subsection (a) shall provide for funding in a manner consistent with the advance construction and debt instrument financing procedures for Federal-aid Highways set forth in sections 115 and 122 of title 23, except that the funding source may include funds made available under the Federal Lands Highway Program.

(2) Eligibility for funding under this subsection shall not be construed as a commitment, guarantee, or obligation on the part of the United States to provide for payment of principal or interest of an eligible debt financing instrument as so defined in section 122, nor create a right of a third party against the United States for payment under an eligible debt financing instrument. The agreement entered into pursuant to subsection (a) shall make specific reference to this provision of law.

(3) The provisions of this section do not limit the use of other available funds for which the project referenced in subsection (a) is eligible.

SEC. 358. Hereafter, none of the funds appropriated or otherwise made available in this Act may be made available to any person or entity convicted of violating the Buy American Act (41 U.S.C. 10a-10c).

SEC. 359. For fiscal year 2003, notwithstanding any other provision of law, historic covered bridges eligible for Federal assistance under section 1224 of the Transportation Equity Act for the 21st Century, as amended, may be funded from amounts set aside for the discretionary bridge program.

Reports.

SEC. 360. None of the funds provided in this Act or prior Appropriations Acts for Coast Guard “Acquisition, construction, and improvements” shall be available after the fifteenth day of any quarter of any fiscal year, unless the Commandant of the Coast Guard first submits to the House and Senate Committees on Appropriations a quarterly report on the agency’s mission hour emphasis and a quarterly report on all major Coast Guard acquisition projects including projects executed for the Coast Guard by the United States Navy and vessel traffic service projects: *Provided*, That such acquisition reports shall include an acquisition schedule, estimated current and year funding requirements, and a schedule of anticipated obligations and outlays for each major acquisition project: *Provided further*, That such acquisition reports shall rate on a relative scale the cost risk, schedule risk, and technical risk associated with each acquisition project and include a table detailing unobligated balances to date and anticipated unobligated balances at the close of the fiscal year and the close of the following fiscal year should the Administration’s pending budget request for the acquisition, construction, and improvements account be fully funded: *Provided further*, That such acquisition reports shall also provide abbreviated information on the status of shore facility construction and renovation projects: *Provided further*, That all information submitted in such mission hour emphasis and acquisition reports shall be current as of the last day of the preceding quarter.

SEC. 361. Of the funds made available for fiscal year 2003 in section 188(a)(1) of title 23, United States Code, along with

any available unobligated balances of funds made available in prior years, \$115,000,000 shall instead be available for the programs authorized in section 1101(a)(9) of Public Law 105-178, as amended, and \$65,000,000 shall instead be made available for section 1221 of Public Law 105-178, as amended.

SEC. 362. Funds provided in this Act for the Working Capital Fund shall be reduced by \$12,600,000, which limits fiscal year 2003 Working Capital Fund obligational authority for elements of the Department of Transportation funded in this Act to no more than \$119,166,000: *Provided*, That such reductions from the budget request shall be allocated by the Department of Transportation to each appropriations account in proportion to the amount included in each account for the Working Capital Fund.

SEC. 363. (a) Notwithstanding any other provision of law, and subject to the requirements of this section, the Secretary of Transportation is authorized to waive any of the terms, conditions, reservations, and restrictions contained in the deeds of conveyance and subsequent corrections to the deeds of conveyance under which the United States conveyed certain property to Gadsden, Alabama, for airport purposes.

(b) No waiver may be granted under subsection (a) if the waiver would result in the closure of an airport.

(c) Gadsden, Alabama, shall agree that in selling, leasing, or conveying any interest in, the property for which waivers are granted under subsection (a), the amount received by the city shall be used by the city for the development, improvement, operation, or maintenance of the Gadsden Municipal Airport.

SEC. 364. Of the funds made available under section 1101(a)(12) and section 1503 of Public Law 105-178, as amended, \$8,000,000 are rescinded.

SEC. 365. TRANSFER OF FUNDS BETWEEN HIGHWAY PROJECTS, LAKE CHARLES, LOUISIANA.—Notwithstanding any other provision of law, funds made available for construction of roads and a bridge to provide access to the Rose Bluff industrial area, Lake Charles, Louisiana, under section 149(a)(87) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 194; 109 Stat. 607) and item 17 of the table contained in section 1106(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2038) shall be made available for the project in Lake Charles, Louisiana, consisting of—

(1) construction of Nelson Access Road to the Port of Lake Charles as described in item 1596 of the table contained in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 315);

(2) planning, design, and reconstruction of Cove Lane exit from Interstate 210; and

(3) planning, design, and construction of West Prien Lake Road.

SEC. 366. Notwithstanding any other provision of law, of the funds available under section 104(a)(1)(A) of title 23, United States Code, for surface transportation projects, \$13,000,000 shall be available to the Secretary to make grants to the Kentucky Turnpike Authority to pay the debt on bonds issued by the Kentucky Turnpike Authority before January 1, 2003, for the Daniel Boone Parkway, Kentucky, and the Cumberland Parkway, Kentucky.

Deadline.

SEC. 367. LETTERS OF INTENT FOR AIRPORT SECURITY IMPROVEMENT PROJECTS.—(a) The Under Secretary of Transportation for

49 USC 47110
note.

Security may issue a letter of intent to an airport committing to obligate from future budget authority an amount, not more than the Federal Government's share of the project's cost, for an airport security improvement project (including interest costs and costs of formulating the project) at the airport. The letter shall establish a schedule under which the Under Secretary will reimburse the airport for the Government's share of the project's costs, as amounts become available, if the airport, after the Under Secretary issues the letter, carries out the project without receiving amounts under Chapter 471 of title 49.

Notification.

(b) The airport shall notify the Under Secretary of the airport's intent to carry out the airport security improvement project before the project begins.

(c) A letter of intent may be issued under this section only if—

(1) The airport security improvement project to which the letter applies involves the replacement of baggage conveyer systems or the reconfiguration of terminal baggage areas in order to install explosive detection systems; and

(2) The Under Secretary determines that the project will improve security or will improve the efficiency of the airport without lessening security.

(d) A letter of intent issued under this section is not an obligation of the Government under section 1501 of title 31, and the letter is not deemed to be an administrative commitment for financing. An obligation or administrative commitment may be made only as amounts are provided in authorization and appropriations laws.

(e) The Government's share of the project's cost shall be 75 percent for a project at an airport having at least 0.25 percent of the total number of passenger boardings each year at all airports and 90 percent for a project at any other airport.

(f) Nothing in this section shall be construed to prohibit the obligation of amounts pursuant to a letter of intent under this section in the same fiscal year as the letter of intent is issued.

Notification.
Deadline.

(g) The Under Secretary shall notify the House and Senate Committees on Appropriations, the House Transportation and Infrastructure Committee, and the Senate Commerce, Science, and Transportation Committee at least 3 days prior to the issuance of a letter of intent under this section.

(h) There is authorized to be appropriated to carry out this section \$500,000,000 in each of fiscal years 2003, 2004, 2005, 2006, and 2007.

115 Stat. 863.

SEC. 368. Section 342 of the Department of Transportation and Related Agencies Appropriations Act, 2002, is amended by striking "Passenger only ferry to serve Kitsap and King Counties to Seattle" and inserting "Ferry/tunnel project in Bremerton, Washington".

115 Stat. 863.

SEC. 369. Section 343 of the Department of Transportation and Related Agencies Appropriations Act, 2002, is amended by striking "Passenger only ferry to serve Kitsap and King Counties to Seattle" and inserting "Ferry/tunnel project in Bremerton, Washington".

SEC. 370. (a) INCLUSION OF TOWERS IN AIRPORT DEVELOPMENT.—Section 47102(3) of title 49, United States Code, is amended by adding at the end the following:

“(M) constructing an air traffic control tower or acquiring and installing air traffic control, communications, and related equipment at an air traffic control tower under the terms specified in section 47124(b)(4).”.

(b) CONSTRUCTION OF AIR TRAFFIC CONTROL TOWERS.—

(1) IN GENERAL.—Section 47124(b)(4) of title 49, United States Code, is amended to read as follows:

“(4) CONSTRUCTION OF AIR TRAFFIC CONTROL TOWERS.—

“(A) GRANTS.—The Secretary may provide grants to a sponsor of—

“(i) a primary airport—

“(I) from amounts made available under sections 47114(c)(1) and 47114(c)(2) for the construction or improvement of a nonapproach control tower, as defined by the Secretary, and for the acquisition and installation of air traffic control, communications, and related equipment to be used in that tower;

“(II) from amounts made available under sections 47114(c)(1) and 47114(c)(2) for reimbursement for the cost of construction or improvement of a nonapproach control tower, as defined by the Secretary, incurred after October 1, 1996, if the sponsor complied with the requirements of sections 47107(e), 47112(b), and 47112(c) in constructing or improving that tower; and

“(III) from amounts made available under sections 47114(c)(1) and 47114(c)(2) for reimbursement for the cost of acquiring and installing in that tower air traffic control, communications, and related equipment that was acquired or installed after October 1, 1996; and

“(ii) a public-use airport that is not a primary airport—

“(I) from amounts made available under sections 47114(c)(2) and 47114(d) for the construction or improvement of a nonapproach control tower, as defined by the Secretary, and for the acquisition and installation of air traffic control, communications, and related equipment to be used in that tower;

“(II) from amounts made available under sections 47114(c)(2) and 47114(d)(3)(A) for reimbursement for the cost of construction or improvement of a nonapproach control tower, as defined by the Secretary, incurred after October 1, 1996, if the sponsor complied with the requirements of sections 47107(e), 47112(b), and 47112(c) in constructing or improving that tower; and

“(III) from amounts made available under sections 47114(c)(2) and 47114(d)(3)(A) for reimbursement for the cost of acquiring and installing in that tower air traffic control, communications, and related equipment that was acquired or installed after October 1, 1996.

“(B) ELIGIBILITY.—An airport sponsor shall be eligible for a grant under this paragraph only if—

“(i)(I) the sponsor is a participant in the Federal Aviation Administration contract tower program established under subsection (a) and continued under paragraph (1) or the pilot program established under paragraph (3); or

“(II) construction of a nonapproach control tower would qualify the sponsor to be eligible to participate in such program;

“(ii) the sponsor certifies that it will pay not less than 10 percent of the cost of the activities for which the sponsor is receiving assistance under this paragraph;

“(iii) the Secretary affirmatively accepts the proposed contract tower into a contract tower program under this section and certifies that the Secretary will seek future appropriations to pay the Federal Aviation Administration’s cost of the contract to operate the tower to be constructed under this paragraph;

“(iv) the sponsor certifies that it will pay its share of the cost of the contract to operate the tower to be constructed under this paragraph; and

“(v) in the case of a tower to be constructed under this paragraph from amounts made available under section 47114(d)(2) or 47114(d)(3)(B), the Secretary certifies that—

“(I) the Federal Aviation Administration has consulted the State within the borders of which the tower is to be constructed and the State supports the construction of the tower as part of its State airport capital plan; and

“(II) the selection of the tower for funding is based on objective criteria.

“(C) LIMITATION ON FEDERAL SHARE.—The Federal share of the cost of construction of a nonapproach control tower under this paragraph may not exceed \$1,100,000.”.

(2) CONFORMING AMENDMENTS.—Section 47124(b) of such title is amended—

(A) in paragraph (3)(A) by striking “Level I air traffic control towers, as defined by the Secretary,” and inserting “nonapproach control towers, as defined by the Secretary,”; and

(B) in paragraph (3)(E) by striking “Subject to paragraph (4)(D), of” and inserting “Of”.

(3) SAVINGS CLAUSE.—Notwithstanding the amendments made by this section, the towers for which assistance is being provided on the day before the date of enactment of this Act under section 47124(b)(4) of title 49, United States Code, as in effect on such day, may continue to be provided such assistance under the terms of such section.

(c) NONAPPROACH CONTROL TOWERS.—

(1) IN GENERAL.—The Administrator of the Federal Aviation Administration may enter into a lease agreement or contract agreement with a private entity to provide for construction and operation of a nonapproach control tower as defined by the Secretary of Transportation.

(2) TERMS AND CONDITIONS.—An agreement entered into under this section—

49 USC 47124
note.

49 USC 47124
note.

(A) shall be negotiated under such procedures as the Administrator considers necessary to ensure the integrity of the selection process, the safety of air travel, and to protect the interests of the United States;

(B) may provide a lease option to the United States, to be exercised at the discretion of the Administrator, to occupy any general-purpose space in a facility covered by the agreement;

(C) shall not require, unless specifically determined otherwise by the Administrator, Federal ownership of a facility covered under the agreement after the expiration of the agreement;

(D) shall describe the consideration, duties, and responsibilities for which the United States and the private entity are responsible;

(E) shall provide that the United States will not be liable for any action, debt, or liability of any entity created by the agreement;

(F) shall provide that the private entity may not execute any instrument or document creating or evidencing any indebtedness with respect to a facility covered by the agreement unless such instrument or document specifically disclaims any liability of the United States under the instrument or document; and

(G) shall include such other terms and conditions as the Administrator considers appropriate.

(d) **USE OF APPORTIONMENTS TO PAY NON-FEDERAL SHARE OF OPERATION COSTS.—**

49 USC 47124
note.

(1) **STUDY.**—The Secretary of Transportation shall conduct a study of the feasibility, costs, and benefits of allowing the sponsor of an airport to use not to exceed 10 percent of amounts apportioned to the sponsor under section 47114 to pay the non-Federal share of the cost of operation of an air traffic control tower under section 47124(b) of title 49, United States Code.

(2) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study.

Deadline.

SEC. 371. In addition to amounts otherwise made available by this Act, there is hereby appropriated \$3,500,000, to remain available until expended, to enable the Secretary to maintain operations of the Midway Island airfield.

SEC. 372. Section 145(c) of Public Law 107–71 is amended by striking the number (18) and inserting the number (27).

49 USC 40101
note.

SEC. 373. **SUSQUEHANNA GREENWAY, MARYLAND.** The table contained in section 1602 of the Transportation Equity Act for the 21st Century is amended in item 1603 (112 Stat. 316) by striking “Construct pedestrian bicycle bridge across Susquehanna River between Havre de Grace and Perryville” and inserting “Develop Lower Susquehanna Heritage Greenway, including acquisition of property, construction of hiker-biker trails, and construction or use of docks, ferry boats, bridges, or vans to convey bikers and pedestrians across the Susquehanna River between Cecil County and Harford County”.

SEC. 374. Item number 1320 in the table contained in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 305) is amended by striking “Reconstruct 79th Street Traffic

Circle, New York City” and inserting “Cross Harbor Freight Movement Project EIS, New York City”.

SEC. 375. Of the \$3,400,000 appropriated under the heading “Highway Demonstration Projects” in Public Law 101-516 for Pennsylvania State Route 711 Bypass (Ligonier), the unobligated share shall be available for transportation projects in the counties of Allegheny, Armstrong, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland, Pennsylvania.

SEC. 376. Of the \$900,000 appropriated under the heading “Federal Highway Demonstration Projects” in Public Law 102-143 for Pennsylvania State Route 711 Bypass (Ligonier), the unobligated share shall be available for transportation projects in the counties of Allegheny, Armstrong, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland, Pennsylvania.

SEC. 377. Of the funds made available in Public Law 107-87 under the Federal-aid Highways account to carry out 23 U.S.C. 129(c) and section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991, as amended, \$2,000,000 shall be transferred to the Federal Transit Administration’s Formula Grant account and made available to the Jersey City Pier redevelopment and terminal construction project: *Provided*, That, notwithstanding any other provision of law, including 23 U.S.C. 104(k), such funds shall be administered under terms and conditions deemed appropriate by the Secretary.

This division may be cited as the “Department of Transportation and Related Agencies Appropriations Act, 2003”.

Treasury and
General
Government
Appropriations
Act, 2003.

DIVISION J—TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes, namely:

Treasury
Department
Appropriations
Act, 2003.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed \$3,500,000 for official travel expenses; not to exceed \$3,813,000, to remain available until expended for information technology modernization

requirements; not to exceed \$150,000 for official reception and representation expenses; not to exceed \$258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate, \$189,201,000: *Provided*, That the Office of Foreign Assets Control shall be funded at no less than \$21,206,000 and 120 full time equivalent positions: *Provided further*, That of these amounts \$2,900,000 is available for grants to State and local law enforcement groups to help fight money laundering: *Provided further*, That of these amounts, \$5,893,000 shall be for the Treasury-wide Financial Statement Audit Program, of which such amounts as may be necessary may be transferred to accounts of the Department's offices and bureaus to conduct audits: *Provided further*, That this transfer authority shall be in addition to any other provided in this Act.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, \$65,628,000, to remain available until expended: *Provided*, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further*, That none of the funds appropriated shall be used to support or supplement the Internal Revenue Service appropriations for Information Systems or Business Systems Modernization.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed \$2,000,000 for official travel expenses, including hire of passenger motor vehicles; and not to exceed \$100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury, \$35,736,000, of which not to exceed \$2,500 shall be available for official reception and representation expenses.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Treasury Inspector General for Tax Administration in carrying out the Inspector General Act of 1978, as amended, including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; not to exceed \$6,000,000 for official travel expenses; and not to exceed \$500,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration, \$125,011,000.

AIR TRANSPORTATION STABILIZATION PROGRAM

For necessary expenses to administer the Air Transportation Stabilization Board established by section 102 of the Air Transportation Safety and System Stabilization Act (Public Law 107-42), \$6,041,000, to remain available until expended.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and Annex, \$28,932,000, to remain available until expended.

EXPANDED ACCESS TO FINANCIAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

To develop and implement programs to expand access to financial services for low- and moderate-income individuals, \$2,000,000, such funds to become available upon authorization of this program as provided by law and to remain available until expended: *Provided*, That of these funds, such sums as may be necessary may be transferred to accounts of the Department's offices, bureaus, and other organizations: *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act.

COUNTERTERRORISM FUND

For necessary expenses, as determined by the Secretary, \$10,000,000, to remain available until expended, to reimburse any Department of the Treasury organization for the costs of providing support to counter, investigate, or prosecute unexpected threats or acts of terrorism, including payment of rewards in connection with these activities: *Provided*, That the entire dollar amount shall be available only to the extent that an official request for a specific dollar amount is transmitted by the President to the Congress.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed \$14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$51,752,000, of which not to exceed \$3,400,000 shall remain available until September 30, 2005; and of which \$8,338,000 shall remain available until September 30, 2004: *Provided*, That funds appropriated in this account may be used to procure personal services contracts.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury,

including materials and support costs of Federal law enforcement basic training; purchase (not to exceed 52 for police-type use, without regard to the general purchase price limitation) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed \$11,500 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109, \$134,986,000, of which \$650,000 shall be available for an interagency effort to establish written standards on accreditation of Federal law enforcement training; and of which up to \$24,266,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 2005, and of which up to 20 percent of the \$24,266,000 also shall be available for travel, room and board costs for participating agency basic training during the first quarter of a fiscal year, subject to full reimbursement by the benefiting agency: *Provided*, That the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes, including funding of a gift of intrinsic value which shall be awarded annually by the Director of the Center to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, which shall be funded only by gifts received through the Center's gift authority: *Provided further*, That the Center is authorized to accept detailees from other Federal agencies, on a non-reimbursable basis, to staff the accreditation function: *Provided further*, That notwithstanding any other provision of law, students attending training at any Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: *Provided further*, That funds appropriated in this account shall be available, at the discretion of the Director, for the following: training United States Postal Service law enforcement personnel and Postal police officers; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation, except that reimbursement may be waived by the Secretary for law enforcement training activities in foreign countries undertaken pursuant to section 801 of the Antiterrorism and Effective Death Penalty Act of 1996, (Public Law 104-32); training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; and travel expenses of non-Federal personnel to attend course development meetings and training sponsored by the Center: *Provided further*, That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training sponsored by the Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: *Provided further*, That the Center is authorized to provide training for the Gang Resistance Education and Training program to Federal and non-Federal personnel at any facility in partnership with the Bureau of Alcohol, Tobacco and Firearms: *Provided further*, That the Center is authorized to provide short-term medical services for students undergoing training at the Center.

42 USC 3771
note.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED
EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, \$36,000,000, to remain available until expended.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For expenses necessary to conduct investigations and convict offenders involved in organized crime drug trafficking, including cooperative efforts with State and local law enforcement, as it relates to the Treasury Department law enforcement violations such as money laundering, violent crime, and smuggling, \$107,576,000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, \$222,078,000, of which not to exceed \$9,220,000 shall remain available until September 30, 2005, for information systems modernization initiatives; and of which not to exceed \$2,500 shall be available for official reception and representation expenses.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed 822 vehicles for police-type use, of which 650 shall be for replacement only, and hire of passenger motor vehicles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where a major investigative assignment requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed \$20,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; not to exceed \$50,000 for cooperative research and development programs for Laboratory Services and Fire Research Center activities; and provision of laboratory assistance to State and local agencies, with or without reimbursement, \$886,430,000, of which not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); of which up to \$2,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries including Social Security and Medicare, travel, fuel, training, equipment, supplies, and other similar costs of State and local law enforcement personnel, including sworn

officers and support personnel, that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms; of which \$13,000,000, to remain available until expended, shall be available for disbursements through grants, cooperative agreements or contracts to local governments for Gang Resistance Education and Training; and of which \$3,200,000 for a new headquarters shall remain available until September 30, 2004: *Provided*, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of the Treasury, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: *Provided further*, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 178.118 or to change the definition of “Curios or relics” in 27 CFR 178.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: *Provided further*, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): *Provided further*, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under 18 U.S.C. 925(c): *Provided further*, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase and lease of up to 1,535 motor vehicles of which 550 are for replacement only and of which 1,500 are for police-type use and commercial operations; hire of motor vehicles; contracting with individuals for personal services abroad; not to exceed \$40,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service, \$2,527,155,000, of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed \$150,000 shall be available for payment for rental space in connection with preclearance operations; not to exceed \$4,000,000 shall be available until expended for research; not less than \$100,000 shall be available to promote public awareness of the child pornography tipline; not less than \$200,000 shall be available for Project Alert; not to exceed \$5,000,000 shall be available until expended for conducting special operations pursuant to 19 U.S.C. 2081; not to exceed \$8,000,000 shall be available until expended for the procurement of automation infrastructure items, including hardware, software, and installation; not to exceed \$1,250,000 shall remain available until September 30, 2004 for strengthened enforcement of United States trade laws pertaining to steel; and not to exceed \$5,000,000 shall be available until expended for repairs to Customs facilities: *Provided*, That of the total amount of funds made available for forced child labor activities

in fiscal year 2003, not to exceed \$5,000,000 shall remain available until expended for operations and support of such activities: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That notwithstanding any other provision of law, the fiscal year aggregate overtime limitation prescribed in subsection 5(c)(1) of the Act of February 13, 1911 (19 U.S.C. 261 and 267) shall be \$30,000.

HARBOR MAINTENANCE FEE COLLECTION

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103-182, \$3,000,000, to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with the Customs “Salaries and Expenses” account for such purposes.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include the following: the interdiction of narcotics and other goods; the provision of support to Customs and other Federal, State, and local agencies in the enforcement or administration of laws enforced by the Customs Service; and, at the discretion of the Commissioner of Customs, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts, \$181,829,000, which shall remain available until expended: *Provided*, That no aircraft or other related equipment, with the exception of aircraft which is one of a kind and has been identified as excess to Customs requirements and aircraft which has been damaged beyond repair, shall be transferred to any other Federal agency, department, or office outside of the Department of Homeland Security, during fiscal year 2003 without the prior approval of the Committees on Appropriations.

AUTOMATION MODERNIZATION

For expenses not otherwise provided for Customs automated systems, \$435,332,000, to remain available until expended, of which not less than \$312,900,000 shall be for the development of the Automated Commercial Environment: *Provided*, That none of the funds appropriated under this heading may be obligated for the Automated Commercial Environment until the United States Customs Service prepares and submits to the Committees on Appropriations a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including OMB Circular A-11, part 3; (2) complies with the United States Customs Service’s Enterprise Information Systems Architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) is reviewed

and approved by the Customs Investment Review Board, the Department of the Treasury, and the Office of Management and Budget; and (5) is reviewed by the General Accounting Office: *Provided further*, That none of the funds appropriated under this heading may be obligated for the Automated Commercial Environment until such expenditure plan has been approved by the Committees on Appropriations.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during fiscal year 2003 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed \$34,900,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, \$194,468,000, of which not to exceed \$2,500 shall be available for official reception and representation expenses, and of which not to exceed \$2,000,000 shall remain available until expended for systems modernization; and of which not to exceed \$4,000,000 shall remain available until September 30, 2004 for the purpose of completing the shut-down of the savings bond marketing activity: *Provided*, That the sum appropriated herein from the general fund for fiscal year 2003 shall be reduced by not more than \$4,400,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 2003 appropriation from the general fund estimated at \$190,068,000. In addition, \$40,000 to be derived from the Oil Spill Liability Trust Fund to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101-380.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service for pre-filing taxpayer assistance and education, filing and account services, shared services support, general management and administration; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$3,955,777,000, of which up to \$3,950,000 shall be for the Tax Counseling for the Elderly Program, of which \$7,000,000 shall be available for low-income taxpayer clinic grants, and of which not to exceed \$25,000 shall be for official reception and representation expenses.

TAX LAW ENFORCEMENT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; conducting criminal investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; conducting a document matching program; resolving taxpayer problems through prompt identification, referral and settlement; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$3,729,072,000, of which not to exceed \$1,000,000 shall remain available until September 30, 2005, for research, and of which not less than \$60,000,000 shall be used to combat abusive tax shelters.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

For funding essential earned income tax credit compliance and error reduction initiatives, \$146,000,000, of which not to exceed \$10,000,000 may be used to reimburse the Social Security Administration for the costs of implementing section 1090 of the Taxpayer Relief Act of 1997.

INFORMATION SYSTEMS

For necessary expenses of the Internal Revenue Service for information systems and telecommunications support, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$1,632,444,000, which shall remain available until September 30, 2004.

BUSINESS SYSTEMS MODERNIZATION

For necessary expenses of the Internal Revenue Service, \$366,000,000, to remain available until September 30, 2005, for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by 5 U.S.C. 3109: *Provided*, That none of these funds may be obligated until the Internal Revenue Service submits to the Committees on Appropriations, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11 part 3; (2) complies with the Internal Revenue Service's enterprise architecture, including the modernization blueprint; (3) conforms with the Internal Revenue Service's enterprise life cycle methodology; (4) is approved by the Internal Revenue Service, the Department of the Treasury, and the Office of Management and Budget; (5) has been reviewed by the General Accounting Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

For necessary expenses to implement the health insurance tax credit included in the Trade Act of 2002 (Public Law 107-210), \$70,000,000, to remain available until September 30, 2004.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SEC. 101. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the Committees on Appropriations.

SEC. 102. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

26 USC 7804
note.

SEC. 103. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information.

Procedures.
26 USC 6103
note.

SEC. 104. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1-800 help line service for taxpayers. The Commissioner shall continue to make the improvement of the Internal Revenue Service 1-800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the Internal Revenue Service 1-800 help line service.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase of not to exceed 610 vehicles for police-type use for replacement only, and hire of passenger motor vehicles; purchase of American-made side-car compatible motorcycles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act if approval is obtained in advance from the Committees on Appropriations; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed \$25,000 for official reception and representation expenses; not to exceed \$100,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions;

and for uniforms without regard to the general purchase price limitation for the current fiscal year, \$1,029,150,000, of which \$1,633,000 shall be available for forensic and related support of investigations of missing and exploited children, and of which \$4,583,000 shall be available as a grant for activities related to the investigations of exploited children and shall remain available until expended: *Provided*, That up to \$18,000,000 provided for protective travel shall remain available until September 30, 2004.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED
EXPENSES

For necessary expenses of construction, repair, alteration, and improvement of facilities, \$3,519,000, to remain available until expended.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 110. Any obligation or expenditure by the Secretary of the Treasury in connection with law enforcement activities of a Federal agency or a Department of the Treasury law enforcement organization in accordance with 31 U.S.C. 9703(g)(4)(B) from unobligated balances remaining in the Fund on September 30, 2003, shall be made in compliance with reprogramming guidelines.

SEC. 111. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 112. The funds provided to the Bureau of Alcohol, Tobacco and Firearms for fiscal year 2003 in this Act for the enforcement of the Federal Alcohol Administration Act shall be expended in a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

SEC. 113. Not to exceed 2 percent of any appropriations in this Act made available to the Federal Law Enforcement Training Center, Financial Crimes Enforcement Network, Bureau of Alcohol, Tobacco and Firearms, United States Customs Service, Interagency Crime and Drug Enforcement, and United States Secret Service may be transferred between such appropriations upon the advance approval of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 114. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices—Salaries and Expenses, Office of Inspector General, Treasury Inspector General for Tax Administration, Financial Management Service, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 115. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation upon the advance approval of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 116. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the purchase by the respective Treasury bureau is consistent with Departmental vehicle management principles: *Provided*, That the Secretary may delegate this authority to the Assistant Secretary for Management.

SEC. 117. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the \$1 Federal Reserve note.

SEC. 118. The Secretary of the Treasury may transfer funds from "Salaries and Expenses", Financial Management Service, to the Debt Services Account as necessary to cover the costs of debt collection: *Provided*, That such amounts shall be reimbursed to such Salaries and Expenses account from debt collections received in the Debt Services Account.

SEC. 119. Section 122(g)(1) of Public Law 105–119 (5 U.S.C. 3104 note), is further amended by striking "4 years" and inserting "5 years".

SEC. 120. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the explicit approval of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 121. None of the funds appropriated or made available by this Act may be used for the production of Customs Declarations that do not inquire whether the passenger had been in the proximity of livestock.

SEC. 122. The Federal Law Enforcement Training Center is directed to establish an accrediting body that will include representatives from the Federal law enforcement community, as well as non-Federal accreditation experts involved in law enforcement training. The purpose of this body will be to establish standards for measuring and assessing the quality and effectiveness of Federal law enforcement training programs, facilities, and instructors.

Establishment.
42 USC 3771
note.

SEC. 123. The Treasury Department Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208), under the heading "Treasury Franchise Fund", as amended by section 120 of the Treasury Department Appropriations Act, 2001 (enacted pursuant to section 1(a)(3) of Public Law 106–554), is further amended by striking "until October 1, 2002" and inserting "until October 1, 2004".

31 USC 501 note.

SEC. 125. AMENDMENT TO JOHN C. STENNIS CENTER FOR PUBLIC SERVICE TRAINING AND DEVELOPMENT ACT.—For fiscal year 2003 and thereafter, section 116 of the John C. Stennis Center for Public Service Training and Development Act (2 U.S.C. 1105) is amended—

(1) by striking subsection (b) and inserting the following:
"(b) INVESTMENT OF FUND ASSETS.—

"(1) At the request of the Center, it shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the fund. Such investments may be made only

in interest-bearing obligations of the United States issued directly to the fund.

“(2) The purposes for which obligations of the United States may be issued under chapter 31 of title 31 are hereby extended to authorize the issuance at par of special obligations directly to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. All requests of the Center to the Secretary of the Treasury provided for in this section shall be binding upon the Secretary.”; and

(2) by striking subsection (c) and inserting the following:

“(c) **AUTHORITY TO SELL OBLIGATIONS.**—At the request of the Center, the Secretary of the Treasury shall redeem any obligation issued directly to the fund. Obligations issued to the fund under subsection (b)(2) shall be redeemed at par plus accrued interest. Any other obligations issued directly to the fund shall be redeemed at the market price.”.

SEC. 126. AMENDMENT TO JAMES MADISON MEMORIAL FELLOWSHIP ACT.—For fiscal year 2003 and thereafter, section 811 of the James Madison Memorial Fellowship Act (20 U.S.C. 4510) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) **INVESTMENT OF AMOUNTS APPROPRIATED.**—

“(1) At the request of the Trust Fund, it shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated and contributed to the fund. Such investments may be made only in interest-bearing obligations of the United States issued directly to the fund.

“(2) The purposes for which obligations of the United States may be issued under chapter 31 of title 31 are hereby extended to authorize the issuance at par of special obligations directly to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. All requests of the Trust Fund to the Secretary of the Treasury provided for in this section shall be binding upon the Secretary.”; and

(2) by striking subsection (c) and inserting the following:

“(c) **SALE OF OBLIGATIONS ACQUIRED BY FUND.**—At the request of the Trust Fund, the Secretary of the Treasury shall redeem any obligation issued directly to the fund. Obligations issued to the fund under subsection (b)(2) shall be redeemed at par plus accrued interest. Any other obligations issued directly to the fund shall be redeemed at the market price.”.

SEC. 127. AUTHORITY FOR THE CREATION OF INTEGRATED BORDER INSPECTION AREAS AND DESIGNATION OF FOREIGN LAW

ENFORCEMENT OFFICERS. (a) CREATION OF INTEGRATED BORDER INSPECTION AREAS.— 19 USC 1629 note.

(1) The Commissioner of Customs, in consultation with the Canadian Customs and Revenue Agency (CCRA), shall seek to establish Integrated Border Inspection Areas (IBIAs), i.e., areas on either side of the United States-Canada border in which the United States Customs officers can inspect vehicles entering the United States from Canada before they enter the United States, or Canadian officers can inspect vehicles entering Canada from the United States before they enter Canada. This may include, where appropriate, employment of reverse inspection techniques.

(2) The Commissioner of Customs, in consultation with the Administrator of the General Services Administration when appropriate, shall endeavor to carry out the IBIA program in a manner that minimizes adverse impacts on the surrounding community.

(b) Section 1401(i) of title 19, United States Code, is amended by inserting “, including foreign law enforcement officers,” after “or other person”.

(c) Section 1629 of title 19, United States Code, is amended—

(1) in paragraph (a) by inserting “, or subsequent to their exit from,” after “prior to their arrival in”;

(2) in paragraph (c) by inserting “or exportation” after “relating to the importation” and by inserting “or exit” after “port of entry”;

(3) in paragraph (e), by—

(A) inserting “and agriculture inspection” after “customs” in each instance where reference is currently made to “customs officers” or “customs officials” in this subsection;

(B) inserting “and the Secretary of Agriculture” after “in coordination with the Secretary”;

(C) inserting “or that have gone directly from that country to the United States” after “to that country from the United States”;

(D) inserting “or exportation” after “governing the importation”;

(E) deleting “and” and inserting a comma (“,”) after “such functions”;

(F) inserting “, and enjoy such privileges and immunities” after “such duties”;

(G) inserting “or are afforded” after “authorized to perform”; and

(H) deleting “under reciprocal agreement” and inserting “by treaty, agreement or law”.

(4) by adding at the end the following:

“(g) Persons designated to perform the duties of an officer of the Customs Service pursuant to section 1401 (i) of this title shall be entitled to the same privileges and immunities as an officer of the Customs Service with respect to any actions taken by the designated person in the performance of such duties.”.

This title may be cited as the “Treasury Department Appropriations Act, 2003”.

Postal Service
Appropriations
Act, 2003.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

39 USC 403 note.

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, \$60,014,000, of which \$31,014,000 shall not be available for obligation until October 1, 2003: *Provided*, That mail for overseas voting and mail for the blind shall continue to be free: *Provided further*, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: *Provided further*, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: *Provided further*, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in fiscal year 2003.

This title may be cited as the “Postal Service Appropriations Act, 2003”.

Executive Office
Appropriations
Act, 2003.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

3 USC 102 note.

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum as authorized by 3 U.S.C. 102, \$450,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President.

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed \$3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed \$100,000 to be expended and accounted for as provided by 3 U.S.C. 103); and not to exceed \$19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President, \$50,715,000: *Provided*, That \$8,650,000 of the funds appropriated shall be available for reimbursements to the White House Communications Agency.

OFFICE OF HOMELAND SECURITY

SALARIES AND EXPENSES

For necessary expenses of the Office of Homeland Security, pursuant to Executive Order No. 13288, \$19,398,000: *Provided*, That the Office of Homeland Security shall submit a report identifying estimated obligations for each function assigned to this Office pursuant to Executive Order No. 13288 to the Committees on Appropriations no later than November 1, 2002.

Reports.
Deadline.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating, and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President, \$12,228,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112-114.

REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: *Provided*, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: *Provided further*, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: *Provided further*, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: *Provided further*, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit \$25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: *Provided further*, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expense under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: *Provided further*, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: *Provided further*, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting forth the reimbursable operating expenses of the

Deadline.
Reports.

Records.

Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: *Provided further*, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events within the Executive Residence that includes a standard for the classification of any such expense as political or nonpolitical: *Provided further*, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

WHITE HOUSE REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Executive Residence at the White House, \$1,200,000, to remain available until expended, for required maintenance, safety and health issues, and continued preventative maintenance.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL
RESIDENCE OF THE VICE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions; services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles, \$4,066,000.

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For the care, operation, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President; the hire of passenger motor vehicles; and not to exceed \$90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, \$324,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council of Economic Advisors in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), \$3,763,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, \$3,251,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, \$7,821,000.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles, \$91,505,000, of which \$17,470,000 shall remain available until expended for the Capital Investment Plan for continued modernization of the information technology infrastructure within the Executive Office of the President: *Provided*, That the Executive Office of the President shall submit a report to the Committees on Appropriations that includes a current description of: (1) the Enterprise Architecture, as defined in OMB Circular A-130 and the Federal Chief Information Officers Council guidance; (2) the Information Technology (IT) Human Capital Plan; (3) the capital investment plan for implementing the Enterprise Architecture; and (4) the IT capital planning and investment control process: *Provided further*, That this report shall be reviewed and approved by the Office of Management and Budget, and reviewed by the General Accounting Office.

Reports.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, \$62,394,000, of which not to exceed \$5,000,000 shall be available to carry out the provisions of chapter 35 of title 44, United States Code, and of which not to exceed \$3,000 shall be available for official representation expenses: *Provided*, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: *Provided further*, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further*, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committees on Appropriations or the Committees on Veterans' Affairs or their subcommittees:

Applicability.

Provided further, That the preceding shall not apply to printed hearings released by the Committees on Appropriations or the Committees on Veterans' Affairs: *Provided further*, That none of the funds appropriated in this Act may be available to pay the salary or expenses of any employee of the Office of Management and Budget who, after February 15, 2003, calculates, prepares, or approves any tabular or other material that proposes the sub-allocation of budget authority or outlays by the Committees on Appropriations among their subcommittees.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.); not to exceed \$10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement, \$26,456,000; of which \$2,350,000 shall remain available until expended, consisting of \$1,350,000 for policy research and evaluation, and \$1,000,000 for the National Alliance for Model State Drug Laws: *Provided*, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office: *Provided further*, That \$5,000,000 of these funds shall not be obligated until the Director submits performance measures of effectiveness for the High Intensity Drug Trafficking Areas program to the House Committee on Appropriations: *Provided further*, That \$2,000,000 of these funds shall not be obligated until the Director submits, and the Committees on Appropriations approve, a human capital strategy for the Office.

21 USC 1702
note.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.), \$48,000,000, which shall remain available until expended, consisting of \$22,000,000 for counternarcotics research and development projects, and \$26,000,000 for the continued operation of the technology transfer program: *Provided*, That the \$22,000,000 for counternarcotics research and development projects shall be available for transfer to other Federal departments or agencies.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, \$226,350,000, for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of the enactment of this Act: *Provided*, That up to 49 percent, to remain available until September 30, 2004, may be transferred to Federal agencies and departments at a rate to be determined by the Director, of which not less than \$2,100,000 shall be used for auditing services and associated activities, and at least \$500,000 of the \$2,100,000 shall be used to develop and implement a data collection system to measure the performance of the High Intensity Drug Trafficking Areas Program: *Provided further*, That High Intensity Drug Trafficking Areas Programs designated as of September 30, 2002, shall be funded at no less than the fiscal year 2002 initial allocation levels unless the Director submits to the Committees on Appropriations, and the Committees approve, justification for changes in those levels based on clearly articulated priorities for the High Intensity Drug Trafficking Areas Programs, as well as published Office of National Drug Control Policy performance measures of effectiveness: *Provided further*, That no funds of an amount in excess of the fiscal year 2003 budget request shall be obligated prior to the approval of the Committee on Appropriations: *Provided further*, That no funds shall be used for any further or additional consolidation of the Southwest Border High Intensity Drug Trafficking Area, except for the operation of an office with a coordinating role, until the Office submits a report on the structure of the Southwest Border High Intensity Drug Trafficking Area.

Deadline.

Reports.

SPECIAL FORFEITURE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities to support a national anti-drug campaign for youth, and for other purposes, authorized by the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.), \$223,200,000, to remain available until expended, of which the following amounts are available as follows: \$150,000,000 to support a national media campaign, as authorized by the Drug-Free Media Campaign Act of 1998; \$60,000,000 to continue a program of matching grants to drug-free communities, of which \$2,000,000 shall be a directed grant to the Community Anti-Drug Coalitions of America for the National Community Anti-Drug Coalition Institute, as authorized in chapter 2 of the National Narcotics Leadership Act of 1988, as amended; \$3,000,000 for the Counterdrug Intelligence Executive Secretariat; \$2,000,000 for evaluations and research related to National Drug Control Program performance measures; \$1,000,000 for the National Drug Court Institute; \$6,400,000 for the United States Anti-Doping Agency for anti-doping activities; and \$800,000 for the United States membership dues to the World Anti-Doping Agency: *Provided*, That such funds may

be transferred to other Federal departments and agencies to carry out such activities.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, as authorized by 3 U.S.C. 108, \$1,000,000.

This title may be cited as the “Executive Office Appropriations Act, 2003”.

Independent
Agencies
Appropriations
Act, 2003.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From People Who Are Blind or Severely Disabled established by Public Law 92–28, \$4,658,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, \$49,866,000, of which no less than \$5,866,700 shall be available for internal automated data processing systems, and of which not to exceed \$5,000 shall be available for reception and representation expenses.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, and including hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere, \$28,950,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: *Provided further*, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount to be deposited in, and to be used for the purposes of, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), \$375,711,000. The revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of \$7,006,033,000, of which: (1) \$717,488,000 shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at the following locations:

New Construction:

Arkansas:

Little Rock, United States Courthouse Annex,
\$77,154,000.

California:

San Diego, United States Courthouse Annex,
\$23,901,000.

District of Columbia:

Washington, Southeast Federal Center Site Remediation, \$6,472,000.

Florida:

Fort Pierce, United States Courthouse, \$2,744,000.

Orlando, United States Courthouse, \$79,261,000.

Iowa:

Cedar Rapids, United States Courthouse, \$5,167,000.

Maine:

Jackman, Border Station, \$9,194,000.

Maryland:

Montgomery County, FDA consolidation, \$37,600,000.

Suitland, National Oceanic and Atmospheric Administration II, \$9,461,000.

Suitland, United States Census Bureau, \$176,919,000.

Mississippi:

Jackson, United States Courthouse, \$7,276,000.

Missouri:

Cape Girardeau, United States Courthouse, \$49,300,000.

Montana:

Raymond, Border Station, \$7,753,000.

New York:

Brooklyn, United States Courthouse Annex—GPO, \$39,500,000.

Champlain, Border Station, \$4,000,000.

Massena, Border Station, \$1,646,000.

New York, United States Mission to the United Nations, \$57,053,000.

North Dakota:

Portal, Border Station, \$2,201,000.

Oregon:

Eugene, United States Courthouse, \$77,374,000.

Tennessee:

Nashville, United States Courthouse, \$7,095,000.

Texas:

Austin, United States Courthouse, \$13,809,000.

Utah:

Salt Lake City, United States Courthouse, \$9,783,000.

Washington:

Oroville, Border Station, \$6,572,000.

Nationwide:

Nonprospectus Construction, \$6,253,000:

Provided, That funding for any project identified above may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent of the amounts included in an approved prospectus, if required, unless advance approval is obtained from the Committees on Appropriations of a greater amount: *Provided further*, That all funds for direct construction projects shall expire on September 30, 2004, and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) \$951,529,000 shall remain available until expended for repairs and alterations, of which \$358,340,000 shall be available for basic repairs and alterations and \$593,189,000 shall be available for the following repairs and alterations projects, which includes associated design and construction services:

California:

Los Angeles, Federal Building, 300 North Los Angeles Street.

San Francisco, Appraisers Building.

San Francisco, 50 United Nations Plaza Federal Building (design).

Tecate, Tecate United States Border Station.

Colorado:

Denver, Byron G. Rogers Federal Building and Courthouse.

Lakewood, Denver Federal Center, Building 53 (design).

Expiration date.

Connecticut:

New Haven, Robert N. Gaimo Federal Building.

District of Columbia:

Federal Office Building 10A Garage.

Harry S Truman Building (State).

GSA Central Office (design).

GSA Regional Office Building (design).

Herbert C. Hoover Building (design).

Hawaii:

Hilo, Federal Building and Post Office (design).

Illinois:

Chicago, United States Custom House.

Iowa:

Davenport, Federal Building and United States Courthouse.

Maryland:

Baltimore, Metro West.

Baltimore, George H. Fallon Federal Building (design).

Woodlawn, Operations Building.

Massachusetts:

Boston, John F. Kennedy Federal Building Plaza.

Minnesota:

St. Paul, Warren E. Burger Federal Building and United States Courthouse (design).

Missouri:

Kansas City, Bannister Federal Complex, Building 1.

Kansas City, Bannister Federal Complex, Building 2.

New Hampshire:

Manchester, Norris Cotton Federal Building.

Portsmouth, Thomas J. McIntyre Federal Building.

New York:

New York, Jacob K. Javits Federal Building.

Ohio:

Cleveland, Howard M. Metzenbaum United States Courthouse.

Columbus, John W. Bricker Federal Building (design).

Pennsylvania:

Pittsburgh, William S. Moorhead Federal Building.

Texas:

Dallas, Earle Cabell Federal Building—Courthouse and Santa Fe Federal Building.

Fort Worth, Fritz Garland Lanham Federal Building.

Washington:

Seattle, Henry M. Jackson Federal Building.

Seattle, William Kenzo Nakamura, United States Courthouse (design).

Auburn Warehouse Complex (design).

Nationwide:

Elevator Program, Glass Fragmentation Program and Anti-Terrorism Program:

Provided further, That funds made available in any previous Act in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount identified for each project, except each project in any previous Act may be increased by an amount not to exceed 10 percent unless advance approval is obtained from the Committees on Appropriations of a greater amount: *Provided further*, That additional projects for

Expiration date.

which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations: *Provided further*, That the amounts provided in this or any prior Act for “Repairs and Alterations” may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: *Provided further*, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading “Repairs and Alterations”, may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2004 and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading “Repairs and Alterations” or used to fund authorized increases in prospectus projects; (3) \$178,960,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) \$3,113,211,000 for rental of space which shall remain available until expended; and (5) \$1,965,160,000 for building operations which shall remain available until expended: *Provided further*, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this Fund during fiscal year 2003, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of \$7,006,033,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

GENERAL ACTIVITIES

POLICY AND CITIZEN SERVICES

For expenses authorized by law, not otherwise provided for, for Government-wide policy and evaluation activities associated

with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; providing Internet access to Federal information and services; and services as authorized by 5 U.S.C. 3109, \$66,304,000.

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management, and Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed \$7,500 for official reception and representation expenses, \$83,663,000, of which \$17,463,000 shall remain available until expended.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, \$37,916,000: *Provided*, That not to exceed \$15,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed \$2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ELECTRONIC GOVERNMENT FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in support of interagency projects that enable the Federal Government to expand its ability to conduct activities electronically, through the development and implementation of innovative uses of the Internet and other electronic methods, \$5,000,000, to remain available until expended: *Provided*, That these funds may be transferred to Federal agencies to carry out the purposes of the Fund: *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further*, That such transfers may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

(INCLUDING TRANSFER OF FUNDS)

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138, \$3,339,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

ELECTION REFORM REIMBURSEMENTS

For necessary expenses to carry out a program under which a one-time payment shall be made to the chief election authority of each State which, on a Statewide basis, obtained optical scan or electronic voting equipment for the administration of elections for Federal office in the State prior to the regularly scheduled general election for Federal office in November 2000, \$15,000,000: *Provided*, That the amount of the payment made with respect to a State under such program shall be equal to the costs incurred by the State in obtaining optical scan or electronic voting equipment used to administer the most recent regularly scheduled general election for Federal office in the State, except that in no case may the amount of the payment exceed \$4,000 per voting precinct in the State at the time of the election: *Provided further*, That total payments made under such program shall not exceed \$15,000,000.

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

SEC. 401. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 402. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 403. Funds in the Federal Buildings Fund made available for fiscal year 2003 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: *Provided*, That any proposed transfers shall be approved in advance by the Committees on Appropriations.

SEC. 404. No funds made available by this Act shall be used to transmit a fiscal year 2004 request for United States Courthouse construction that: (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan: *Provided*, That the fiscal year 2004 request must be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.

SEC. 405. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92-313).

SEC. 406. Funds provided to other Government agencies by the Information Technology Fund, General Services Administration, under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757) and sections 5124(b) and 5128 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1424(b) and 1428), for performance of pilot information technology projects which have

potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.

SEC. 407. From funds made available under the heading “Federal Buildings Fund, Limitations on Availability of Revenue”, claims against the Government of less than \$250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations.

SEC. 408. DESIGNATION OF THE JUDGE DAN M. RUSSELL, JR. FEDERAL BUILDING AND UNITED STATES COURTHOUSE. (a) The Federal building and United States courthouse located at 2015 15th Street in Gulfport, Mississippi, shall be known and designated as the “Judge Dan M. Russell, Jr. Federal Building and United States Courthouse”.

(b) Any reference in law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in subsection (a) shall be deemed to be a reference to the “Judge Dan M. Russell, Jr. Federal Building and United States Courthouse”.

SEC. 409. DESIGNATION. (a) The United States courthouse located at 100 Federal Plaza in Central Islip, New York, shall be known and designated as the “Alfonse M. D’Amato United States Courthouse”.

(b) Any reference in law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in subsection (a) shall be deemed to be a reference to the “Alfonse M. D’Amato United States Courthouse”.

SEC. 410. DESIGNATION OF CESAR E. CHAVEZ MEMORIAL BUILDING. (a) The building known as the Colonnade Center, located at 1244 Speer Boulevard, Denver, Colorado, shall be known and designated as the “Cesar E. Chavez Memorial Building”.

(b) Any reference in law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the “Cesar E. Chavez Memorial Building”.

SEC. 411. For gross obligations for the principal amount of a direct loan as defined by section 502 of the Congressional Budget Act of 1974, not to exceed \$250,000, to be available from amounts transferred by Treasury to the “Disposal of surplus real and related personal property” account of the General Services Administration.

SEC. 412. DESIGNATION OF RICHARD SHEPPARD ARNOLD UNITED STATES COURTHOUSE. (a) The United States courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, and any addition to the courthouse that may hereafter be constructed, shall be known and designated as the “Richard Sheppard Arnold United States Courthouse”.

(b) Any reference in a law, map, regulation, document, paper, or other record of the United States courthouse referred to in subsection (a) shall be deemed to be a reference to the “Richard Sheppard Arnold United States Courthouse”.

SEC. 413. (a) Notwithstanding any other provision of law, the Administrator of General Services is authorized to acquire, by purchase, condemnation, or otherwise, the properties known as 26 West Market Street, 30 West Market Street, 39 West Market Street, and 40 West Market Street in Salt Lake City, Utah. In so acquiring, the Administrator shall comply with applicable environmental and

historical preservation statutes. This authority is in addition to the authority of the Administrator to acquire any sites necessary for construction of the new United States Courthouse in Salt Lake City, Utah.

(b) In addition, the Administrator is authorized to relocate the historical building currently located at 39 West Market Street, Salt Lake City, Utah, to the parcels known as 26, 30, and 40 West Market Street, Salt Lake City, Utah, and after the relocation the Administrator is authorized to sell by auction, or upon such other terms and conditions as the Administrator deems proper, the properties known as 26, 30, and 40 West Market Street. All proceeds from such sale shall be deposited into the fund established under section 592 of title 40, United States Code, and shall not be available for obligation until authorized by a future appropriations Act.

(c) Funds made available in previous appropriations Acts for site, design and construction of a new Courthouse in Salt Lake City, as well as funds that may be made available for such project in fiscal year 2003 appropriations Acts, may be used to carry out the purposes of subsections (a) and (b).

SEC. 414. DESIGNATION OF NATHANIEL R. JONES FEDERAL BUILDING AND UNITED STATES COURTHOUSE. (a) IN GENERAL.—The Federal building and United States courthouse located at 10 East Commerce Street in Youngstown, Ohio, shall be known and designated as the “Nathaniel R. Jones Federal Building and United States Courthouse”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in subsection (a) shall be deemed to be a reference to the “Nathaniel R. Jones Federal Building and United States Courthouse”.

SEC. 415. DESIGNATION OF ELDON B. MAHON UNITED STATES COURTHOUSE. (a) The United States Courthouse located at 501 West 10th Street in Fort Worth, Texas, shall be known and designated as the “Eldon B. Mahon United States Courthouse”.

(b) Any references in law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the “Eldon B. Mahon United States Courthouse”.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, \$32,027,000 together with not to exceed \$2,626,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL
ENVIRONMENTAL POLICY FOUNDATIONMORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL
ENVIRONMENTAL POLICY TRUST FUND

For payment to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund, pursuant to the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5601 et seq.), \$1,996,000, to remain available until expended: *Provided*, That up to 60 percent of such funds may be transferred by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for the necessary expenses of the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

For payment to the Environmental Dispute Resolution Fund to carry out activities authorized in the Environmental Policy and Conflict Resolution Act of 1998, \$1,309,000, to remain available until expended.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives (including the Information Security Oversight Office) and archived Federal records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, \$249,875,000: *Provided*, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings: *Provided further*, That of the funds made available, \$11,837,000 is for the electronic records archive, \$10,137,000 of which shall be available until September 30, 2005: *Provided further*, That, of the funds provided in this paragraph, \$600,000 shall be for the preservation of the records of the Freedmen's Bureau, as required by section 2910 of title 44, United States Code, and as authorized by section 3 of the Freedmen's Bureau Records Preservation Act of 2000 (Public Law 106–444).

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, \$14,208,000, to remain available until expended, of which \$1,250,000 is for the Military Personnel Records Center preliminary design studies, \$3,250,000 is for repairs to the Lyndon Baines Johnson Presidential Library Plaza, and \$3,750,000 is for locating, purchasing, and other related site location expenses for the site of a new regional archives facility to be constructed in Anchorage, Alaska.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, \$6,500,000, to remain available until expended.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended and the Ethics Reform Act of 1989, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed \$1,500 for official reception and representation expenses, \$10,557,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$129,486,000, of which \$24,000,000 shall remain available until expended for the cost of the Government-wide human resources data network project, and \$2,500,000 shall remain available until expended for the cost of leading the government-wide initiative to modernize the Federal payroll systems and service delivery; and in addition \$120,791,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$27,640,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8909(g), and 9004(f)(1)(A) and (2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House

Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2003, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$1,519,000, and in addition, not to exceed \$10,886,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH
BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE
INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

33 USC 776.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95-454), the Whistleblower Protection Act of 1989 (Public Law 101-

12), Public Law 103–424, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103–353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; \$12,449,000.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

26 USC 7443
note.

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, \$37,305,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

For necessary expenses of the White House Commission on the National Moment of Remembrance, as authorized by Public Law 106–579, \$250,000.

This title may be cited as the “Independent Agencies Appropriations Act, 2003”.

TITLE V—GENERAL PROVISIONS

THIS ACT

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 503. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930.

SEC. 504. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service, and has within 90 days after his release from such service or from hospitalization continuing after discharge for a period of not more than 1 year, made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 505. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending

the assistance the entity will comply with sections 2 through 4 of the Buy American Act (41 U.S.C. 10a-10c).

SEC. 506. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 507. If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 508. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2003 from appropriations made available for salaries and expenses for fiscal year 2003 in this Act, shall remain available through September 30, 2004, for each such account for the purposes authorized: *Provided*, That a request shall be submitted to the Committees on Appropriations for approval prior to the expenditure of such funds: *Provided further*, That these requests shall be made in compliance with reprogramming guidelines.

SEC. 509. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on any individual, except when—

(1) such individual has given his or her express written consent for such request not more than 6 months prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 510. The cost accounting standards promulgated under section 26 of the Office of Federal Procurement Policy Act (Public Law 93-400; 41 U.S.C. 422) shall not apply with respect to a contract under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

SEC. 511. For the purpose of resolving litigation and implementing any settlement agreements regarding the nonforeign area cost-of-living allowance program, the Office of Personnel Management may accept and utilize (without regard to any restriction on unanticipated travel expenses imposed in an Appropriations Act) funds made available to the Office pursuant to court approval.

SEC. 512. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been convicted of violating the Buy American Act (41 U.S.C. 10a-10c).

SEC. 513. ENDOWMENT FOR PRESIDENTIAL LIBRARIES. Section 2112(g) of title 44, United States Code, is amended by adding at the end the following:

“(5)(A) Notwithstanding paragraphs (3) and (4) (to the extent that such paragraphs are inconsistent with this paragraph), this subsection shall be administered in accordance with this paragraph with respect to any Presidential archival depository created as a depository for the papers, documents, and other historical materials and Presidential records pertaining to any President who takes the oath of office as President for the first time on or after July 1, 2002.

“(B) For purposes of subparagraphs (A)(ii), (B)(i)(II), and (B)(ii)(II) of paragraph (3) the percentage of 40 percent shall apply instead of 20 percent.

“(C)(i) In this subparagraph, the term ‘base endowment amount’ means the amount of the endowment required under paragraph (3).

“(ii)(I) The Archivist may give credits against the base endowment amount if the Archivist determines that the proposed Presidential archival depository will have construction features or equipment that are expected to result in quantifiable long-term savings to the Government with respect to the cost of facility operations.

“(II) The features and equipment described under subclause (I) shall comply with the standards promulgated by the Archivist under subsection (a)(2).

Standards.

“(III) The Archivist shall promulgate standards to be used in calculating the dollar amount of any credit to be given, and shall consult with all donors of the endowment before giving any credits. The total dollar amount of credits given under this paragraph may not exceed 20 percent of the base endowment amount.

“(D)(i) In calculating the additional endowment amount required under paragraph (4), the Archivist shall take into account credits given under subparagraph (C), and may also give credits against the additional endowment amount required under paragraph (4), if the Archivist determines that construction features or equipment used in making or equipping the physical or material change or addition are expected to result in quantifiable long-term savings to the Government with respect to the cost of facility operations.

“(ii) The features and equipment described under clause (i) shall comply with the standards promulgated by the Archivist under subsection (a)(2).

Standards.

“(iii) The Archivist shall promulgate standards to be used in calculating the dollar amount of any credit to be given, and shall consult with all donors of the endowment before giving any credits. The total dollar amount of credits given under this paragraph may not exceed 20 percent of the additional endowment amount required under paragraph (4).”.

SEC. 514. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 515. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal

Law Enforcement Training Center located at Glynco, Georgia, and Artesia, New Mexico, out of the Department of Homeland Security.

SEC. 516. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions. Abortions.

SEC. 517. The provision of section 516 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 518. None of the funds provided in this Act may be used to procure any products, articles, goods, or wares mined, manufactured, or produced wholly or in part by forced or indentured child labor as identified in the 1995 U.S. Department of Labor Report on Forced and Bonded Child Labor, the 2002 U.S. Department of Labor Findings on the Worst Forms of Child Labor, or the most recent U.S. Department of State Human Rights Country Reports.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 2003 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at \$8,100 except station wagons for which the maximum shall be \$9,100: *Provided*, That these limits may be exceeded by not to exceed \$3,700 for police-type vehicles, and by not to exceed \$4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: *Provided further*, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101–549 over the cost of comparable conventionally fueled vehicles. 31 USC 1343 note.

SEC. 604. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922–5924.

5 USC 3101 note.

SEC. 605. Unless otherwise specified during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person: (1) is a citizen of the United States; (2) is a person in the service of the United States on the date of the enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States; (3) is a person who owes allegiance to the United States; (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence; (5) is a South Vietnamese, Cambodian, or Laotian refugee paroled in the United States after January 1, 1975; or (6) is a national of the People's Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than \$4,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 606. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 607. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 13101 (September 14, 1998), including any such programs adopted prior to the effective date of the Executive order.

(2) Other Federal agency environmental management programs, including, but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 608. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 609. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 610. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 611. Funds made available by this or any other Act to the Postal Service Fund (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a and 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 612. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 613. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for fiscal year 2003, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

5 USC 5343 note.

(1) during the period from the date of expiration of the limitation imposed by section 613 of the Treasury and General

Government Appropriations Act, 2002, until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 2003, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 613; and

(2) during the period consisting of the remainder of fiscal year 2003, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 2003 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 2003 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in fiscal year 2002 under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

Regulations.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 2002, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 2002, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

Applicability.

(e) This section shall apply with respect to pay for service performed after September 30, 2002.

(f) For the purpose of administering any provision of law (including any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 614. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds

office, no funds may be obligated or expended in excess of \$5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations. For the purposes of this section, the term “office” shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 615. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations, except that the Federal Law Enforcement Training Center is authorized to obtain the temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities.

SEC. 616. Notwithstanding section 1346 of title 31, United States Code, or section 610 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1984).

SEC. 617. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

- (1) the Central Intelligence Agency;
- (2) the National Security Agency;
- (3) the Defense Intelligence Agency;
- (4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;
- (5) the Bureau of Intelligence and Research of the Department of State;
- (6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and
- (7) the Director of Central Intelligence.

SEC. 618. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for the current fiscal year shall obligate or expend any such funds, unless such department, agency, or instrumentality has in

place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, and the Rehabilitation Act of 1973.

SEC. 619. None of the funds made available in this Act for the United States Customs Service may be used to allow—

(1) the importation into the United States of any good, ware, article, or merchandise mined, produced, or manufactured by forced or indentured child labor, as determined pursuant to section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); or

(2) the release into the United States of any good, ware, article, or merchandise on which the United States Customs Service has in effect a detention order, pursuant to such section 307, on the basis that the good, ware, article, or merchandise may have been mined, produced, or manufactured by forced or indentured child labor.

SEC. 620. No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

SEC. 621. (a) None of the funds made available in this or any other Act may be obligated or expended for any employee training that—

(1) does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties;

(2) contains elements likely to induce high levels of emotional response or psychological stress in some participants;

(3) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluation;

(4) contains any methods or content associated with religious or quasi-religious belief systems or “new age” belief systems as defined in Equal Employment Opportunity Commission Notice N-915.022, dated September 2, 1988; or

(5) is offensive to, or designed to change, participants’ personal values or lifestyle outside the workplace.

(b) Nothing in this section shall prohibit, restrict, or otherwise preclude an agency from conducting training bearing directly upon the performance of official duties.

SEC. 622. No funds appropriated in this or any other Act may be used to implement or enforce the agreements in Standard Forms 312 and 4414 of the Government or any other nondisclosure policy, form, or agreement if such policy, form, or agreement does not contain the following provisions: “These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive order and listed statutes are incorporated into this agreement and are controlling.”: *Provided*, That notwithstanding the preceding paragraph, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

SEC. 623. No part of any funds appropriated in this or any other Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 624. None of the funds appropriated by this or any other Act may be used by an agency to provide a Federal employee’s home address to any labor organization except when the employee

has authorized such disclosure or when such disclosure has been ordered by a court of competent jurisdiction.

SEC. 625. None of the funds made available in this Act or any other Act may be used to provide any non-public information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the Committees on Appropriations.

SEC. 626. No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 627. (a) In this section the term “agency”—

(1) means an Executive agency as defined under section 105 of title 5, United States Code;

(2) includes a military department as defined under section 102 of such title, the Postal Service, and the Postal Rate Commission; and

(3) shall not include the General Accounting Office.

(b) Unless authorized in accordance with law or regulations to use such time for other purposes, an employee of an agency shall use official time in an honest effort to perform official duties. An employee not under a leave system, including a Presidential appointee exempted under section 6301(2) of title 5, United States Code, has an obligation to expend an honest effort and a reasonable proportion of such employee’s time in the performance of official duties.

SEC. 628. Notwithstanding 31 U.S.C. 1346 and section 610 of this Act, funds made available for the current fiscal year by this or any other Act to any department or agency, which is a member of the Joint Financial Management Improvement Program (JFMIP), shall be available to finance an appropriate share of JFMIP administrative costs, as determined by the JFMIP, but not to exceed a total of \$800,000 including the salary of the Executive Director and staff support.

SEC. 629. Notwithstanding 31 U.S.C. 1346 and section 610 of this Act, the head of each Executive department and agency is hereby authorized to transfer to or reimburse the “Policy and Citizen Services” account, General Services Administration, with the approval of the Director of the Office of Management and Budget, funds made available for the current fiscal year by this or any other Act, including rebates from charge card and other contracts. These funds shall be administered by the Administrator of General Services to support Government-wide financial, information technology, procurement, and other management innovations, initiatives, and activities, as approved by the Director of the Office of Management and Budget, in consultation with the appropriate interagency groups designated by the Director (including the Chief Financial Officers Council and the Joint Financial Management Improvement Program for financial management initiatives, the Chief Information Officers Council for information technology initiatives, and the Procurement Executives Council for procurement initiatives). The total funds transferred or reimbursed shall not exceed \$17,000,000. Such transfers or reimbursements may only be made 15 days following notification of the Committees on Appropriations by the Director of the Office of Management and Budget.

SEC. 630. Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building

Breastfeeding.

or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

SEC. 631. Notwithstanding section 1346 of title 31, United States Code, or section 610 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the interagency funding of specific projects, workshops, studies, and similar efforts to carry out the purposes of the National Science and Technology Council (authorized by Executive Order No. 12881), which benefit multiple Federal departments, agencies, or entities: *Provided*, That the Office of Management and Budget shall provide a report describing the budget of and resources connected with the National Science and Technology Council to the Committees on Appropriations, the House Committee on Science; and the Senate Committee on Commerce, Science, and Transportation 90 days after enactment of this Act.

Reports.
Deadline.

SEC. 632. Any request for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agency providing the funds and the amount provided. This provision shall apply to direct payments, formula funds, and grants received by a State receiving Federal funds.

SEC. 633. Section 403(f) of Public Law 103-356 (31 U.S.C. 501 note) is amended by striking “October 1, 2002” and inserting “October 1, 2003”.

SEC. 634. (a) PROHIBITION OF FEDERAL AGENCY MONITORING OF PERSONAL INFORMATION ON USE OF INTERNET.—None of the funds made available in this or any other Act may be used by any Federal agency—

(1) to collect, review, or create any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any Federal Government Internet site of the agency; or

(2) to enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any nongovernmental Internet site.

(b) EXCEPTIONS.—The limitations established in subsection (a) shall not apply to—

(1) any record of aggregate data that does not identify particular persons;

(2) any voluntary submission of personally identifiable information;

(3) any action taken for law enforcement, regulatory, or supervisory purposes, in accordance with applicable law; or

(4) any action described in subsection (a)(1) that is a system security action taken by the operator of an Internet site and is necessarily incident to the rendition of the Internet site services or to the protection of the rights or property of the provider of the Internet site.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term “regulatory” means agency actions to implement, interpret or enforce authorities provided in law.

(2) The term “supervisory” means examinations of the agency's supervised institutions, including assessing safety and

soundness, overall financial condition, management practices and policies and compliance with applicable standards as provided in law.

SEC. 635. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision providing prescription drug coverage, except where the contract also includes a provision for contraceptive coverage.

(b) Nothing in this section shall apply to a contract with—

(1) any of the following religious plans:

(A) Personal Care's HMO; and

(B) OSF Health Plans, Inc.; and

(2) any existing or future plan, if the carrier for the plan objects to such coverage on the basis of religious beliefs.

(c) In implementing this section, any plan that enters into or renews a contract under this section may not subject any individual to discrimination on the basis that the individual refuses to prescribe or otherwise provide for contraceptives because such activities would be contrary to the individual's religious beliefs or moral convictions.

Abortions.

(d) Nothing in this section shall be construed to require coverage of abortion or abortion-related services.

SEC. 636. The Congress of the United States recognizes the United States Anti-Doping Agency (USADA) as the official anti-doping agency for Olympic, Pan American, and Paralympic sport in the United States.

Pay Rates.
5 USC 5303 note.

SEC. 637. (a) The adjustment in rates of basic pay for the statutory pay systems that takes effect in fiscal year 2003 under sections 5303 and 5304 of title 5, United States Code, shall be an increase of 4.1 percent and shall be effective as of the first day of the first applicable pay period beginning on or after January 1, 2003.

(b) Funds used to carry out this section shall be paid from appropriations which are made to each applicable department or agency for salaries and expenses for fiscal year 2003.

Deadline.
Reports.

SEC. 638. Not later than 6 months after the date of enactment of this Act, the Inspector General of each applicable department or agency shall submit to the Committee on Appropriations a report detailing what policies and procedures are in place for each department or agency to give first priority to the location of new offices and other facilities in rural areas, as directed by the Rural Development Act of 1972.

SEC. 639. UNITED STATES POSTAL SERVICE. (a) The United States Postal Service (USPS) is required under title 5, chapter 83, United States Code, to fund Civil Service Retirement System benefits attributable to USPS employment since 1971.

(b) The Office of Personnel Management has reviewed the USPS financing of the Civil Service Retirement System and determined current law payments overfund USPS liability.

(c) Therefore, it is the Sense of the Congress that the Congress should address the USPS funding of the Civil Service Retirement System pension benefits.

SEC. 640. SENSE OF CONGRESS ON PAY PARITY. It is the sense of Congress that there should be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States, including blue collar Federal employees paid under the Federal Wage System.

SEC. 641. (a) IN GENERAL.—The Administrator of General Services shall accept all right, title and interest in the property described in subsection (b)—

(1) if written offer therefor (accompanied by such proof of title, property descriptions, and other information as the Administration may require) is received by the Administrator from the owner of such property within 12 months after the date of enactment of this Act; Deadline.

(2) if all liability with respect to such property and the owner of such property will remain with the owner;

(3) if the private sector is unable to dispose of contaminants in the building on such property;

(4) if the Administrator determines that a significant public health risk exists from such property; and

(5) if the Administrator identifies an appropriate Federal agency to accept all right, title, and interest in such property.

(b) PROPERTY LOCATION.—The property described in this subsection is the property located at 5401 NW Broken Sound Boulevard, Boca Raton, Florida, and all improvements thereon.

(c) CONSIDERATION.—The United States shall pay an amount that does not exceed \$1 in consideration of any right, title, or interest received by the United States under this section.

(d) REPORT.—Not later than 270 days after the date of enactment of this Act, the Administrator shall transmit to Congress a comprehensive report describing the efforts made by the Administrator to fulfill the conditions described in subsection (a). Deadline.

SEC. 642. (a) Notwithstanding paragraph (17) of subsection (a) of the Policemen and Firemen's Retirement and Disability Act (sec. 5–701(17), D.C. Official Code) or any other provision of such Act to the contrary, for purposes of determining the amount of an annuity required to be paid under such Act with respect to a United States Secret Service member who retired during the period from November 1, 1994, through October 29, 1995 and who received availability pay under 5 U.S.C. 5545a during that period, the member's average pay shall be computed as if the member received availability pay for the 12 consecutive months during which the highest salary was earned prior to retirement.

(b) Subsection (a) shall apply with respect to an annuity paid— Applicability.

(1) on or after November 1, 1994, in the case of a survivor's annuity paid with respect to a Secret Service member described in subsection (a); or

(2) on or after October 1, 2002, with respect to a Secret Service member described in subsection (a).

SEC. 643. Section 902(b) of the Law Enforcement Pay Equity Act of 2000 (as enacted into law by Public Law 106–554), shall cease to be effective on the first day of the first pay period on or after January 1, 2003. Expiration date.
5 USC 5304 note.

SEC. 644. No funds appropriated under this Act or any other Act with respect to any fiscal year shall be available to take any action based upon any provision of 5 U.S.C. 552 with respect to records collected or maintained pursuant to 18 U.S.C. 846(b), 923(g)(3) or 923(g)(7), or provided by Federal, State, local, or foreign law enforcement agencies in connection with arson or explosives incidents or the tracing of a firearm, except that such records may continue to be disclosed to the extent and in the manner 5 USC 552 note.

that records so collected, maintained, or obtained have been disclosed under 5 U.S.C. 552 prior to the date of the enactment of this Act.

SEC. 645. (a) Section 9505(d) of title 5, United States Code, is amended by striking the second sentence and inserting the following: “Such amount may not exceed the maximum amount which would be allowable under paragraph (3) of section 5384(b) if such paragraph were applied by substituting ‘the Internal Revenue Service’ for ‘an agency’.”.

Applicability.
5 USC 9505 note.

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 2002.

SEC. 646. None of the funds made available in this Act may be used to finalize, implement, administer, or enforce—

(1) the proposed rule relating to the determination that real estate brokerage is an activity that is financial in nature or incidental to a financial activity published in the Federal Register on January 3, 2001 (66 Fed. Reg. 307 et seq.); or

(2) the revision proposed in such rule to section 1501.2 of title 12 of the Code of Federal Regulations.

SEC. 647. While nothing in this section shall prevent any agency of the executive branch from subjecting work performed by Federal Government employees or private contractors to public-private competition or conversions, none of the funds made available in this Act may be used by an agency of the executive branch to establish, apply, or enforce any numerical goal, target, or quota for subjecting the employees of the executive agency to public-private competitions or for converting such employees or the work performed by such employees to private contractor performance under the Office of Management and Budget Circular A–76 or any other administrative regulation, directive, or policy unless the goal, target, or quota is based on considered research and sound analysis of past activities and is consistent with the stated mission of the executive agency. Nothing in this section shall limit the use of such funds for the administration of the Government Performance and Results Act of 1993 or for the administration of any other provision of law.

SEC. 648. (a) Section 8335(a) of title 5, United States Code, is amended by striking “8336” and inserting “8336(e)”.

Effective date.
5 USC 8335 note.

(b) The amendment made by subsection (a) shall be effective as of January 1, 2003.

This division may be cited as the “Treasury and General Government Appropriations Act, 2003”.

Departments of
Veterans Affairs
and Housing and
Urban
Development,
and Independent
Agencies
Appropriations
Act, 2003.

DIVISION K—VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS, 2003

JOINT RESOLUTION

Making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations,

and offices for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 540 et seq.) and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), \$28,949,000,000, to remain available until expended: *Provided*, That not to exceed \$17,138,000 of the amount appropriated under this heading shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61), \$2,264,808,000, to remain available until expended: *Provided*, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under section 3104(a) of title 38, United States Code, other than under subsection (a)(1), (2), (5), and (11) of that section, shall be charged to this account.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, \$27,530,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year 2003, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$168,207,000, which may be transferred to and merged with the appropriation for “General operating expenses”.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$1,000, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,400.

In addition, for administrative expenses necessary to carry out the direct loan program, \$70,000, which may be transferred to and merged with the appropriation for “General operating expenses”.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$55,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,626,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$289,000, which may be transferred to and merged with the appropriation for “General operating expenses”.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, \$558,000, which may be transferred to and merged with the appropriation for “General operating expenses”: *Provided*, That no new loans in excess of \$5,000,000 may be made in fiscal year 2003.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS
VETERANS PROGRAM ACCOUNT

For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by 38 U.S.C. chapter 37, subchapter VI, not to exceed \$750,000 of the amounts appropriated by this Act for “General operating expenses” and “Medical care” may be expended.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq., \$23,889,304,000, plus reimbursements: *Provided*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may establish a priority for treatment for veterans who are service-connected disabled, lower income, or have special needs: *Provided further*, That of the funds made available under this heading, not to exceed \$900,000,000 shall be available until September 30, 2004: *Provided further*, That the Secretary of Veterans Affairs shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payments for hospital care; and, notwithstanding 31 U.S.C. 3302(b), amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor: *Provided further*, That all amounts so collected under the preceding proviso with respect to a designated health care region (as that term is defined in 38 U.S.C. 1729A(d)(2)) shall be allocated, net of payments to the contractor, to that region.

MEDICAL CARE COLLECTIONS FUND

(INCLUDING TRANSFER OF FUNDS)

Amounts deposited during the current fiscal year in the Department of Veterans Affairs Medical Care Collections Fund under section 1729A of title 38, United States Code, may be transferred to “Medical care”, to remain available until expended.

MEDICAL AND PROSTHETIC RESEARCH

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2004, \$400,000,000, plus reimbursements: *Provided*, That of the funds available under this heading \$5,000,000 shall be transferred to “Medical care” for research oversight activities.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities, \$74,716,000, of which \$3,000,000 shall be available until September 30, 2004, plus reimbursements: *Provided*, That technical and consulting services offered by the Facilities Management Field Support Service, including project management and real property administration (including leases, site acquisition and disposal activities directly supporting projects), shall be provided to Department of Veterans Affairs components only on a reimbursable basis, and such amounts will remain available until September 30, 2003.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of department-wide capital planning, management and policy activities, uniforms or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, \$1,254,000,000: *Provided*, That expenses for services and assistance authorized under 38 U.S.C. 3104(a)(1), (2), (5), and (11) that the Secretary determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: *Provided further*, That the Veterans Benefits Administration shall be funded at not less than \$992,100,000: *Provided further*, That of the funds made available under this heading, not to exceed \$66,000,000 shall be available for obligation until September 30, 2004: *Provided further*, That from the funds made available under

this heading, the Veterans Benefits Administration may purchase up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines: *Provided further*, That travel expenses for this account shall not exceed \$17,082,000.

NATIONAL CEMETERY ADMINISTRATION

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; and hire of passenger motor vehicles, \$133,149,000, of which \$6,000,000 shall be available until September 30, 2004.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$58,000,000, to remain available until September 30, 2004.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, \$99,777,000, to remain available until expended, of which \$5,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which \$10,000,000 shall be to make reimbursements as provided in 41 U.S.C. 612 for claims paid for contract disputes: *Provided*, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, such as portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund and CARES funds, including needs assessments which may or may not lead to capital investments, none of the funds appropriated under this heading shall be used for any project which has not been approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 2003, for each approved project (except those for CARES activities referenced above) shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2003; and (2) by the awarding of a construction contract by September 30, 2004: *Provided further*, That the Secretary of Veterans Affairs shall promptly report in writing to the Committees on Appropriations any approved major construction

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project in which obligations are not incurred within the time limitations established above: *Provided further*, That no funds from any other account except the “Parking revolving fund”, may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until 1 year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, where the estimated cost of a project is less than \$4,000,000, \$226,000,000, to remain available until expended, along with unobligated balances of previous “Construction, minor projects” appropriations which are hereby made available for any project where the estimated cost is less than \$4,000,000, of which \$35,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities: *Provided*, That from amounts appropriated under this heading, additional amounts may be used for CARES activities upon notification of and approval by the Committees on Appropriations: *Provided further*, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from “Medical care”.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, \$100,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veterans cemeteries as authorized by 38 U.S.C. 2408, \$32,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 2003 for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 2003 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for “Construction, major projects”, “Construction, minor projects”, and the “Parking revolving fund”) shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the “Medical care” account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 2003 for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 2002.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 2003 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from “Compensation and pensions”.

SEC. 107. Notwithstanding any other provision of law, during fiscal year 2003, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans’ Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the “General operating expenses” account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 2003 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year 2003 which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. Notwithstanding any other provision of law, the Department of Veterans Affairs shall continue the Franchise Fund pilot program authorized to be established by section 403 of Public

31 USC 501 note.

Law 103-356 until October 1, 2003: *Provided*, That the Franchise Fund, established by title I of Public Law 104-204 to finance the operations of the Franchise Fund pilot program, shall continue until October 1, 2003.

SEC. 109. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

SEC. 110. Funds available in any Department of Veterans Affairs appropriation for fiscal year 2003 or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs but not exceed \$29,318,000 for the Office of Resolution Management and \$3,010,000 for the Office of Employment and Discrimination Complaint Adjudication: *Provided*, That payments may be made in advance for services to be furnished based on estimated costs: *Provided further*, That amounts received shall be credited to "General operating expenses" for use by the office that provided the service.

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Deadline.

SEC. 111. No appropriations in this Act for the Department of Veterans Affairs shall be available to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits a report which the Committees on Appropriations of the Congress approve within 30 days following the date on which the report is received.

SEC. 112. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or treatment of any person by reason of eligibility under section 1710(a)(3) of title 38, United States Code, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require—

- (1) current, accurate third-party reimbursement information for purposes of section 1729 of such title; and
- (2) annual income information for purposes of section 1722 of such title.

SEC. 113. (a)(1) Section 1729B of title 38, United States Code, is repealed. Any balance as of the date of the enactment of this Act in the Department of Veterans Affairs Health Services Improvement Fund established under such section shall be transferred to the Department of Veterans Affairs Medical Care Collections Fund established under section 1729A of title 38, United States Code.

(2) The table of sections at the beginning of chapter 17 of such title is amended by striking the item relating to section 1729B.

(b) Section 1729A(b) of such title is amended—

- (1) by redesignating paragraph (8) as paragraph (10); and
- (2) by inserting after paragraph (7) the following new paragraphs:

"(8) Section 8165(a) of this title.

"(9) Section 113 of the Veterans Millennium Health Care and Benefits Act (Public Law 106-117; 38 U.S.C. 8111 note)."

(c) Section 1722A of such title is amended—

- (1) in subsection (c)—

- (A) in the first sentence, by striking “under subsection (a)” and inserting “under this section”; and
- (B) by striking the second sentence; and
- (2) by striking subsection (d).

(d)(1) Section 8165 of such title is amended by striking “Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of this title” and inserting “Department of Veterans Affairs Medical Care Collections Fund established under section 1729A of this title”.

(2) Section 113(b) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 38 U.S.C. 8111 note) is amended by striking “Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of title 38, United States Code, as added by section 202” and inserting “Department of Veterans Affairs Medical Care Collections Fund established under section 1729A of title 38, United States Code”.

SEC. 114. Of the amounts provided in this Act, \$19,900,000 shall be for information technology initiatives to support the enterprise architecture of the Department of Veterans Affairs.

SEC. 115. None of the funds in this Act may be used to implement sections 2 and 5 of Public Law 107–287.

SEC. 116. Notwithstanding any other provision of this Act, the \$23,889,304,000 provided for “Medical care” under this title shall be exempt from the across-the-board rescission under section 601 of division N.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For activities and assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (“the Act” herein), not otherwise provided for, \$17,223,566,000, and amounts that are recaptured in this account, to remain available until expended: *Provided*, That of the amounts made available under this heading, \$13,023,566,000 and the aforementioned recaptures shall be available on October 1, 2002 and \$4,200,000,000 shall be available on October 1, 2003: *Provided further*, That amounts made available under this heading are provided as follows:

- (1) \$15,278,370,500 for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts, for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, for the 1-year renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for renewals of expiring section 8 tenant-based annual contributions contracts (including amendments and renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t))): *Provided*, That notwithstanding

any other provision of law, the Secretary shall renew expiring section 8 tenant-based annual contributions contracts for each public housing agency (including for agencies participating in the Moving to Work demonstration, unit months representing section 8 tenant-based assistance funds committed by the public housing agency for specific purposes, other than reserves, that are authorized pursuant to any agreement and conditions entered into under such demonstration, and utilized in compliance with any applicable program obligation deadlines) based on the total number of unit months which were under lease as reported on the most recent end-of-year financial statement submitted by the public housing agency to the Department, adjusted by such additional information submitted by the public housing agency to the Secretary which the Secretary determines to be timely and reliable regarding the total number of unit months under lease at the time of renewal of the annual contributions contract, and by applying an inflation factor based on local or regional factors to the actual per unit cost as reported on such statement: *Provided further*, That none of the funds made available in this paragraph may be used to support a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract;

Deadline.

(2) \$391,922,000 for a central fund to be allocated by the Secretary for amendments to section 8 tenant-based annual contributions contracts for such purposes set forth in this paragraph: *Provided*, That subject to the following proviso, the Secretary may use amounts made available in such fund, as necessary, for contract amendments resulting from a significant increase in the per unit cost of vouchers or an increase in the total number of unit months under lease as compared to the per unit cost or the total number of unit months provided for by the annual contributions contract: *Provided further*, That if a public housing agency, at any point in time during their fiscal year, has obligated the amounts made available to such agency pursuant to paragraph (1) under this heading for the renewal of expiring section 8 tenant-based annual contributions contracts, and if such agency has expended 50 percent of the amounts available to such agency in its annual contributions contract reserve account, the Secretary shall make available such amounts as are necessary from amounts available from such central fund to fund amendments under the preceding proviso within 30 days of a request from such agency: *Provided further*, That none of the funds made available in this paragraph may be used to support a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations of the House and the Senate on the obligation of funds provided in this paragraph in accordance with the directions specified in the joint explanatory statement of the managers accompanying this Act;

Reports.

(3) \$234,016,500 for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section

8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C.1437f(t)), and tenant protection assistance, including replacement and relocation assistance;

(4) \$48,000,000 for family self-sufficiency coordinators under section 23 of the Act;

(5) not to exceed \$1,072,257,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which \$69,547,000 is for such expenses associated with section 8 tenant-based assistance provided under this heading in paragraphs (2) and (3): *Provided*, That, the fee otherwise authorized under section 8(q) of the Act shall be determined in accordance with section 8(q), as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998: *Provided further*, That none of the funds made available in this paragraph shall be provided to any public housing agency unless such agency reports to the Secretary the amounts remaining available as of January 31, 2003 in such agency's administrative reserve fee account: *Provided further*, That, notwithstanding any other provision of law or regulation, the amount of fiscal year 2003 fee payments otherwise authorized pursuant to the first proviso in this paragraph for a public housing agency shall be reduced accordingly by any such amounts remaining in such agency's administrative fee reserve account as of January 31, 2003 which exceed 105 percent of the amount of fees paid to such agency from funds made available in fiscal year 2002: *Provided further*, That the preceding proviso shall not apply to any public housing agency if the amount of fiscal year 2003 fee payments otherwise authorized to be provided to such agency pursuant to the first proviso in this paragraph does not exceed \$100,000: *Provided further*, That, hereafter, the Secretary shall recapture any funds provided in this paragraph from a public housing agency which are in excess of the amounts expended by such agency for the section 8 tenant-based rental assistance program and not otherwise needed to maintain an administrative fee reserve account balance of not to exceed 5 percent: *Provided further*, That the Secretary shall provide a report to the Committees on Appropriations of the House of Representatives and the Senate no later than July 1, 2003, on the administrative costs and other expenses associated with the section 8 tenant-based rental assistance program in accordance with the directions included in the statement of the managers accompanying this conference report;

(6) \$196,000,000 for contract administrators for section 8 project-based assistance; and

(7) not less than \$3,000,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Public and Indian Housing": *Provided*, That the Secretary may transfer up to 15 percent of funds provided under paragraphs (1), (2) or (5), herein to paragraphs (1), (2) or (5),

42 USC 1437f
note.

Reports.
Deadline.

if the Secretary determines that such action is necessary because the funding provided under one such paragraph otherwise would be depleted and as a result, the maximum utilization of section 8 tenant-based assistance with the funds appropriated for this purpose by this Act would not be feasible: *Provided further*, That prior to undertaking the transfer of funds in excess of 10 percent from any paragraph pursuant to the previous proviso, the Secretary shall notify the Chairman and Ranking Member of the Subcommittees on Veterans Affairs and Housing and Urban Development, and Independent Agencies of the Committees on Appropriations of the House of Representatives and the Senate and shall not transfer any such funds until 30 days after such notification: *Provided further*, That, hereafter, the Secretary shall require public housing agencies to submit accounting data for funds disbursed under this heading in this Act and prior Acts by source and purpose of such funds: *Provided further*, That incremental vouchers previously made available under this heading for non-elderly disabled families shall, to the extent practicable, continue to be provided to non-elderly disabled families upon turnover: *Provided further*, That \$1,600,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading “Annual contributions for assisted housing” or any other heading for fiscal year 2002 and prior years, to be effected by the Secretary no later than September 30, 2003: *Provided further*, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall be available for the rescission: *Provided further*, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated shall be cancelled.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,730,000,000 (the “Act”), to remain available until September 30, 2006: *Provided*, That of the total amount provided under this heading, in addition to amounts otherwise allocated under this heading, \$447,000,000 shall be allocated for such capital and management activities only among public housing agencies that have obligated all assistance for the agency for fiscal years 1998, 1999, 2000, and 2001 made available under this same heading in accordance with the requirements under paragraphs (1) and (2) of section 9(j) of such Act: *Provided further*, That notwithstanding any other provision of law or regulation, during fiscal year 2003, the Secretary may not delegate to any Department official other than the Deputy Secretary any authority under paragraph (2) of such section 9(j) regarding the extension of the time periods under such section for obligation of amounts made available for fiscal year 1998, 1999, 2000, 2001, 2002, or 2003: *Provided further*, That with respect to any amounts made available under the Public Housing Capital Fund for fiscal year 1999, 2000, 2001, 2002, or 2003 that remain unobligated in violation

of paragraph (1) of such section 9(j) or unexpended in violation of paragraph (5)(A) of such section 9(j), the Secretary shall recapture any such amounts and reallocate such amounts among public housing agencies determined under 6(j) of the Act to be high-performing: *Provided further*, That for purposes of this heading, the term “obligate” means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays immediately or in the future: *Provided further*, That the Secretary shall issue final regulations to carry out section 9(j) of the United States Housing Act of 1937 (42 U.S.C. 1437g(j)), not later than August 1, 2003: *Provided further*, That of the total amount provided under this heading, up to \$51,000,000 shall be for carrying out activities under section 9(h) of such Act, of which up to \$11,000,000 shall be for the provision of remediation services to public housing agencies identified as “troubled” under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act: *Provided further*, That of the total amount provided under this heading, up to \$500,000 shall be for lease adjustments to section 23 projects, and no less than \$18,600,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under “Public and Indian housing”: *Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended: *Provided further*, That of the total amount provided under this heading, up to \$50,000,000 shall be available for the Secretary of Housing and Urban Development to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in fiscal year 2003: *Provided further*, That of the total amount provided under this heading, \$15,000,000 shall be for Neighborhood Networks grants for activities authorized in section 9(d)(1)(E) of the United States Housing Act of 1937, as amended: *Provided further*, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided in section 102 of the Department of Housing and Urban Development Reform Act of 1989: *Provided further*, That of the total amount provided under this heading, \$55,000,000 shall be for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996.

Regulations.
Deadline.
42 USC 1437g
note.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), \$3,600,000,000: *Provided*, That of the total amount provided under this heading, \$10,000,000 shall be for programs, as determined appropriate by the Attorney General, which assist in the investigation, prosecution, and prevention of violent crimes and drug offenses in public and federally-assisted low-income housing, including Indian housing, which shall be administered by the Department of Justice through a reimbursable agreement with the Department of Housing and Urban Development: *Provided*

further, That up to \$250,000,000 shall be made available for payments to public housing agencies that are eligible for additional funds for fiscal year 2002 payments for the operation and management of public housing: *Provided further*, That no funds may be made available under this heading in fiscal year 2004 and subsequent fiscal years may be provided for fiscal year 2003 payments to public housing agencies for the operation and management of public housing: *Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, \$574,000,000, to remain available until September 30, 2004, of which the Secretary may use up to \$6,250,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the department and of public housing agencies and to residents: *Provided*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein: *Provided further*, That of the total amount provided under this heading, \$5,000,000 shall be for a Neighborhood Networks initiative for activities authorized in section 24(d)(1)(G) of the United States Housing Act of 1937, as amended: *Provided further*, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$649,000,000, to remain available until expended, of which \$2,200,000 shall be contracted through the Secretary as technical assistance and capacity building to be used by the National American Indian Housing Council in support of the implementation of NAHASDA; of which \$4,000,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which no less than \$600,000 shall be transferred to the Working Capital Fund for development of and modifications to information technology systems which serve programs or activities under “Public and Indian housing”: *Provided*, That of the amount provided under this heading, \$2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: *Provided further*, That such costs, including the costs of modifying such notes and other

obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$16,658,000: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for “Salaries and expenses”, to be used only for the administrative costs of these guarantees.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a), \$5,300,000, to remain available until expended, of which \$100,000 shall be for necessary expenses of the Land Title Report Commission pursuant to section 501(a) of Public Law 106–569: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$197,243,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$200,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for “Salaries and expenses”, to be used only for the administrative costs of these guarantees.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13b), \$1,035,000, to remain available until expended: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$39,712,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for “Salaries and expenses”, to be used only for the administrative costs of these guarantees.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), \$292,000,000, to remain available until September 30, 2004: *Provided*, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program

requirements before awarding funds for new contracts and activities authorized under this section: *Provided further*, That the Secretary may use up to \$2,000,000 of the funds under this heading for training, oversight, and technical assistance activities.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$25,000,000 to remain available until expended, which amount shall be awarded by June 1, 2003, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas: *Provided*, That all grants shall be awarded on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

For grants in connection with a second round of empowerment zones and enterprise communities, \$30,000,000, to remain available until September 30, 2005, for “Urban Empowerment Zones”, as authorized in section 1391(g) of the Internal Revenue Code of 1986 (26 U.S.C. 1391(g)), including \$2,000,000 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFERS OF FUNDS)

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$4,937,000,000, to remain available until September 30, 2005: *Provided*, That of the amount provided, \$4,367,930,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the “Act” herein) (42 U.S.C. 5301 et seq.): *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for “Planning and Management Development” and “Administration”, as defined in regulations promulgated by the Department: *Provided further*, That \$71,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$3,300,000 shall be for a grant to the Housing Assistance Council; \$2,400,000 shall be for a grant to the National American Indian Housing Council; \$5,000,000 shall be available as a grant to the National Housing Development Corporation, for operating expenses not to exceed \$2,000,000 and for a program of affordable housing acquisition and rehabilitation; \$5,000,000 shall be available as a grant to the National Council of La Raza for the HOPE Fund, of which \$500,000 is for technical assistance and fund management, and \$4,500,000 is for investments in the HOPE Fund and financing to affiliated organizations; \$49,100,000 shall be for grants pursuant to section 107 of the Act; \$9,000,000 shall be

made available to the Neighborhood House, St. Paul, Minnesota for construction costs of the Paul and Sheila Wellstone Center for Community Building; no less than \$3,400,000 shall be transferred to the Working Capital Fund for the development of and modification to information technology systems which serve programs or activities under “Community planning and development”; \$25,250,000 shall be for grants pursuant to the Self Help Homeownership Opportunity Program; \$32,500,000 shall be for capacity building, of which \$28,250,000 shall be for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas, and of which \$4,250,000 shall be for capacity building activities administered by Habitat for Humanity International; \$60,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and non-profit funding shall be given a priority for YouthBuild funding: *Provided further*, That no more than 10 percent of any grant award under the YouthBuild program may be used for administrative costs: *Provided further*, That of the amount made available for YouthBuild not less than \$10,000,000 is for grants to establish YouthBuild programs in underserved and rural areas and \$2,000,000 is to be made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

Of the amount made available under this heading, \$42,120,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: *Provided*, That these grants shall be provided in accordance with the terms and conditions specified in the joint explanatory statement of the managers accompanying this Act.

Of the amount made available under this heading, \$261,000,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the joint explanatory statement of the managers accompanying this Act.

The referenced statement of the managers under this heading in Public Law 107-73 is deemed to be amended with respect to the amount made available to the City of Rome, New York, by striking “related to the South Rome Industrial Park” and inserting “and building renovations at the Rome business and tech park”.

The referenced statement of the managers under this heading in Public Law 107-73 is deemed to be amended with respect to a grant made available to the Community Medical Centers of Fresno, California by striking all after “\$300,000” and inserting

“to the City of Fresno, California for rehabilitation of the Fresno Community Regional Medical Center neighborhood.”

The referenced statement of the managers under this heading in Public Law 106-377 and 107-73 is deemed to be amended with respect to grants made to the City of Mt. Clemens, Michigan by striking “City of Mt. Clemens, Michigan” and inserting “Mt. Clemens Community Schools in Mt. Clemens, Michigan”.

The referenced statement of the managers under the heading “Community development block grants” in title II of Public Law 105-277 is deemed to be amended by striking “\$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland” and insert in lieu thereof “\$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland (\$514,000) and for recovery efforts that occurred on or after the April 28, 2002 tornado in Charles and Calvert Counties (\$236,000)”.

The referenced statement of the managers under this heading in Public Law 107-73 is deemed to be amended with respect to a grant made to the Metropolitan Development Association in Syracuse, New York by adding after the words “Genesee Street Armory study” the words “and other development projects undertaken by the Association within the City of Syracuse”.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, \$6,325,000, to remain available until September 30, 2004, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$275,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended.

In addition, for administrative expenses to carry out the guaranteed loan program, \$1,000,000, which shall be transferred to and merged with the appropriation for “Salaries and expenses”.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$25,000,000, to remain available until September 30, 2004: *Provided*, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$1,925,000,000, to remain available until September 30, 2005: *Provided*, That of the total amount provided in this paragraph, up to \$40,000,000 shall be available for housing counseling under section 106 of the Housing and Urban Development Act of 1968; and no less than \$1,100,000 shall be transferred to the Working Capital Fund for the development of, maintenance of, and modification to information technology systems which serve programs or activities under “Community planning and development”.

In addition to amounts otherwise made available under this heading, \$75,000,000, to remain available until September 30, 2005, for assistance to homebuyers as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended: *Provided*, That the Secretary shall provide such assistance in accordance with a formula to be established by the Secretary that considers a participating jurisdiction’s need for, and prior commitment to, assistance to homebuyers.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, \$1,225,000,000, to remain available until September 30, 2005: *Provided*, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: *Provided further*, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: *Provided further*, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: *Provided further*, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children’s Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: *Provided further*, That \$11,000,000 of the funds appropriated under this heading shall be available for the

national homeless data analysis project: *Provided further*, That \$6,600,000 of the funds appropriated under this heading shall be available for technical assistance: *Provided further*, That no less than \$1,500,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under “Community planning and development”: *Provided further*, That of the total amount provided under this heading, \$10,000,000 shall be made available for a 2-year grant demonstration program to be conducted in consultation with the Interagency Council on the Homeless.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, \$1,033,801,000, to remain available until September 30, 2006: *Provided*, That \$783,286,000, plus recaptures or cancelled commitments, shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing, of which amount \$50,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount up to \$25,000,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: *Provided further*, That of the amount under this heading, \$250,515,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act: *Provided further*, That of the amount made available under this heading, \$25,000,000 shall be available to the Secretary of Housing and Urban Development only for making grants to private nonprofit organizations and consumer cooperatives for covering costs of architectural and engineering work, site control, and other planning relating to the development of supportive housing for the elderly that is eligible for assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q): *Provided further*, That amounts made available in the previous proviso shall be awarded on a competitive basis as provided in section 102 of the Department of Housing and Urban Development

Reform Act of 1989: *Provided further*, That the Secretary shall provide a report to the Committees on Appropriations of the House and Senate not later than July 15, 2003, in accordance with the direction included in the joint explanatory statement of the managers accompanying this Act: *Provided further*, That no less than \$500,000, to be divided evenly between the appropriations for the section 202 and section 811 programs, shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under “Housing programs” or “Federal housing administration”: *Provided further*, That, in addition to amounts made available for renewal of tenant-based rental assistance contracts pursuant to the second proviso of this paragraph, the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is 5 years in duration: *Provided further*, That the Secretary may waive the provisions governing the terms and conditions of project rental assistance and tenant-based rental assistance for such section 202 and such section 811, except that the initial contract term for such assistance shall not exceed 5 years in duration: *Provided further*, That all balances and recaptures, as of October 1, 2002, remaining in the “Congregate housing services” account as authorized by the Housing and Community Development Amendments of 1978, as amended, shall be transferred to and merged with the amounts for those purposes under this heading.

Reports.
Deadline.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2002, and any collections made during fiscal year 2003, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

Up to \$100,000,000 of recaptured section 236 budget authority resulting from prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall be rescinded in fiscal year 2003: *Provided*, That the limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 is reduced in fiscal year 2003 by not more than \$100,000,000 in uncommitted balances of authorizations of contract authority provided for this purpose in appropriations Acts.

MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), \$13,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: *Provided*, That not to exceed the total amount

appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: *Provided further*, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2003 appropriation.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2003, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$165,000,000,000.

During fiscal year 2003, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$100,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$347,829,000, of which not to exceed \$343,807,000 shall be transferred to the appropriation for “Salaries and expenses”; and not to exceed \$4,022,000 shall be transferred to the appropriation for “Office of Inspector General”. In addition, for administrative contract expenses, \$85,720,000, of which no less than \$21,360,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under “Housing programs” or “Federal housing administration”: *Provided*, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, 2003, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications, as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended, \$15,000,000, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$23,000,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National

Housing Act, shall not exceed \$50,000,000, of which not to exceed \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$223,716,000, of which \$204,395,000, shall be transferred to the appropriation for “Salaries and expenses”; and of which \$19,321,000 shall be transferred to the appropriation for “Office of Inspector General”.

In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$93,780,000, of which no less than \$14,240,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under “Housing programs” or “Federal housing administration”: *Provided*, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, 2003, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, 2004.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$10,343,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$10,343,000, shall be transferred to the appropriation for “Salaries and expenses”.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$47,000,000, to remain available until September 30, 2004: *Provided*, That of the total amount provided under this heading, \$7,500,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, \$45,899,000, to remain available until September 30, 2004, of which \$20,250,000 shall be to carry out activities pursuant to such section 561: *Provided*, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, \$176,000,000, to remain available until September 30, 2004, of which \$10,000,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: *Provided*, That of the total amount made available under this heading, \$50,000,000 shall be made available on a competitive basis for areas with the highest lead paint abatement needs, as identified by the Secretary as having: (1) the highest number of pre-1940 units of rental housing; and (2) a disproportionately high number of documented cases of lead-poisoned children: *Provided further*, That each grantee receiving funds under the previous proviso shall target those privately owned units and multifamily buildings that are occupied by low-income families as defined under section 3(b)(2) of the United States Housing Act of 1937: *Provided further*, That not less than 90 percent of the funds made available under this paragraph shall be used exclusively for abatement, inspections, risk assessments, temporary relocations and interim control of lead-based hazards as defined by 42 U.S.C. 4851: *Provided further*, That each recipient of funds provided under the first proviso shall make a matching contribution in an amount not less than 25 percent: *Provided further*, That each applicant shall submit a detailed plan and strategy that demonstrates adequate capacity that is acceptable to the Secretary of the Department of Housing and Urban Development to carry out the proposed use of funds pursuant to a Notice of Funding Availability.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger

motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$25,000 for official reception and representation expenses, \$1,090,229,000, of which \$20,000,000 shall remain available until September 30, 2004, for funds control improvements; and of which \$548,202,000 shall be provided from the various funds of the Federal Housing Administration, \$10,343,000 shall be provided from funds of the Government National Mortgage Association, \$1,000,000 shall be provided from the “Community development loan guarantees program” account, \$150,000 shall be provided by transfer from the “Native American housing block grants” account, \$200,000 shall be provided by transfer from the “Indian housing loan guarantee fund program” account and \$35,000 shall be transferred from the “Native Hawaiian housing loan guarantee fund” account: *Provided*, That funds made available under this heading shall only be allocated in the manner specified in the report accompanying this Act unless the Committees on Appropriations of both the House of Representatives and the Senate are notified of any changes in an operating plan or reprogramming: *Provided further*, That no less than \$10,500,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems: *Provided further*, That of the total amount made available under this heading, not less than \$21,000,000 is to be made available to the Chief Financial Officer exclusively for activities to implement appropriate funds control systems, including improvements in automated financial management systems, additional training of departmental employees in proper fund control procedures, and establishment of a division of appropriations law within the Office of the Chief Financial Officer: *Provided further*, That the Chief Financial Officer shall submit a revised departmental funds control handbook to the Committees on Appropriations of the House and Senate no later than 30 days after enactment of this Act: *Provided further*, That no official or employee of the Department shall be designated as an allotment holder unless the Office of the Chief Financial Officer (OCFO) has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives: *Provided further*, That the Secretary shall, within 30 days of enactment of this Act, permanently transfer no fewer than four appropriations law attorneys from the Legislative Division of the Office of Legislation and Regulations, Office of General Counsel to the OCFO: *Provided further*, That personnel transferred pursuant to the previous proviso shall report directly to the Chief Financial Officer: *Provided further*, That, notwithstanding any other provision of law, hereafter, the Chief Financial Officer of the Department of Housing and Urban Development shall, in consultation with the Budget Officer, have sole authority to investigate potential or actual violations under the Anti-Deficiency Act (31 U.S.C. 1341 et seq.) and all other statutes and regulations related to the obligation and expenditure of funds made available in this, or any other Act; shall determine whether violations exist; and shall submit final reports on violations to the Secretary, the President, the Office of Management and Budget and the Congress in accordance with applicable statutes and Office of Management and Budget circulars: *Provided further*, That the Chief Financial Officer shall establish positive control of and maintain adequate systems of accounting for appropriations and other available funds as required

Deadline.

Deadline.

42 USC 3549.

Reports.

by 31 U.S.C. 1514: *Provided further*, That for the purpose of determining whether a violation exists under the Anti-Deficiency Act (31 U.S.C. 1341 et seq.), the point of obligation shall be the executed agreement or contract: *Provided further*, That the Chief Financial Officer shall: (a) appoint qualified personnel to conduct investigations of potential or actual violations; (b) establish minimum training requirements and other qualifications for personnel that may be appointed to conduct investigations; (c) establish guidelines and timeframes for the conduct and completion of investigations; (d) prescribe the content, format and other requirements for the submission of final reports on violations; and (e) prescribe such additional policies and procedures as may be required for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of the Anti-Deficiency Act and all other statutes and regulations governing the obligation and expenditure of funds made available in this or any other Act: *Provided further*, That the Secretary shall fill 7 out of 10 vacancies at the GS-14 and GS-15 levels until the total number of GS-14 and GS-15 positions in the Department has been reduced from the number of GS-14 and GS-15 positions on the date of enactment of Public Law 106-377 by 2½ percent: *Provided further*, That the Secretary shall submit a staffing plan for the Department by March 15, 2003.

Deadline.

WORKING CAPITAL FUND

For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide information technology systems, and for the continuing operation of both Department-wide and program-specific information systems, \$276,300,000, to remain available until September 30, 2004: *Provided*, That any amounts transferred to this Fund under this Act shall remain available until expended: *Provided further*, That none of the funds made available to the Department in this Act, or any other Act, may be used to award a new contract for the HUD Information Technology Services (HITS) project until 90 days after the Department has submitted to the Committees on Appropriations of the House of Representatives and the Senate a comprehensive 5-year information technology plan in accordance with the direction included in the report accompanying this Act.

Reports.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$97,499,000, of which \$23,343,000 shall be provided from the various funds of the Federal Housing Administration: *Provided*, That the Inspector General shall have independent authority over all personnel issues within this office: *Provided further*, That no less than \$300,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems for the Office of Inspector General.

CONSOLIDATED FEE FUND

(RESCISSION)

Of the balances remaining available from fees and charges under section 7(j) of the Department of Housing and Urban Development Act on October 1, 2002, \$8,000,000 are rescinded.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, including not to exceed \$500 for official reception and representation expenses, \$30,000,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund: *Provided*, That not to exceed such amount shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than \$0.

ADMINISTRATIVE PROVISIONS

SEC. 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437 note) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 202. None of the amounts made available under this Act may be used during fiscal year 2003 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 2003 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2003 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2003 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 2003, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

SEC. 204. (a) Section 225(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, Public Law 106-74 (113 Stat. 1076), is amended by striking “year 2000, and the amounts that would otherwise be allocated for fiscal year 2001 and fiscal year 2002”, and inserting “years 2000, 2001, 2002, and 2003”.

North Carolina.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year 2003 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

Michigan.

SEC. 205. (a) During fiscal year 2003, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

(b) The counties specified in this subsection are Oakland County, Macomb County, Wayne County, and Washtenaw County, in the State of Michigan.

SEC. 206. Except as explicitly provided in law, any grant or assistance made pursuant to title II of this Act shall be made on a competitive basis in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.

42 USC 1437g
note.

SEC. 207. Notwithstanding any other provision of law, no funds in this Act or in any other Act in any fiscal year, including all future and prior fiscal years, may be used hereafter by the Secretary of Housing and Urban Development to provide any assistance or

other funds for housing units defined in section 9(n) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) as “covered locally developed public housing units”. The States of New York and Massachusetts shall reimburse any funds already made available under any appropriations Act for these units to the Secretary of Housing and Urban Development for reallocation to public housing agencies: *Provided*, That, if either State fails to make such reimbursement within 12 months, the Secretary shall recapture such funds through reductions from the amounts allocated to each State under section 106 of the Housing and Community Development Act of 1974.

New York.
Massachusetts.

Deadline.

SEC. 208. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 209. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any program, project or activity in excess of amounts set forth in the budget estimates submitted to Congress.

SEC. 210. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2003 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 211. None of the funds provided in this title for technical assistance, training, or management improvements may be obligated or expended unless HUD provides to the Committees on Appropriations a description of each proposed activity and a detailed budget estimate of the costs associated with each program, project or activity as part of the Budget Justifications. For fiscal year 2003, HUD shall transmit this information to the Committees by March 15, 2003 for 30 days of review.

Deadline.

SEC. 212. (a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

42 USC 1437g.

42 USC 1437 note. Effective date. 42 USC 1437 note. Effective date. 42 USC 1437 note.	<p>(b) Section 226 of the Departments of Veterans Affairs and Housing and Urban development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.</p>
	<p>(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.</p>
	<p>(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.</p>
	<p>SEC. 213. Notwithstanding any other provision of law, in fiscal year 2003, in managing and disposing of any multifamily property that is owned or held by the Secretary and is occupied primarily by elderly or disabled families, the Secretary of Housing and Urban Development shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties or provide other rental assistance.</p>
State listing.	<p>SEC. 214. A public housing agency or such other entity that administers Federal housing assistance in the States of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the States of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.</p>
Establishment.	<p>SEC. 215. (a) Section 24(m)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437v(m)(1)) is amended by striking “\$600,000,000” and all that follows through “2002” and inserting the following: “\$574,000,000 for fiscal year 2003”.</p>
	<p>(b) Section 24(n) of the United States Housing Act of 1937 (42 U.S.C. 1437v(n)) is amended by striking “September 30, 2002” and inserting “September 30, 2004”.</p>
Reports.	<p>SEC. 216. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, and excess funds in each program and activity within the jurisdiction of the Department and shall submit additional, updated budget information to these committees upon request.</p>
Reports. Deadline. 42 USC 1437 note.	<p>SEC. 217. The Secretary of Housing and Urban Development shall submit an annual report no later than August 30, 2003 and annually thereafter to the House and Senate Committees on Appropriations regarding the number of Federally assisted units under lease and the per unit cost of these units to the Department of Housing and Urban Development.</p>
	<p>SEC. 218. Notwithstanding the requirements regarding first-time homebuyers in section 104 of the National Affordable Housing Act of 1990 (42 U.S.C. 12704), the Enterprise Housing Corporation of Maryland may use the remaining balance of the grant award,</p>

H3–95MD0005–I–N, within the East Baltimore Community of the City of Baltimore, Maryland.

SEC. 219. In applying the across-the-board rescission under section 601 of division N to amounts made available under the heading “Housing certificate fund”, the Secretary shall have discretion in applying such rescission among the programs, projects, or activities within the account notwithstanding section 601(b).

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries, \$35,246,000, to remain available until expended.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, as amended, including hire of passenger vehicles, uniforms or allowances therefore, as authorized by 5 U.S.C. 5901–5902, and for services authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, \$7,850,000, of which \$1,400,000 shall be derived from unobligated balances: *Provided*, That of the amounts appropriated, \$500,000 is available until September 30, 2004: *Provided further*, That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

To carry out the Community Development Banking and Financial Institutions Act of 1994, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES–3, \$75,000,000, to remain available until September 30, 2004, of which \$5,000,000 shall be for financial assistance, technical assistance, training and outreach programs designed to benefit Native American, Native Hawaiian, and Alaskan Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending

in Indian country, Native American organizations, tribes and tribal organizations and other suitable providers, and up to \$10,750,000 may be used for administrative expenses, including administration of the New Markets Tax Credit, up to \$6,000,000 may be used for the cost of direct loans, and up to \$250,000 may be used for administrative expenses to carry out the direct loan program: *Provided*, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$11,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed \$500 for official reception and representation expenses, \$57,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (the "Corporation") in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (the "Act") (42 U.S.C. 12501 et seq.), \$429,000,000, to remain available until September 30, 2004: *Provided*, That the Corporation shall enroll no more than 50,000 AmeriCorps members in the National Service Trust: *Provided further*, That not more than \$32,500,000 shall be available for administrative expenses authorized under section 501(a)(4): *Provided further*, That not more than \$2,500 shall be for official reception and representation expenses: *Provided further*, That not more than \$275,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), of which \$100,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601), and of which up to \$5,000,000 shall be available to support national service scholarships for high school students performing community service: *Provided further*, That of the amount provided under this heading for grants under the National Service Trust program authorized under subtitle C of title I of the Act, not more than \$50,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): *Provided further*, That to the maximum extent feasible,

funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: *Provided further*, That not more than \$10,000,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.), of which not more than \$2,500,000 may be used to support an endowment fund, the corpus of which shall remain intact and the interest income from which shall be used to support activities described in title III of the Act, provided that the Foundation may invest the corpus and income in federally insured bank savings accounts or comparable interest bearing accounts, certificates of deposit, money market funds, mutual funds, obligations of the United States, and other market instruments and securities but not in real estate investments: *Provided further*, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): *Provided further*, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, and shall reduce the total Federal costs per participant in all programs: *Provided further*, That not more than \$25,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): *Provided further*, That not more than \$43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): *Provided further*, That not more than \$35,500,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.), of which \$6,000,000 shall be available for challenge grants to non-profit organizations: *Provided further*, That not more than \$5,000,000 of the funds made available under this heading shall be made available to America's Promise—The Alliance for Youth, Inc.: *Provided further*, That not more than \$3,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): *Provided further*, That of the unobligated balances remaining from funds appropriated under this heading during fiscal year 2002 and prior years, \$48,000,000 are rescinded.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$6,000,000, to remain available until September 30, 2004.

ADMINISTRATIVE PROVISIONS

Notwithstanding any other provision of law, the term “qualified student loan” with respect to national service education awards shall mean any loan determined by an institution of higher education to be necessary to cover a student's cost of attendance at such institution and made, insured, or guaranteed directly to a student by a State agency, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

Notwithstanding any other provision of law, funds made available under section 129(d)(5)(B) of the National and Community Service Act to assist entities in placing applicants who are individuals with disabilities may be provided to any entity that receives a grant under section 121 of the Act.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Appeals for Veterans Claims as authorized by 38 U.S.C. 7251-7298, \$14,326,000 of which \$1,045,000 shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102-229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, and not to exceed \$1,000 for official reception and representation expenses, \$32,445,000, to remain available until expended.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For necessary expenses for the National Institute of Environmental Health Sciences in carrying out activities set forth in section 311(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and section 126(g) of the Superfund Amendments and Reauthorization Act of 1986, \$84,074,000.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

TOXIC SUBSTANCES AND ENVIRONMENTAL PUBLIC HEALTH

For necessary expenses for the Agency for Toxic Substances and Disease Registry (ATSDR) in carrying out activities set forth in sections 104(i), 111(c)(4), and 111(c)(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; section 118(f) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended; and section 3019 of the Solid Waste Disposal Act, as amended, \$82,800,000, to be derived from the Hazardous Substance Superfund Trust Fund pursuant to section 517(a) of SARA (26 U.S.C. 9507): *Provided*, That notwithstanding any other provision of law, in lieu of performing a health assessment under section 104(i)(6) of

CERCLA, the Administrator of ATSDR may conduct other appropriate health studies, evaluations, or activities, including, without limitation, biomedical testing, clinical evaluations, medical monitoring, and referral to accredited health care providers: *Provided further*, That in performing any such health assessment or health study, evaluation, or activity, the Administrator of ATSDR shall not be bound by the deadlines in section 104(i)(6)(A) of CERCLA: *Provided further*, That none of the funds appropriated under this heading shall be available for ATSDR to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 2003, and existing profiles may be updated as necessary.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$720,261,000, which shall remain available until September 30, 2004: *Provided*, That the Office of Research and Development of the Environmental Protection Agency may hereafter contract directly with individuals or indirectly with institutions or nonprofit organizations, without regard to 41 U.S.C. 5, for the temporary or intermittent personal services of students or recent graduates, who shall be considered employees for the purposes of chapters 57 and 81 of title 5, United States Code, relating to compensation for travel and work injuries, and chapter 171 of title 28, United States Code, relating to tort claims, but shall not be considered to be Federal employees for any other purposes.

42 USC 4361c
note.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; and not to exceed \$19,000 for official reception and representation expenses, \$2,111,604,000, which shall remain available until September 30, 2004, including administrative costs

of the brownfields program under the Small Business Liability Relief and Brownfields Revitalization Act of 2002: *Provided*, That notwithstanding any other provision of law, the Administrator of the Environmental Protection Agency shall certify grant amendments for grant numbers C-340461-02 and C-340461-03.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$36,000,000, to remain available until September 30, 2004.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, \$42,918,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; \$1,272,888,000, to remain available until expended, consisting of \$636,444,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101-508, and \$636,444,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended: *Provided*, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: *Provided further*, That of the funds appropriated under this heading, \$12,742,000 shall be transferred to the “Office of Inspector General” appropriation to remain available until September 30, 2004, and \$86,168,000 shall be transferred to the “Science and technology” appropriation to remain available until September 30, 2004.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$72,313,000, to remain available until expended.

OIL SPILL RESPONSE

For expenses necessary to carry out the Environmental Protection Agency’s responsibilities under the Oil Pollution Act of 1990, \$15,581,000, to be derived from the Oil Spill Liability trust fund, to remain available until expended.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, \$3,859,994,000, to remain available until expended, of which \$1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended (the “Act”), of which up to \$75,000,000 shall be available for loans, including interest free loans as authorized by 33 U.S.C. 1383(d)(1)(A), to municipal, inter-municipal, interstate, or State agencies or nonprofit entities for projects that provide treatment for or that minimize sewage or stormwater discharges using one or more approaches which include, but are not limited to, decentralized or distributed stormwater controls, decentralized wastewater treatment, low-impact development practices, conservation easements, stream buffers, or wetlands restoration; \$850,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended, except that, notwithstanding section 1452(n) of the Safe Drinking Water Act, as amended, none of the funds made available under this heading in this Act, or in previous appropriations Acts, shall be reserved by the Administrator for health effects studies on drinking water contaminants; \$50,000,000 shall be for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; \$43,000,000 shall be for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages; \$3,000,000 shall be for remediation of above ground leaking fuel tanks pursuant to Public Law 106-554; \$314,887,000 shall be for making grants for the construction of drinking water, wastewater and storm water infrastructure and for water quality protection in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the managers accompanying this Act; \$8,225,000 for grants for construction of alternative decentralized wastewater facilities under the National Decentralized Wastewater Demonstration program, in accordance with the terms and conditions specified in the joint explanatory statement of the managers accompanying this Act; \$90,500,000 shall be to carry out section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including grants, interagency agreements, and associated program support costs; and \$1,150,382,000 shall be for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multimedia or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104-134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities subject to terms and conditions specified by the Administrator, of which \$50,000,000 shall be for carrying out section 128 of CERCLA, as amended, and \$19,999,900 shall be for Environmental Information Exchange Network grants, including associated program support costs: *Provided,*

Alaska.

42 USC 300j–12
note.

33 USC 1377
note.

114 Stat.
1441A–42.

That for fiscal year 2003, State authority under section 302(a) of Public Law 104–182 shall remain in effect: *Provided further*, That notwithstanding section 603(d)(7) of the Act, the limitation on the amounts in a State water pollution control revolving fund that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 2003 and prior years where such amounts represent costs of administering the fund to the extent that such amounts are or were deemed reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration: *Provided further*, That for fiscal year 2003, and notwithstanding section 518(f) of the Act, the Administrator is authorized to use the amounts appropriated for any fiscal year under section 319 of that Act to make grants to Indian tribes pursuant to sections 319(h) and 518(e) of that Act: *Provided further*, That for fiscal year 2003, notwithstanding the limitation on amounts in section 518(c) of the Act, up to a total of 1½ percent of the funds appropriated for State Revolving Funds under title VI of that Act may be reserved by the Administrator for grants under section 518(c) of such Act: *Provided further*, That no funds provided by this legislation to address the water, wastewater and other critical infrastructure needs of the colonias in the United States along the United States-Mexico border shall be made available to a county or municipal government unless that government has established an enforceable local ordinance, or other zoning rule, which prevents in that jurisdiction the development or construction of any additional colonia areas, or the development within an existing colonia the construction of any new home, business, or other structure which lacks water, wastewater, or other necessary infrastructure: *Provided further*, That the referenced statements of the managers under this heading in Public Laws 105–276, 106–74, and 106–377 are deemed to be amended by striking everything after “Creek” in reference to item numbers 27, 38, and 59, respectively, and inserting, “and the Upper Ocmulgee River Watersheds, Georgia”: *Provided further*, That the referenced statement of the managers under this heading in Public Law 107–73 is deemed to be amended by adding the words “water and” before the word “wastewater” in reference to item number 205: *Provided further*, That the referenced statement of the managers under this heading in Public Law 106–74 is deemed to be amended by striking everything after “improvement” in reference to item number 137 and inserting, “and extensions to the Indian Ridge Industrial Park;”: *Provided further*, That the referenced statement of the managers under this heading in Public Law 107–73 is deemed to be amended by striking everything after “wastewater” in reference to item number 103 and inserting, “and drinking water infrastructure improvements;”: *Provided further*, That the referenced statement of the managers under this heading in Public Law 107–73 is deemed to be amended by striking everything after “for” in reference to item number 283 and inserting, “the Mount Pleasant Waterworks Commission, South Carolina, for the Snowden Community Wastewater Collection Project;”: *Provided further*, That the referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended in reference to item number 216 by inserting before the period, “, and, after February 1, 2003, any remaining unobligated funds to the City of

Wendover, Utah for water and wastewater infrastructure improvements”.

ADMINISTRATIVE PROVISIONS

For fiscal year 2003, notwithstanding 31 U.S.C. 6303(1) and 6305(1), the Administrator of the Environmental Protection Agency, in carrying out the Agency’s function to implement directly Federal environmental programs required or authorized by law in the absence of an acceptable tribal program, may award cooperative agreements to federally-recognized Indian Tribes or Intertribal consortia, if authorized by their member Tribes, to assist the Administrator in implementing Federal environmental programs for Indian Tribes required or authorized by law, except that no such cooperative agreements may be awarded from funds designated for State financial assistance agreements.

None of the funds appropriated or otherwise made available by this Act shall be used to promulgate a final regulation to implement changes in the payment of pesticide tolerance processing fees as proposed at 64 Fed. Reg. 31040, or any similar proposals. The Environmental Protection Agency may proceed with the development of such a rule.

The Environmental Protection Agency may not use any of the funds appropriated or otherwise made available by this Act to implement the Registration Fee system codified at 40 Code of Federal Regulations Subpart U (sections 152.400 et seq.) if its authority to collect maintenance fees pursuant to FIFRA section 4(i)(5) is extended for at least 1 year beyond September 30, 2002.

Section 136a–1 of title 7, U.S.C. is amended—

(1) in subsection (i)(5)(C)(i) by striking “\$17,000,000 fiscal year 2002” and inserting “\$21,500,000 for fiscal year 2003”;

(2) in subsection (i)(5)(H) by striking “2002” and inserting “2003”;

(3) in subsection (i)(6) by striking “2002” and inserting “2003”; and

(4) in subsection (k)(3)(A) by striking “2002” and inserting “2003”.

As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall enter into a cooperative agreement with the National Academy of Sciences to evaluate the impact of the final rule relating to prevention of significant deterioration and nonattainment new source review, published at 67 Fed. Reg. 80186 (December 31, 2002). The study shall include—

(1) increases or decreases in emissions of pollutants regulated under the New Source Review program;

(2) impacts on human health;

(3) pollution control and prevention technologies installed after the effective date of the rule at facilities covered under the rulemaking;

(4) increases or decreases in efficiency of operations, including energy efficiency, at covered facilities; and

(5) other relevant data.

The National Academy of Sciences shall submit an interim report to Congress no later than March 3, 2004, and shall submit a final report on implementation of the rules.

Reports.
Deadline.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed \$2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, \$5,368,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF
ENVIRONMENTAL QUALITY

42 USC 4342
note.

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, and not to exceed \$750 for official reception and representation expenses, \$3,031,000: *Provided*, That, notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as chairman and exercising all powers, functions, and duties of the Council.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$30,848,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$800,000,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended, of which not to exceed \$2,900,000 may be transferred to “Emergency management planning and assistance” for the consolidated emergency management performance grant program; and not to exceed \$21,577,000 may be transferred to the Office of Inspector General for audits and investigations: *Provided*, That notwithstanding any other provision of law, for disaster declaration FEMA-1379-DR and hereafter, the Texas Medical Center is to be considered for FEMA Public Assistance and Hazard Mitigation grants as if it were an eligible applicant: *Provided further*, That the funds made available under this heading in Public Law 105-276 for a pilot project of seismic retrofit technology at California State University, San Bernardino, are reduced to \$3,559,500, the funds made available under this heading in

Public Law 106-74 for a pilot project of seismic retrofit technology at California State University, San Bernardino, are reduced to \$0, and that the funds made available as a result of this action shall be used to mitigate fire danger in the area of the San Bernardino National Forest due to bark beetle infestation.

NATIONAL PRE-DISASTER MITIGATION FUND

For a pre-disaster mitigation grant program pursuant to 42 U.S.C. 5131 et seq., \$150,000,000, to remain available until expended: *Provided*, That grants shall be awarded on a competitive basis subject to the criteria in 42 U.S.C. 5133(g): *Provided further*, That notwithstanding 42 U.S.C. 5133(f), grant awards shall be made without reference to State allocations, quotas, or other formula-based allocations of funds.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, \$557,000 as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000.

In addition, for administrative expenses to carry out the direct loan program, \$557,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, \$245,690,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$14,000,000: *Provided*, That notwithstanding any other provision of law, the Inspector General of the Federal Emergency Management Agency shall hereafter also serve as the Inspector General of the Chemical Safety and Hazard Investigation Board.

5 USC app. 8G
note.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster

Grants.

Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, \$388,299,000: *Provided*, That of the amount provided under this heading: \$25,000,000 shall be for grants for interoperable communications equipment; \$25,000,000 shall be for grants for emergency operations centers; \$60,000,000 shall be for existing Urban Search and Rescue Teams; \$165,000,000 shall be for emergency management performance grants; \$20,000,000 shall be for Community Emergency Response Teams.

FIREFIGHTER ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, for programs as authorized by section 33 of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), \$750,000,000 to remain available through September 30, 2004: *Provided*, That up to 5 percent of this amount shall be transferred to “Salaries and expenses” for program administration.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

The aggregate charges assessed during fiscal year 2003, as authorized by Public Law 106-377, shall not be less than 100 percent of the amounts anticipated by FEMA necessary for its radiological emergency preparedness program for the next fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the Fund as offsetting collections and will become available for authorized purposes on October 1, 2003, and remain available until expended.

CERRO GRANDE FIRE CLAIMS

For an additional amount for “Cerro Grande Fire Claims”, up to \$90,000,000 shall be made available for claims resulting from the Cerro Grande fires: *Provided*, That up to \$5,000,000 may be made available for administrative purposes.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended, \$153,000,000, to remain available until expended: *Provided*, That total administrative costs shall not exceed 3½ percent of the total appropriation.

FLOOD MAP MODERNIZATION FUND

For necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968, \$150,000,000, and such additional sums as may be provided by State and local governments or other political subdivisions for cost-shared mapping activities under section 1360(f)(2), to remain available until expended.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968 (“Act”) and the Flood Disaster Protection Act of 1973, as amended, not to exceed \$32,393,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed \$77,666,000 for flood mitigation, to remain available until September 30, 2004, including up to \$20,000,000 for expenses under section 1366 of the Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2004, and which amounts shall be derived from offsetting collections assessed and collected pursuant to 42 U.S.C. 4014, and shall be retained and used for necessary expenses under this heading: *Provided*, That beginning in fiscal year 2003 and thereafter, fees authorized in 42 U.S.C. 4014(a)(1)(B)(iii) shall be collected only if provided in advance in appropriations acts. In fiscal year 2003, no funds in excess of: (1) \$55,000,000 for operating expenses; (2) \$529,380,000 for agents’ commissions and taxes; and (3) \$40,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

42 USC 4014
note.

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding sections 1366(b)(3)(B)–(C) and 1366(f) of the National Flood Insurance Act of 1968, as amended, \$20,000,000, to remain available until September 30, 2004, for activities designed to reduce the risk of flood damage to structures pursuant to such Act, of which \$20,000,000 shall be derived from the National Flood Insurance Fund.

ADMINISTRATIVE PROVISIONS

Notwithstanding any other provision of law, funds appropriated to the Federal Emergency Management Agency (FEMA) for disaster relief for the terrorist attacks of September 11, 2001, in Public Law 107–117, may be used to provide funds to the City of New York and the State of New York for costs associated with such attacks that are unreimbursable under the Stafford Act, including but not limited to the non-Federal share of relevant programs: *Provided*, That of the amounts made available, \$90,000,000 shall be available upon enactment of this Act to administer baseline and follow-up screening and clinical examinations and long-term health monitoring and analysis for emergency services personnel and rescue and recovery personnel, of which not less than \$25,000,000 shall be made available for such services for current and retired firefighters.

Notwithstanding any other provision of law, including sections 403 and 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (43 U.S.C. 5170b and 42 U.S.C. 5173), the Federal Emergency Management Agency is directed to provide, from funds appropriated to the Federal Emergency Management Agency for disaster relief for the terrorist attacks of September 11, 2001, in Public Law 107–117, up to \$1,000,000,000 to establish a captive insurance company or other appropriate insurance mechanism for

claims arising from debris removal, which may include claims made by city employees.

FEMA is hereby directed to recognize that a hospital building has met the “immediate occupancy” requirements of the Seismic Hazard Mitigation Program for Hospitals (SHMPH) if such building is approved by California’s Office of Statewide Health Planning and Development (OSHPD) for occupancy until 2030 or beyond under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 now in effect.

GENERAL SERVICES ADMINISTRATION

FEDERAL CITIZEN INFORMATION CENTER FUND

For necessary expenses of the Federal Citizen Information Center, including services authorized by 5 U.S.C. 3109, \$11,541,000, to be deposited into the Federal Citizen Information Center Fund: *Provided*, That the appropriations, revenues, and collections deposited into the Fund shall be available for necessary expenses of Federal Citizen Information Center activities in the aggregate amount of \$18,000,000. Appropriations, revenues, and collections accruing to this Fund during fiscal year 2003 in excess of \$18,000,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

INTERAGENCY COUNCIL ON THE HOMELESS

OPERATING EXPENSES

For necessary expenses (including payment of salaries, authorized travel, hire of passenger motor vehicles, the rental of conference rooms in the District of Columbia, and the employment of experts and consultants under section 3109 of title 5, United States Code) of the Interagency Council on the Homeless in carrying out the functions pursuant to title II of the McKinney-Vento Homeless Assistance Act, as amended, \$1,500,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, support and services; maintenance; construction of facilities including repair, rehabilitation, revitalization and modification of facilities, construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase and hire of passenger motor vehicles; not to exceed \$35,000 for official reception and representation expenses; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$6,180,900,000, to remain available

until September 30, 2004, of which amounts as determined by the Administrator for salaries and benefits; training, travel and awards; facility and related costs; information technology services; science, engineering, fabricating and testing services; and other administrative services may be transferred to “Science, aeronautics and technology” in accordance with section 312(b) of the National Aeronautics and Space Act of 1958, as amended by Public Law 106-377.

SCIENCE, AERONAUTICS AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, support and services; maintenance; construction of facilities including repair, rehabilitation, revitalization, and modification of facilities, construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; travel expenses; purchase and hire of passenger motor vehicles; not to exceed \$35,000 for official reception and representation expenses; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$9,207,665,000, to remain available until September 30, 2004, of which amounts as determined by the Administrator for salaries and benefits; training, travel and awards; facility and related costs; information technology services; science, engineering, fabricating and testing services; and other administrative services may be transferred to “Human space flight” in accordance with section 312(b) of the National Aeronautics and Space Act of 1958, as amended by Public Law 106-377.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$25,600,000.

ADMINISTRATIVE PROVISIONS

Notwithstanding any other provision of this Act, the \$3,836,000,000 provided for the Shuttle program shall be exempt from the across-the-board rescission under section 601 in division N.

Notwithstanding the limitation on the availability of funds appropriated for “Human space flight”, or “Science, aeronautics and technology” by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated for institutional minor revitalization and construction of facilities, and institutional facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for “Human space flight”, or “Science, aeronautics and technology” by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2005.

Notwithstanding the limitation on the availability of funds appropriated for “Office of Inspector General”, amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 2003 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year. Funds for announced prizes otherwise authorized shall remain available, without fiscal year limitation, until the prize is claimed or the offer is withdrawn.

NASA is authorized to proceed with establishment of a Non-Governmental Organization for International Space Station research: *Provided*, That no funds in this Act or any other appropriations Act may be expended for establishment of a Non-Governmental Organization that includes engineering and integration functions identified as Phase 2 in the Report of NASA’s International Space Station Utilization Management Concept Development Study submitted on January 10, 2003.

42 USC 2459i.

There is hereby established in the United States Treasury a National Aeronautics and Space Administration working capital fund. Amounts in the fund are available for financing activities, services, equipment, information, and facilities as authorized by law to be provided within the Administration; to other agencies or instrumentalities of the United States; to any State, Territory, or possession or political subdivision thereof; to other public or private agencies; or to any person, firm, association, corporation, or educational institution on a reimbursable basis. The fund shall also be available for the purpose of funding capital repairs, renovations, rehabilitation, sustainment, demolition, or replacement of NASA real property, on a reimbursable basis within the Administration. Amounts in the fund are available without regard to fiscal year limitation. The capital of the fund consists of amounts appropriated to the fund; the reasonable value of stocks of supplies, equipment, and other assets and inventories on order that the Administrator transfers to the fund, less the related liabilities and unpaid obligations; and payments received for loss or damage to property of the fund. The fund shall be reimbursed, in advance, for supplies and services at rates that will approximate the expenses of operation, such as the accrual of annual leave, depreciation of plant, property and equipment, and overhead.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 2003, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by 12 U.S.C. 1795 et seq., shall not exceed \$1,500,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 2003 shall not exceed \$309,000.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

For the Community Development Revolving Loan Fund program as authorized by 42 U.S.C. 9812, 9822 and 9910, \$1,000,000 shall be available: *Provided*, That of this amount \$700,000, together with amounts of principal and interest on loans repaid, is available until expended for loans to community development credit unions, and \$300,000 is available until September 30, 2004 for technical assistance to low-income and community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; and authorized travel; \$4,083,000,000, of which not to exceed \$320,000,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 2004: *Provided*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: *Provided further*, That \$85,000,000 of the funds available under this heading shall be made available for a comprehensive research initiative on plant genomes for economically significant crops.

MAJOR RESEARCH EQUIPMENT AND FACILITIES CONSTRUCTION

For necessary expenses for the acquisition, construction, commissioning, and upgrading of major research equipment, facilities, and other such capital assets pursuant to the National Science Foundation Act of 1950, as amended, including authorized travel, \$149,510,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109, authorized travel, and rental of conference rooms in the District of Columbia, \$909,080,000, to remain available until September 30, 2004: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for

those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$190,352,000: *Provided*, That contracts may be entered into under “Salaries and expenses” in fiscal year 2003 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF THE NATIONAL SCIENCE BOARD

For necessary expenses (including payment of salaries, authorized travel, hire of passenger motor vehicles, the rental of conference rooms in the District of Columbia, and the employment of experts and consultants under section 3109 of title 5, United States Code) involved in carrying out section 4 of the National Science Foundation Act of 1950 (42 U.S.C. 1863) and Public Law 86–209 (42 U.S.C. 1880 et seq.), \$3,500,000: *Provided*, That not more than \$9,000 shall be available for official reception and representation expenses.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, \$9,250,000, to remain available until September 30, 2004.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), \$105,000,000, of which \$5,000,000 shall be for a homeownership program that is used in conjunction with section 8 assistance under the United States Housing Act of 1937, as amended; and of which \$5,000,000 shall be for a multi-family rental housing program.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$750 for official reception

and representation expenses; \$26,480,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever the President deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. No funds appropriated by this Act may be expended—
(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made; or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 403. None of the funds provided in this Act to any department or agency may be obligated or expended for: (1) the transportation of any officer or employee of such department or agency between the domicile and the place of employment of the officer or employee, with the exception of an officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905; or (2) to provide a cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 404. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 405. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 406. None of the funds provided in this Act may be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 407. Except as otherwise provided under existing law, or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to

contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within 24 months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 408. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

SEC. 409. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 410. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. 411. Such sums as may be necessary for fiscal year 2003 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 412. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 413. Except in the case of entities that are funded solely with Federal funds or any natural persons that are funded under this Act, none of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties to lobby or litigate in respect to adjudicatory proceedings funded in this Act. A chief executive officer of any entity receiving funds under this Act shall certify that none of these funds have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.

SEC. 414. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution

or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 415. All Departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of “E-Commerce” technologies and procedures in the conduct of their business practices and public service activities.

SEC. 416. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government that is established after the date of the enactment of this Act, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 417. Section 404(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c) is amended by striking “15 percent” and inserting “7.5 percent”.

SEC. 418. The National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2451, et seq.), is amended by adding at the end of title III a new section 315 as follows:

“ENHANCED-USE LEASE OF REAL PROPERTY DEMONSTRATION

“SEC. 315. (a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator may enter into a lease under this section with any person or entity (including another department or agency of the Federal Government or an entity of a State or local government) with regard to any real property under the jurisdiction of the Administrator at no more than two (2) National Aeronautics and Space Administration (NASA) centers.

42 USC 2459j.

“(b) CONSIDERATION.—

“(1) A person or entity entering into a lease under this section shall provide consideration for the lease at fair market value as determined by the Administrator, except that in the case of a lease to another department or agency of the Federal Government, that department or agency shall provide consideration for the lease equal to the full costs to NASA in connection with the lease.

“(2) Consideration under this subsection may take one or a combination of the following forms—

“(A) the payment of cash;

“(B) the maintenance, construction, modification or improvement of facilities on real property under the jurisdiction of the Administrator;

“(C) the provision of services to NASA, including launch services and payload processing services; or

“(D) use by NASA of facilities on the property.

“(3)(A) The Administrator may utilize amounts of cash consideration received under this subsection for a lease entered into under this section to cover the full costs to NASA in connection with the lease. These funds shall remain available until expended.

“(B) Any amounts of cash consideration received under this subsection that are not utilized in accordance with subparagraph (A) shall be deposited in a capital asset account to be established by the Administrator, shall be available for maintenance, capital revitalization, and improvements of the

real property assets of the centers selected for this demonstration program, and shall remain available until expended.

“(c) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such terms and conditions in connection with a lease under this section as the Administrator considers appropriate to protect the interests of the United States.

“(d) RELATIONSHIP TO OTHER LEASE AUTHORITY.—The authority under this section to lease property of NASA is in addition to any other authority to lease property of NASA under law.

“(e) LEASE RESTRICTIONS.—NASA is not authorized to lease back property under this section during the term of the out-lease or enter into other contracts with the lessee respecting the property.

“(f) PLAN AND REPORTING REQUIREMENTS.—At least 15 days prior to the Administrator entering into the first lease under this section, the Administrator shall submit a plan to the Congress on NASA’s proposed implementation of this demonstration. The Administrator shall submit an annual report by January 31st of each year regarding the status of the demonstration.”

Deadline.

Reports.
Deadline.

42 USC 5196c
note.

SEC. 419. Notwithstanding 42 U.S.C. 5196c, amounts provided in Public Law 107-117 and subsequent appropriations Acts for the construction of emergency operations centers (or similar facilities) shall only require a 25 percent non-Federal cost share.

SEC. 420. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 421. Subsection (b) of section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229) is amended by adding at the end the following new paragraph (12):

“(12) ELIGIBLE GRANTEE ON BEHALF OF ALASKA NATIVE VILLAGES.—The Alaska Village Initiatives, a non-profit organization incorporated in the State of Alaska, shall be considered an eligible grantee for purposes of receiving assistance under this section on behalf of Alaska Native villages.”

SEC. 422. The Secretary of the Department of Homeland Security is authorized to acquire fee title to up to 178.5 acres of undeveloped property on the North and West sides of Virginia Routes 601 and 605 in Clarke County and Loudoun County, Virginia, adjacent to a Federal Emergency Management Agency facility in Clarke County and Loudoun County, Virginia.

SEC. 423. Section 1344(b) of title 31, United States Code, is amended by striking paragraph (6) and inserting in lieu thereof the following new paragraph (6):

“(6) the Director of the Central Intelligence Agency, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, and the Administrator of the National Aeronautics and Space Administration;”

This division may be cited as the “Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2003”.

Homeland
Security Act
Amendments of
2003.
6 USC 101 note.

DIVISION L—HOMELAND SECURITY ACT OF 2002 AMENDMENTS

SEC. 101. GENERAL.—The Homeland Security Act of 2002 (Public Law 107-296) is amended—

(1) in section 308, by striking subsections (a) through (c)(1) and inserting in lieu thereof the following: 6 USC 188.

“(a) IN GENERAL.—The Secretary, acting through the Under Secretary for Science and Technology, shall carry out the responsibilities under section 302(4) through both extramural and intramural programs.

“(b) EXTRAMURAL PROGRAMS.—

“(1) IN GENERAL.—The Secretary, acting through the Under Secretary for Science and Technology, shall operate extramural research, development, demonstration, testing, and evaluation programs so as to—

“(A) ensure that colleges, universities, private research institutes, and companies (and consortia thereof) from as many areas of the United States as practicable participate;

“(B) ensure that the research funded is of high quality, as determined through merit review processes developed under section 302(14); and

“(C) distribute funds through grants, cooperative agreements, and contracts.

“(2) UNIVERSITY-BASED CENTERS FOR HOMELAND SECURITY.—

“(A) DESIGNATION.—The Secretary, acting through the Under Secretary for Science and Technology, shall designate a university-based center or several university-based centers for homeland security. The purpose of the center or these centers shall be to establish a coordinated, university-based system to enhance the Nation’s homeland security.

“(B) CRITERIA FOR DESIGNATION.—Criteria for the designation of colleges or universities as a center for homeland security, shall include, but are not limited to, demonstrated expertise in—

“(i) The training of first responders.

“(ii) Responding to incidents involving weapons of mass destruction and biological warfare.

“(iii) Emergency and diagnostic medical services.

“(iv) Chemical, biological, radiological, and nuclear countermeasures or detection.

“(v) Animal and plant health and diagnostics.

“(vi) Food safety.

“(vii) Water and wastewater operations.

“(viii) Port and waterway security.

“(ix) Multi-modal transportation.

“(x) Information security and information engineering.

“(xi) Engineering.

“(xii) Educational outreach and technical assistance.

“(xiii) Border transportation and security.

“(xiv) The public policy implications and public dissemination of homeland security related research and development.

“(C) DISCRETION OF SECRETARY.—To the extent that exercising such discretion is in the interest of homeland security, and with respect to the designation of any given university-based center for homeland security, the Secretary may except certain criteria as specified in section

Federal Register, publication.	308(b)(2)(B) and consider additional criteria beyond those specified in section 308(b)(2)(B). Upon designation of a university-based center for homeland security, the Secretary shall that day publish in the Federal Register the criteria that were excepted or added in the selection process and the justification for the set of criteria that were used for that designation.
Deadlines.	<p>“(D) REPORT TO CONGRESS.—The Secretary shall report annually, from the date of enactment, to Congress concerning the implementation of this section. That report shall indicate which center or centers have been designated and how the designation or designations enhance homeland security, as well as report any decisions to revoke or modify such designations.</p> <p>“(E) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this paragraph.</p> <p>“(c) INTRAMURAL PROGRAMS.—</p> <p>“(1) CONSULTATION.—In carrying out the duties under section 302, the Secretary, acting through the Under Secretary for Science and Technology, may draw upon the expertise of any laboratory of the Federal Government, whether operated by a contractor or the Government.”; and</p> <p>(2) in subsection 835(d) by striking all after the word “security” and inserting in lieu thereof a period.</p>
6 USC 395.	<p>SEC. 102. NON-PREJUDICIAL REPEAL OF SECTIONS 1714 THROUGH 1717 OF THE HOMELAND SECURITY ACT OF 2002. (a) REPEAL.—In accordance with subsection (c), sections 1714 through 1717 of the Homeland Security Act of 2002 (Public Law 107–296) are repealed.</p>
42 USC 300aa–33 note. 42 USC 300aa–33 note.	<p>(b) APPLICATION OF THE PUBLIC HEALTH SERVICE ACT.—The Public Health Service Act (42 U.S.C. 201 et seq.) shall be applied and administered as if the sections repealed by subsection (a) had never been enacted.</p>
42 USC 300aa–33 note.	<p>(c) RULE OF CONSTRUCTION.—No inference shall be drawn from the enactment of sections 1714 through 1717 of the Homeland Security Act of 2002 (Public Law 107–296), or from this repeal, regarding the law prior to enactment of sections 1714 through 1717 of the Homeland Security Act of 2002 (Public Law 107–296). Further, no inference shall be drawn that subsection (a) or (b) affects any change in that prior law, or that Leroy v. Secretary of Health and Human Services, Office of Special Master, No. 02–392V (October 11, 2002), was incorrectly decided.</p>
	<p>(d) SENSE OF THE CONGRESS.—It is the sense of the Congress that—</p>
	<p>(1) the Nation’s ability to produce and develop new and effective vaccines faces significant challenges, and important steps are needed to revitalize our immunization efforts in order to ensure an adequate supply of vaccines and to encourage the development of new vaccines;</p>
	<p>(2) these steps include ensuring that patients who have suffered vaccine-related injuries have the opportunity to seek fair and timely redress, and that vaccine manufacturers, manufacturers of components or ingredients of vaccines, and physicians and other administrators of vaccines have adequate protections;</p>

(3) prompt action is particularly critical given that vaccines are a front line of defense against common childhood and adult diseases, as well as against current and future biological threats; and

(4) not later than 6 months after the date of enactment of this Act, the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives should report a bill addressing the issues described in paragraphs (1) through (3).

Deadline.
Reports.

SEC. 103. GENERAL.—The Homeland Security Act of 2002 (Public Law 107–296) is amended—

(1) in subsection 232(f), by striking the period at the end of the sentence and inserting: “: *Provided*, That any such transfer or provision of funding shall be carried out in accordance with section 605 of Public Law 107–77.”;

6 USC 162.

(2) in subsection 234(b), by striking the period at the end of the sentence and inserting: “: *Provided*, That any such transfer shall be carried out in accordance with section 605 of Public Law 107–77.”;

6 USC 164.

(3) in subsection 873(b)—

6 USC 453.

(A) by inserting “Except as authorized by section 2601 of title 10, United States Code, and by section 93 of title 14, United States Code,” before the word “Gifts” in the second place it appears; and

(B) by striking the letter “G” and inserting in lieu thereof “g” in the word “Gifts” in the second place it appears;

(4) in subsection 1511(e)(2), after the word “development” and before the period, by inserting: “, and to any funds provided to the Coast Guard from the Aquatic Resources Trust Fund of the Highway Trust Fund for boating safety programs”; and

6 USC 551.

(5) at the end of the Act, by adding the following new section:

“SEC. 1714. Notwithstanding any other provision of this Act, any report, notification, or consultation addressing directly or indirectly the use of appropriated funds and stipulated by this Act to be submitted to, or held with, the Congress or any Congressional committee shall also be submitted to, or held with, the Committees on Appropriations of the Senate and the House of Representatives under the same conditions and with the same restrictions as stipulated by this Act.”.

6 USC 103.

SEC. 104. INSPECTOR GENERAL OF THE DEPARTMENT OF HOMELAND SECURITY. (a) IN GENERAL.—Section 103(b) of the Homeland Security Act of 2002 (Public Law 107–296) is amended to read as follows:

6 USC 113.

“(b) INSPECTOR GENERAL.—There shall be in the Department an Office of Inspector General and an Inspector General at the head of such office, as provided in the Inspector General Act of 1978 (5 U.S.C. App.).”.

(b) SPECIAL PROVISIONS CONCERNING THE INSPECTOR GENERAL.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) by striking section 8J;

(2) by redesignating section 8I as section 8J; and

(3) by inserting after section 8H the following:

“SPECIAL PROVISIONS CONCERNING THE DEPARTMENT OF HOMELAND
SECURITY

“SEC. 8I. (a)(1) Notwithstanding the last two sentences of section 3(a), the Inspector General of the Department of Homeland Security shall be under the authority, direction, and control of the Secretary of Homeland Security with respect to audits or investigations, or the issuance of subpoenas, that require access to sensitive information concerning—

“(A) intelligence, counterintelligence, or counterterrorism matters;

“(B) ongoing criminal investigations or proceedings;

“(C) undercover operations;

“(D) the identity of confidential sources, including protected witnesses;

“(E) other matters the disclosure of which would, in the Secretary’s judgment, constitute a serious threat to the protection of any person or property authorized protection by section 3056 of title 18, United States Code, section 202 of title 3 of such Code, or any provision of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note); or

“(F) other matters the disclosure of which would constitute a serious threat to national security.

“(2) With respect to the information described in paragraph (1), the Secretary of Homeland Security may prohibit the Inspector General of the Department of Homeland Security from carrying out or completing any audit or investigation, or from issuing any subpoena, after such Inspector General has decided to initiate, carry out, or complete such audit or investigation or to issue such subpoena, if the Secretary determines that such prohibition is necessary to prevent the disclosure of any information described in paragraph (1), to preserve the national security, or to prevent a significant impairment to the interests of the United States.

Notification.

“(3) If the Secretary of Homeland Security exercises any power under paragraph (1) or (2), the Secretary shall notify the Inspector General of the Department of Homeland Security in writing within seven days stating the reasons for such exercise. Within 30 days after receipt of any such notice, the Inspector General shall transmit to the President of the Senate, the Speaker of the House of Representatives, and appropriate committees and subcommittees of Congress the following:

“(A) A copy of such notice.

“(B) A written response to such notice that includes a statement regarding whether the Inspector General agrees or disagrees with such exercise, and the reasons for any disagreement.

“(b) The exercise of authority by the Secretary described in paragraph (2) should not be construed as limiting the right of Congress or any committee of Congress to access any information it seeks.

“(c) Subject to the conditions established in subsections (a) and (b) above, in carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of Homeland Security may initiate, conduct, and supervise such audits and investigations in the Department of Homeland Security as the Inspector General considers appropriate.

“(d) Any report required to be transmitted by the Secretary of Homeland Security to the appropriate committees or subcommittees of Congress under section 5(d) shall be transmitted, within the seven-day period specified under such section, to the President of the Senate, the Speaker of the House of Representatives, and appropriate committees and subcommittees of Congress. Deadline.

“(e) Notwithstanding any other provision of law, in carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of Homeland Security shall have oversight responsibility for the internal investigations performed by the Office of Internal Affairs of the United States Customs Service, the Office of Inspections of the United States Secret Service, the Bureau of Border Security, and the Bureau of Citizenship and Immigration Services. The head of each such office or bureau shall promptly report to the Inspector General the significant activities being carried out by such office or bureau.”

(c) CONFORMING AMENDMENTS.—

(1) Section 811 of the Homeland Security Act of 2002 (Public Law 107–296) is repealed.

6 USC 371.

(2) Section 8D of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(1)—

(i) in the first sentence, by striking “, the Office of Internal Affairs of the United States Customs Service, and the Office of Inspections of the United States Secret Service,”; and

(ii) in the second sentence, by striking “each”;

(B) in subsection (c), by striking “bureaus and services” and inserting “bureau”; and

(C) in subsection (d)—

(i) by striking “a bureau or service” and inserting “the bureau”; and

(ii) by striking “or service” after “such bureau”.

SEC. 105. EXECUTIVE OFFICE FOR IMMIGRATION REVIEW. (a) The Homeland Security Act of 2002 (Public Law 107–296) is amended—

(1) in subsection 1102(2), by inserting new paragraphs (A) and (B) as follows: 8 USC 1103.

“(A) by striking ‘Attorney General’ in the title and inserting ‘Secretary of Homeland Security’;

“(B) by striking ‘The Attorney General’ in subsection (a)(1) and inserting ‘The Secretary of Homeland Security’;”;

(2) by redesignating paragraphs (A) and (B) as paragraphs (C) and (D), respectively; and

(3) by adding at the end of title XI, subtitle A, the following new section:

“SEC. 1104. EFFECTIVE DATE.

6 USC 521 note.

“The provisions of this subtitle shall take effect on the date of the transfer of functions from the Commissioner of Immigration and Naturalization to officials of the Department of Homeland Security.”

SEC. 106. SAVINGS PROVISION OF CERTAIN TRANSFERS MADE UNDER THE HOMELAND SECURITY ACT OF 2002. The transfer of functions under subtitle B of title XI of the Homeland Security Act of 2002 (Public Law 107–296) shall not affect any pending 6 USC 552a.

or completed administrative actions, including orders, determinations, rules, regulations, personnel actions, permits, agreements, grants, contracts, certificates, licenses, or registrations, in effect on the date immediately prior to the date of such transfer, or any proceeding, unless and until amended, modified, superseded, terminated, set aside, or revoked. Pending civil actions shall not be affected by such transfer of functions.

8 USC 1356.

8 USC 1356 note.

SEC. 107. RESTORATION OF PROVISION REGARDING FEES TO COVER THE FULL COSTS OF ALL ADJUDICATION SERVICES. The Homeland Security Act of 2002 (Public Law 107-296) is amended by striking section 457, including the amendment made by such section: *Provided*, That no court shall have jurisdiction over any cause or claim arising under the provisions of section 457 of the Homeland Security Act of 2002 (Public Law 107-296), this section, or any regulations promulgated thereunder.

This division may be cited as the “Homeland Security Act Amendments of 2003”.

DIVISION M—OTHER MATTERS

DEFENSE RELATED TECHNICAL CORRECTIONS

SEC. 101. Section 8126 of Public Law 107-248 is amended to read as follows: “Of the amounts appropriated in Public Law 107-206, under the heading ‘Defense Emergency Response Fund’, \$4,500,000 may be made available to settle the disputed takings of property adjacent to the Army Tooele Depot, Utah: *Provided*, That none of these funds may be used to acquire fee title to the properties.”.

Reports.
Deadline.

SEC. 102. Of the amounts appropriated in Public Law 107-248, under the heading “Operation and Maintenance, Navy”, \$20,000,000 shall be available for use only in the disposal of obsolete vessels in the Maritime Administration National Defense Reserve Fleet. Further, the Secretary of the Navy and the Secretary of Transportation shall report to the congressional defense committees no later than March 1, 2003, regarding the total number of obsolete vessels in the Maritime Administration National Defense Reserve Fleet designated for disposal, the comparative condition of the vessels, the method of disposal, and the projected costs for disposal of each vessel.

SEC. 103. Section 124 of Public Law 107-249 is amended by adding at the end before the period the following new proviso: “: *Provided*, That not more than \$1,000,000 may be used to provide connectivity between the various North Atlantic Treaty Organization headquarters and the capitals of the New Independent States of the former Soviet Union”.

SEC. 104. In Public Law 107-249, the total amount appropriated under the heading “Military Construction, Air Force” is reduced by \$18,600,000, and the total amount appropriated under the heading “Military Construction, Air Force Reserve” is increased by \$18,600,000.

SEC. 105. (a) Of the funds appropriated in Public Law 107-249 for “Military Construction, Air Force”, \$15,000,000 for land acquisition at Nellis Air Force Base, Nevada, may be transferred by the Secretary of the Air Force to the United States Fish and Wildlife Service to fulfill the obligations of the Air Force under section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999.

Upon receipt by the Service of the funds transferred in this paragraph, the obligations of the Department of the Air Force shall be considered fulfilled.

(b) The United States Fish and Wildlife Service may grant funds received by the Service under subsection (a) in a lump sum to the National Fish and Wildlife Foundation for use in accomplishing the purposes of section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999. Funds received by the Foundation under the previous paragraph shall be subject to the provisions of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.), other than section 10(a) of that Act (16 U.S.C. 3709(a)).

SEC. 106. Section 8040 of Public Law 107-248 is amended by striking “\$100,000” and inserting “\$250,000”: *Provided*, That notwithstanding any other provision of law, the Office of Economic Adjustment (OEA) is authorized to make grants using funds made available under the heading “Operation and Maintenance, Defense-Wide” in accordance with the guidance provided in the Joint Explanatory Statement of the Committee of Conference for the Conference Report to accompany H.R. 5010 (House Report 107-732) and these projects shall hereafter be considered to be authorized by law.

(TRANSFER OF FUNDS)

SEC. 107. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: *Provided*, That the amounts transferred shall be made available for the same purpose as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further*, That the amounts shall be transferred between the following appropriations in the amount specified:

To:

Under the heading, “Procurement, Defense-Wide, 2003/2005”, \$48,900,000; and

“Procurement, Defense-Wide, 2002/2004”, \$55,100,000.

From:

Under the heading, “Defense Emergency Response Fund, 2002”, \$40,000,000;

“Procurement of Weapons and Tracked Combat Vehicles, Army, 2003/2005”, \$5,000,000;

“Procurement of Ammunition, Army, 2002/2004”, \$10,100,000;

“Other Procurement, Air Force, 2003/2005”, \$7,000,000;

“Research, Development, Test and Evaluation, Army, 2002/2003”, \$5,000,000; and

“Research, Development, Test and Evaluation, Defense-Wide, 2003/2004”, \$36,900,000.

SEC. 108. Notwithstanding any other provision of law, from funds made available to the Department of Defense under the heading “Operation and Maintenance, Defense-Wide” in the Department of Defense Appropriations Act, 2003 (Public Law 107-248), the Secretary of Defense shall award a grant in the amount of \$2,000,000 to the Commonwealth of Pennsylvania for Quecreek Mine disaster rescue and recovery efforts and a grant in the amount of \$600,000 to the City of Philadelphia for safety and security lighting of the Platt Bridge.

Grants.
Pennsylvania.

(INCLUDING TRANSFER OF FUNDS)

SEC. 109. In addition to amounts appropriated in Public Law 107-248, there are hereby appropriated the following amounts for the following accounts: *Provided*, That funds included in this provision may be transferred to and merged with appropriations previously made available to the Department of Defense for the same time period and for the same purposes as required to carry out the intent of Congress as expressed in the Classified Annex accompanying the Statement of the Managers:

“Military Personnel, Army”, \$771,200,000;
 “Military Personnel, Navy”, \$213,800,000;
 “Military Personnel, Marine Corps”, \$68,600,000;
 “Military Personnel, Air Force”, \$563,400,000;
 “Operation and Maintenance, Army”, \$1,340,347,000;
 “Operation and Maintenance, Navy”, \$435,813,000;
 “Operation and Maintenance, Marine Corps”, \$202,100,000;
 “Operation and Maintenance, Air Force”, \$1,766,958,000;
 “Operation and Maintenance, Defense-Wide”,
 \$1,377,313,000;
 “Missile Procurement, Air Force”, \$115,000,000;
 “Other Procurement, Air Force”, \$2,271,657,000;
 “Procurement, Defense-Wide”, \$33,448,000;
 “Research, Development, Test and Evaluation, Navy”,
 \$2,000,000;
 “Research, Development, Test and Evaluation, Air Force”,
 \$311,980,000;
 “Research, Development, Test and Evaluation, Defense-
 Wide”, \$416,284,000;
 “Defense Health Program”, \$95,100,000; and
 “Intelligence Community Management Account”,
 \$15,000,000, of which \$5,000,000 shall be transferred to the
 Department of Justice for the National Drug Intelligence
 Center.

SEC. 110. Funds appropriated by this Act or by Public Law 107-248, or made available by the transfer of funds in this Act or in Public Law 107-248, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 111. (a) LIMITATION ON USE OF FUNDS FOR RESEARCH AND DEVELOPMENT ON TOTAL INFORMATION AWARENESS PROGRAM.—Notwithstanding any other provision of law, commencing 90 days after the date of the enactment of this Act, no funds appropriated or otherwise made available to the Department of Defense, whether to an element of the Defense Advanced Research Projects Agency or any other element, or to any other department, agency, or element of the Federal Government, may be obligated or expended on research and development on the Total Information Awareness program unless—

(1) the report described in subsection (b) is submitted to Congress not later than 90 days after the date of the enactment of this Act; or

(2) the President certifies to Congress in writing, that—
 (A) the submittal of the report to Congress within 90 days after the date of the enactment of this Act is not practicable; and

10 USC 2241
 note.

Deadline.

President.
 Certification.

(B) the cessation of research and development on the Total Information Awareness program would endanger the national security of the United States.

(b) REPORT.—The report described in this subsection is a report, in writing, of the Secretary of Defense, the Attorney General, and the Director of Central Intelligence, acting jointly, that—

(1) contains—

(A) a detailed explanation of the actual and intended use of funds for each project and activity of the Total Information Awareness program, including an expenditure plan for the use of such funds;

(B) the schedule for proposed research and development on each project and activity of the Total Information Awareness program; and

(C) target dates for the deployment of each project and activity of the Total Information Awareness program;

(2) assesses the likely efficacy of systems such as the Total Information Awareness program in providing practically valuable predictive assessments of the plans, intentions, or capabilities of terrorists or terrorist groups;

(3) assesses the likely impact of the implementation of a system such as the Total Information Awareness program on privacy and civil liberties;

(4) sets forth a list of the laws and regulations that govern the information to be collected by the Total Information Awareness program, and a description of any modifications of such laws that will be required to use the information in the manner proposed under such program; and

(5) includes recommendations, endorsed by the Attorney General, for practices, procedures, regulations, or legislation on the deployment, implementation, or use of the Total Information Awareness program to eliminate or minimize adverse effects of such program on privacy and other civil liberties.

(c) LIMITATION ON DEPLOYMENT OF TOTAL INFORMATION AWARENESS PROGRAM.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), if and when research and development on the Total Information Awareness program, or any component of such program, permits the deployment or implementation of such program or component, no department, agency, or element of the Federal Government may deploy or implement such program or component, or transfer such program or component to another department, agency, or element of the Federal Government, until the Secretary of Defense—

(A) notifies Congress of that development, including a specific and detailed description of—

(i) each element of such program or component intended to be deployed or implemented; and

(ii) the method and scope of the intended deployment or implementation of such program or component (including the data or information to be accessed or used); and

(B) has received specific authorization by law from Congress for the deployment or implementation of such program or component, including—

(i) a specific authorization by law for the deployment or implementation of such program or component; and

(ii) a specific appropriation by law of funds for the deployment or implementation of such program or component.

(2) The limitation in paragraph (1) shall not apply with respect to the deployment or implementation of the Total Information Awareness program, or a component of such program, in support of the following:

(A) Lawful military operations of the United States conducted outside the United States.

(B) Lawful foreign intelligence activities conducted wholly against non-United States persons.

(d) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Total Information Awareness program should not be used to develop technologies for use in conducting intelligence activities or law enforcement activities against United States persons without appropriate consultation with Congress or without clear adherence to principles to protect civil liberties and privacy; and

(2) the primary purpose of the Defense Advanced Research Projects Agency is to support the lawful activities of the Department of Defense and the national security programs conducted pursuant to the laws assembled for codification purposes in title 50, United States Code.

(e) DEFINITIONS.—In this section:

(1) TOTAL INFORMATION AWARENESS PROGRAM.—The term “Total Information Awareness program”—

(A) means the computer hardware and software components of the program known as Total Information Awareness, any related information awareness program, or any successor program under the Defense Advanced Research Projects Agency or another element of the Department of Defense; and

(B) includes a program referred to in subparagraph (1), or a component of such program, that has been transferred from the Defense Advanced Research Projects Agency or another element of the Department of Defense to any other department, agency, or element of the Federal Government.

(2) NON-UNITED STATES PERSON.—The term “non-United States person” means any person other than a United States person.

(3) UNITED STATES PERSON.—The term “United States person” has the meaning given that term in section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(INCLUDING TRANSFER OF FUNDS)

SEC. 112. Section 8005 of the Department of Defense Appropriations Act, 2003 (Public Law 107-248) is amended by inserting before the period at the end the following: “: *Provided further*, That, in addition to the transfer authority provided in this section, and subject to the terms and conditions of this section except the limitation in the fourth proviso, the Secretary of Defense may, only to meet unforeseen fuel costs borne by the Defense Working Capital Fund resulting from fuel cost increases and the global war on terrorism, transfer up to an additional \$500,000,000 of funds made available in this Act to the Department of Defense

for military functions (except military construction), from such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund within the Defense Working Capital Fund to which transferred: *Provided further*, That notwithstanding any other provision of law, none of the funds provided in this or any other appropriations Act for the Department of Defense may be used for the drawdown authority in section 202 of the Afghanistan Freedom Support Act of 2002 (Public Law 107–327) prior to notifying the House and Senate Committees on Appropriations of the source of funds to be used for such purpose”.

DIVISION N—EMERGENCY RELIEF AND OFFSETS

Miscellaneous
Appropriations
Act, 2003.

SECTION 1. SHORT TITLE.—This division may be cited as the “Miscellaneous Appropriations Act, 2003”.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, and for other purposes, namely:

TITLE I—ELECTION REFORM

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the Help America Vote Act of 2002, \$2,000,000.

ELECTION ASSISTANCE COMMISSION

ELECTION REFORM PROGRAMS

For necessary expenses to carry out programs as authorized by the Help America Vote Act of 2002, \$833,000,000, of which \$830,000,000 shall be for requirements payments under section 257 of that Act, of which \$1,500,000 shall be available for a Help America Vote College Program, and of which \$1,500,000 shall be available for the establishment of a Help America Vote foundation: *Provided*, That no more than one-tenth of 1 percent of funds available for requirements payments under section 257 of the Help America Vote Act of 2002 shall be allocated to any territory.

GENERAL SERVICES ADMINISTRATION

ELECTION REFORM PAYMENTS

For necessary expenses to carry out programs of payments to states as authorized by title I of the Help America Vote Act of 2002, \$650,000,000, of which not to exceed \$500,000 shall be available to the General Services Administration for necessary administrative expenses.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DISABLED VOTER SERVICES

For necessary expenses to carry out programs as authorized by the Help America Vote Act of 2002, \$15,000,000, of which

\$13,000,000 shall be for payments to States to promote disabled voter access, and of which \$2,000,000 shall be for payments to States for disabled voters protection and advocacy systems.

Agricultural
Assistance Act of
2003.
16 USC 3801
note.

TITLE II—AGRICULTURAL ASSISTANCE

SEC. 201. SHORT TITLE.

This title may be cited as the “Agricultural Assistance Act of 2003”.

SEC. 202. CROP DISASTER ASSISTANCE.

(a) ASSISTANCE AVAILABLE.—The Secretary of Agriculture (in this title referred to as the “Secretary”) shall use such sums as are necessary of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying losses for the 2001 or 2002 crop of an agricultural commodity (other than sugar or tobacco) due to damaging weather or related condition, as determined by the Secretary.

(b) ADMINISTRATION.—

(1) USE OF FORMER ADMINISTRATIVE AUTHORITY.—Except as provided in paragraph (2), the Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for quantity and quality losses as were used in administering that section.

(2) PAYMENT RATE.—The payment rate for a crop for assistance provided under this section to the producers on a farm shall be calculated as follows:

(A) If the producers obtained a policy or plan of insurance, including a catastrophic risk protection plan, for the crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 50 percent of the applicable price for the crop.

(B) If a policy or plan of insurance, including a catastrophic risk protection plan, for the crop was not available to the producers under the Federal Crop Insurance Act, 50 percent of the applicable price for the crop.

(C) Subject to subsections (e) and (f), if the producers did not obtain a policy or plan of insurance, including a catastrophic risk protection plan, available for the crop under the Federal Crop Insurance Act, 45 percent of the applicable price for the crop.

(c) ELECTION OF CROP YEAR.—If a producer incurred qualifying crop losses in both the 2001 and 2002 crop years, the producer shall elect to receive assistance under this section for losses incurred in either the 2001 crop year or the 2002 crop year, but not both.

(d) PAYMENT LIMITATION.—

(1) LIMITATION.—Assistance provided under this section to a producer for losses to a crop, together with the amounts specified in paragraph (2) applicable to the same crop, may not exceed 95 percent of what the value of the crop would have been in the absence of the losses, as estimated by the Secretary.

(2) OTHER PAYMENTS.—In applying the limitation in paragraph (1), the Secretary shall include the following:

(A) Any crop insurance payment made under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or payment under section 196 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7333) that the producer receives for losses to the same crop.

(B) The value of the crop that was not lost (if any), as estimated by the Secretary.

(e) INELIGIBILITY FOR ASSISTANCE.—Except as provided in subsection (f), the producers on a farm shall not be eligible for assistance under this section with respect to losses to an insurable commodity or noninsurable commodity if the producers on the farm—

(1) in the case of an insurable commodity, did not obtain a policy or plan of insurance for the insurable commodity under the Federal Crop Insurance Act for the crop incurring the losses; and

(2) in the case of a noninsurable commodity, did not file the required paperwork, and pay the administrative fee by the applicable State filing deadline, for the noninsurable commodity under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 for the crop incurring the losses.

(f) CONTRACT WAIVER.—The Secretary may waive subsection (e) with respect to the producers on a farm if the producers enter into a contract with the Secretary under which the producers agree—

(1) in the case of an insurable commodity, to obtain a policy or plan of insurance under the Federal Crop Insurance Act providing additional coverage for the insurable commodity for each of the next two crops; and

(2) in the case of a noninsurable commodity, to file the required paperwork, and pay the administrative fee by the applicable State filing deadline, for the noninsurable commodity for each of the next two crops under section 196 of the Federal Agriculture Improvement and Reform Act of 1996.

(g) EFFECT OF VIOLATION.—In the event of the violation of a contract under subsection (f) by a producer, the producer shall reimburse the Secretary for the full amount of the assistance provided to the producer under this section.

(h) DEFINITIONS.—In this section:

(1) ADDITIONAL COVERAGE.—The term “additional coverage” has the meaning given the term in section 502(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)(1)).

(2) INSURABLE COMMODITY.—The term “insurable commodity” means an agricultural commodity (excluding livestock) for which the producers on a farm are eligible to obtain a policy or plan of insurance under the Federal Crop Insurance Act.

(3) NONINSURABLE COMMODITY.—The term “noninsurable commodity” means an eligible crop for which the producers on a farm are eligible to obtain assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996.

SEC. 203. LIVESTOCK ASSISTANCE.

(a) LIVESTOCK COMPENSATION PROGRAM.—

(1) **USE OF COMMODITY CREDIT CORPORATION FUNDS.**—Effective beginning on the date of enactment of this Act, the Secretary shall use funds of the Commodity Credit Corporation to carry out the 2002 Livestock Compensation Program announced by the Secretary on October 10, 2002 (67 Fed. Reg. 63070).

(2) **ELIGIBLE APPLICANTS.**—Subject to subsection (c), in carrying out the Program, the Secretary shall—

(A) provide assistance to any applicant that—

(i) conducts a livestock operation that is physically located in a disaster county; and

(ii) meets all other eligibility requirements established by the Secretary for the Program; and

(B) provide assistance to any applicant that—

(i) produces an animal described in section 10806(a)(1) of the Farm Security and Rural Investment Act of 2002 (21 U.S.C. 321d(a)(1)); and

(ii) meets all other eligibility requirements established by the Secretary for the Program.

(b) **LIVESTOCK ASSISTANCE PROGRAM.**—

(1) **ASSISTANCE AVAILABLE.**—Subject to paragraph (2) and subsection (c), the Secretary shall use \$250,000,000 of funds of the Commodity Credit Corporation to establish a program under which payments are made to livestock producers for losses in a disaster county. To carry out the program, the Secretary shall use the criteria established to carry out the 1999 Livestock Assistance Program, except that, in lieu of the gross revenue criteria used for the 1999 Livestock Assistance Program, the Secretary shall use the adjusted gross income limitation contained in section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a).

(2) **CHOICE OF PAYMENTS.**—If the livestock operation of the producers is located in a county that was declared to be a disaster county for both calendar year 2001 and calendar year 2002, the producers shall elect to receive payments under this subsection for losses in either calendar year 2001 or calendar year 2002, but not both. If the livestock operation is located in a county that was declared to be a disaster county in just one of those calendar years, the producers may still elect to receive payments under this subsection for losses in either calendar year, but not both.

(c) **RELATIONSHIP OF LIVESTOCK ASSISTANCE PROGRAMS.**—

(1) **REDUCTION IN PAYMENTS.**—The amount of assistance that the producers would otherwise receive for a loss under a livestock assistance program described in paragraph (2) shall be reduced by the amount of the assistance that the producers receive under any other livestock assistance program described in such paragraph.

(2) **COVERED LIVESTOCK ASSISTANCE PROGRAMS.**—Paragraph (1) applies to the following livestock assistance programs:

(A) The 2002 Cattle Feed Program announced by the Secretary on September 3, 2002 (67 Fed. Reg. 56260).

(B) The 2002 Livestock Compensation Program, as announced by the Secretary on October 10, 2002 (67 Fed. Reg. 63070), and modified in accordance with subsection (a).

(C) The livestock assistance program established under subsection (b).

(D) Any other livestock assistance program, as determined by the Secretary.

(d) DEFINITIONS.—In this section:

(1) DISASTER COUNTY.—The term “disaster county” means a county included in the geographic area covered by a qualifying natural disaster declaration for calendar year 2001 or calendar year 2002 for which the request for such declaration was submitted during the period beginning on January 1, 2001, and ending on the date of enactment of this Act. However, the term does not include a contiguous county.

(2) QUALIFYING NATURAL DISASTER DECLARATION.—The term “qualifying natural disaster declaration” means—

(A) a natural disaster declared by the Secretary under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)); or

(B) a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

SEC. 204. EMERGENCY SURPLUS REMOVAL.

The Secretary shall transfer \$250,000,000 of funds of the Commodity Credit Corporation to the fund established by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out emergency surplus removal of agricultural commodities.

SEC. 205. TOBACCO PAYMENTS.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PERSON.—The term “eligible person” means a person that—

(A) owns a farm for which, irrespective of temporary transfers or undermarketings, a basic quota or allotment for eligible tobacco is established for the 2002 crop year under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.);

(B) controls the farm from which, under the quota or allotment for the relevant period, eligible tobacco is marketed, could have been marketed, or can be marketed, taking into account temporary transfers; or

(C) grows, could have grown, or can grow eligible tobacco that is marketed, could have been marketed, or can be marketed under the quota or allotment for the 2002 crop year, taking into account temporary transfers.

(2) ELIGIBLE TOBACCO.—The term “eligible tobacco” means each of the following kinds of tobacco:

(A) Flue-cured tobacco, comprising types 11, 12, 13, and 14.

(B) Fire-cured tobacco, comprising types 21, 22, and 23.

(C) Dark air-cured tobacco, comprising types 35 and 36.

(D) Virginia sun-cured tobacco, comprising type 37.

(E) Burley tobacco, comprising type 31.

(F) Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 54, and 55.

Deadline.

(b) PAYMENTS.—Not later than June 1, 2003, the Secretary shall use funds of the Commodity Credit Corporation to make payments under this section.

(c) POUNDAGE PAYMENT QUANTITIES.—

(1) IN GENERAL.—

(A) FLUE-CURED AND CIGAR TOBACCO.—In the case of Flue-cured tobacco (types 11, 12, 13, and 14) and cigar-filler and cigar-binder tobacco (types 42, 43, 44, 54, and 55), the poundage payment quantity under this section shall equal the number of pounds of the basic poundage quota of the kind of tobacco, irrespective of temporary transfers or undermarketings, under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) for the 2002 crop year.

(B) OTHER KINDS OF ELIGIBLE TOBACCO.—In the case of each other kind of eligible tobacco, the poundage payment quantity under this section shall equal—

(i) in the case of eligible persons that are owners described in subsection (a)(1)(A), the number of pounds of the basic poundage quota of the kind of tobacco, irrespective of temporary transfers or undermarketings, as determined under paragraph (2); and

(ii) in the case of eligible persons that are controllers described in subsection (a)(1)(B) or growers described in subsection (a)(1)(C), the number of pounds of effective poundage quota of the kind of tobacco, including temporary transfers or undermarketings, as determined under paragraph (2).

(2) CONVERSION OF INDIVIDUAL ALLOTMENTS TO POUNDAGE PAYMENT QUANTITIES.—In the case of each kind of eligible tobacco other than Flue-cured tobacco (types 11, 12, 13, and 14) and Burley tobacco (type 31), individual allotments shall be converted to poundage payment quantities by multiplying—

(A) the number of acres that may, irrespective of temporary transfers or undermarketings, be devoted, without penalty, to the production of the kind of tobacco under the allotment under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) for the 2002 crop year; by

(B)(i) in the case of fire-cured tobacco (type 21), 1,746 pounds per acre;

(ii) in the case of fire-cured tobacco (types 22 and 23), 2,676 pounds per acre;

(iii) in the case of dark air-cured tobacco (types 35 and 36), 2,475 pounds per acre;

(iv) in the case of Virginia sun-cured tobacco (type 37), 1,502 pounds per acre; and

(v) in the case of cigar-filler and cigar-binder tobacco (types 42, 43, 44, 54, and 55), 2,230 pounds per acre.

(d) AVAILABLE PAYMENT AMOUNTS.—The available payment amount for each kind of eligible tobacco under subsection (b) shall not exceed the amount obtained by multiplying—

(1) 5.55 cents per pound; and

(2) the national basic poundage quota for the applicable kind for the 2002 marketing year, as determined under subsection (c)(2).

(e) DIVISION OF PAYMENTS AMONG ELIGIBLE PERSONS.—

(1) IN GENERAL.—Payments available with respect to a pound of payment quantity, as determined under subsection (d), shall be made available to eligible persons in accordance with this paragraph, as determined by the Secretary.

(2) FLUE-CURED AND CIGAR TOBACCO.—In the case of payments made available in a State under subsection (b) for Flue-cured tobacco (types 11, 12, 13, and 14) and cigar-filler and cigar-binder tobacco (types 42, 43, 44, 54, and 55), the Secretary shall distribute (as determined by the Secretary)—

(A) 50 percent of the payments to eligible persons that are owners described in subsection (a)(1)(A); and

(B) 50 percent of the payments to eligible persons that are growers described in subsection (a)(1)(C).

(3) OTHER KINDS OF ELIGIBLE TOBACCO.—In the case of payments made available in a State under subsection (b) for each other kind of eligible tobacco not covered by paragraph (2), the Secretary shall distribute (as determined by the Secretary)—

(A) 33 $\frac{1}{3}$ percent of the payments to eligible persons that are owners described in subsection (a)(1)(A);

(B) 33 $\frac{1}{3}$ percent of the payments to eligible persons that are controllers described in subsection (a)(1)(B); and

(C) 33 $\frac{1}{3}$ percent of the payments to eligible persons that are growers described in subsection (a)(1)(C).

(f) SPECIAL RULE FOR GEORGIA.—The Secretary may make payments under this section to eligible persons in Georgia only if the State of Georgia agrees to use \$13,000,000 to make payments at the same time, or subsequently, to the same persons in the same manner as provided for the Federal payments under this section, as required by section 204(b)(6) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1421 note; Public Law 106-224).

(g) JUDICIAL REVIEW.—A determination by the Secretary under this section shall not be subject to judicial review.

SEC. 206. COTTONSEED.

The Secretary shall use \$50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers and first-handlers of the 2002 crop of cottonseed.

SEC. 207. HURRICANE ASSISTANCE.

(a) IN GENERAL.—In a State in a which a qualifying natural disaster declaration has been made during a calendar year, the Secretary shall make available to first processors that are eligible to obtain a loan under section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)) assistance in the form of payments, or commodities in the inventory of the Commodity Credit Corporation from carrying out that section, to partially compensate producers and first processors for crop and other losses that are related to the qualifying natural disaster declaration.

(b) ADMINISTRATION.—Assistance under this section shall be—

(1) shared by an affected first processor with affected producers that provide commodities to the processor in a manner that reflects contracts entered into between the processor and the producers; and

(2) made available under such terms and conditions as the Secretary determines are necessary to carry out this section.

(c) QUANTITY.—To carry out this section, the Secretary shall—

(1) use 150,000 tons of commodities in the inventory of the Commodity Credit Corporation under section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a));

(2) make payments in an aggregate amount equal to the market value of 150,000 tons of commodities described in paragraph (1); or

(3) take any combination of actions described in paragraphs (1) and (2) using commodities or payments with a total market value of 150,000 tons of commodities described in paragraph (1).

(d) **LIMITATIONS.**—The Secretary shall provide assistance under this section only in a State described in section 359f(c)(1)(A) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)(1)(A)) in which a qualifying natural disaster declaration was made during calendar year 2002.

(e) **QUALIFYING NATURAL DISASTER DECLARATION.**—In this section, the term “qualifying natural disaster declaration” means—

(1) a natural disaster declared by the Secretary under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)); or

(2) a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

SEC. 208. WEATHER-RELATED LOSSES.

The Secretary shall use not more than \$60,000,000 of funds of the Commodity Credit Corporation to provide assistance to sugar beet producers that suffered production losses (including quality losses), as determined by the Secretary, for either the 2001 crop year or the 2002 crop year, but not both, as elected by the producers.

SEC. 209. ASSISTANCE TO AGRICULTURAL PRODUCERS LOCATED ALONG RIO GRANDE FOR WATER LOSSES.

Grants.
Texas.

(a) **IN GENERAL.**—The Secretary shall use \$10,000,000 of funds of the Commodity Credit Corporation to make a grant to the State of Texas, acting through the Texas Department of Agriculture, to provide assistance to agricultural producers in the State of Texas with farming operations along the Rio Grande that have suffered economic losses during the 2002 crop year due to the failure of Mexico to deliver water to the United States in accordance with the Treaty Relating to the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande, and Supplementary Protocol signed November 14, 1944, signed at Washington, February 3, 1944 (59 Stat. 1219; TS 994).

(b) **AMOUNT.**—The amount of assistance provided to individual agricultural producers under this section shall be proportional to the amount of economic losses described in subsection (a) that were incurred by the producers.

SEC. 210. ASSISTANCE TO AGRICULTURAL PRODUCERS LOCATED IN NEW MEXICO FOR TEBUTHIURON APPLICATION LOSSES.

(a) **IN GENERAL.**—The Secretary shall use not more than \$1,650,000 of funds of the Commodity Credit Corporation to reimburse agricultural producers on farms located in the vicinity of Malaga, New Mexico, for losses incurred during calendar years 2002 and 2003 as the result of the application by the Federal Government of tebuthiuron on land on or near the farms of the

producers during August 2002. The funds made available under this subsection shall remain available until expended.

(b) AMOUNT.—The amount of assistance provided to individual agricultural producers under this section shall be proportional to the amount of losses described in subsection (a) that were incurred by the producers.

SEC. 211. ASSISTANCE TO CITRUS AND LIME GROWERS FOR LOST PRODUCTION FROM TREES REMOVED TO CONTROL CITRUS CANCER.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall use not more than \$18,200,000 of the funds of the Commodity Credit Corporation, to remain available until expended, to compensate commercial citrus and lime growers in the State of Florida for lost production with respect to trees removed to control citrus canker, and with respect to certified citrus nursery stocks within the citrus canker quarantine areas, as determined by the Secretary.

(b) REMOVAL OF TREES.—For a grower to receive assistance for a tree under this section, the tree must have been removed after September 30, 2001.

SEC. 212. ADMINISTRATION.

Section 1232(a)(7)(A)(iii) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)(A)(iii)) is amended by inserting before the semicolon the following: “, except that this clause shall not apply to the 2002 calendar year, and the Secretary shall repay the owner or operator (in a manner determined by the Secretary) for any reduction in rental payments made to the owner or operator as the result of the application of this clause to the 2002 calendar year”.

SEC. 213. TECHNICAL ASSISTANCE.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) by striking subsection (b) and inserting the following new subsection (b):

“(b) TECHNICAL ASSISTANCE.—

“(1) DATE OF ENACTMENT THROUGH SEPTEMBER 30, 2003.—During the period beginning on the date of enactment of the Agricultural Assistance Act of 2003 and ending on September 30, 2003, Commodity Credit Corporation funds made available under paragraphs (4) through (7) of subsection (a) shall be available for the provision of technical assistance (subject to section 1242) for the conservation programs specified in subsection (a).

“(2) SUBSEQUENT FISCAL YEARS.—Effective beginning on October 1, 2003, Commodity Credit Corporation funds made available under paragraphs (3) through (7) of subsection (a) shall be available for the provision of technical assistance (subject to section 1242) for the conservation programs specified in subsection (a).”; and

(2) by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection (c):

“(c) RELATIONSHIP TO OTHER LAW.—The use of Commodity Credit Corporation funds under subsection (b) to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit

Effective date.

on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).”.

SEC. 214. PRODUCER-OWNED COOPERATIVE MARKETING ASSOCIATION LOAN FORFEITURE AUTHORITY.

(a) **IN GENERAL.**—Section 844 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106-387 (114 Stat. 1549, 1549A-160), and amended by section 101(9) of the Miscellaneous Appropriations Act, 2001 (114 Stat. 2763, 2763A-172)), is amended—

(1) in the section heading, by striking “**BURLEY, FLUE-CURED, AND CIGAR BINDER TYPE 54-55**”; and

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by inserting “, or the 1999, 2000, and 2001 crops of type 21 Fire-cured tobacco or type 37 Virginia sun-cured tobacco” after “tobacco” the first place it appears; and

(ii) by striking “Burley, Flue-cured, or Cigar Binder Type 54-55” the second place it appears;

(B) in paragraph (2)(B), by striking “Burley, Flue-cured, Cigar Binder Type 54-55, or any other kind of tobacco” and inserting “any kind of tobacco”; and

(C) in paragraph (3)(A), by striking “the Burley, Flue-cured, or Cigar Binder Type 54-55 tobacco” and inserting “any tobacco”.

(b) **APPLICATION.**—The amendments made by subsection (a) apply during fiscal year 2003.

SEC. 215. BOVINE TUBERCULOSIS ERADICATION.

In addition to funds made available under section 106 of the Miscellaneous Appropriations Act, 2001 (114 Stat. 2763, 2763A-173), the Secretary shall use not more than \$15,000,000 of the funds of the Commodity Credit Corporation to make payments to agricultural producers for incidental costs incurred by the producers as a result of payments received under that section.

SEC. 216. FUNDING.

(a) **IN GENERAL.**—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title, to remain available until expended.

(b) **ADMINISTRATION.**—The Secretary, acting through the Farm Service Agency, may use not more than \$70,000,000 of funds of the Commodity Credit Corporation to cover administrative costs associated with the implementation of this title and title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.), to remain available until expended.

(c) **LIMITATION.**—Section 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by inserting before the period at the end the following: “, using not more than \$3,773,000,000 for the period of fiscal years 2003 through 2013”.

SEC. 217. REGULATIONS.

(a) **IN GENERAL.**—The Secretary may promulgate such regulations as are necessary to implement this title.

(b) **PROCEDURE.**—The promulgation of the regulations and administration of this title shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 218. Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report No. 105–217, the provisions of this title that would have been estimated by the Office of Management and Budget as changing direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were they included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget Act of 1974.

TITLE III—WILDLAND FIRE EMERGENCY

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WILDLAND FIRE MANAGEMENT

For an additional amount to repay prior year advances from other appropriations transferred for wildfire suppression and emergency rehabilitation by the Department of the Interior, \$189,000,000, to remain available until expended.

RELATED AGENCY

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

WILDLAND FIRE MANAGEMENT

For an additional amount to repay advances from other appropriations from which funds were transferred for wildfire suppression and emergency rehabilitation activities, \$636,000,000, to remain available until expended. Of the funds provided, \$70,000,000 shall be transferred to the Knutson Vandenburg fund, \$30,000,000 shall be transferred to the Salvage Sale fund, \$143,000,000 shall be transferred to the Land Acquisition account, \$132,000,000 shall be transferred to the Capital Improvement and Maintenance account, \$30,000,000 shall be transferred to the Timber Purchaser Election account, \$77,000,000 shall be transferred to the State and Private Forestry account, \$23,000,000 shall be transferred to the Forest and Rangeland Research account, \$62,000,000 shall be

transferred to the National Forest System account, \$20,000,000 shall be transferred to the Brush Disposal Account, \$30,000,000 shall be transferred to the Working Capital Fund of the Forest Service, \$4,000,000 shall be transferred to the Receipts for Road and Trail fund, \$1,000,000 shall be transferred to the Operations and Maintenance of Quarters fund, and \$14,000,000 shall be transferred to the Forest Service Recreation Fee Demonstration fund.

TITLE IV—TANF AND MEDICARE

116 Stat. 1492. SEC. 401. Section 114 of Public Law 107-229, as amended by section 3 of Public Law 107-240 and by section 2 of Public Law 107-294, is amended—

(1) by striking “the date specified in section 107(c) of this joint resolution” and inserting “June 30, 2003”; and

(2) by striking “: *Provided further*, That notwithstanding” and all that follows through the period and inserting a period.

SEC. 402. (a) Section 1848(i)(1)(C) of the Social Security Act (42 U.S.C. 1395w-4(i)(1)(C)) is amended to read as follows:

“(C) the determination of conversion factors under subsection (d), including without limitation a prospective redetermination of the sustainable growth rates for any or all previous fiscal years,”.

(b)(1) Notwithstanding the determination of the applicable standardized amounts under paragraph (3)(A) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)), for purposes of making payments under such section for discharges occurring during the period beginning on April 1, 2003, and ending on September 30, 2003, the standardized amount applicable under such paragraph for hospitals located other than in a large urban area for that period shall be increased to an amount equal to the standardized amount otherwise applicable under such paragraph for hospitals located in a large urban area for that period.

(2) The increase in the standardized amount for hospitals located other than in a large urban area provided for under paragraph (1) for the period beginning on April 1, 2003, and ending on September 30, 2003, shall not apply to discharges occurring after such period, and shall not be taken into account in calculating the payment amounts applicable for discharges occurring after such period.

116 Stat. 1495. SEC. 403. Section 136 of Public Law 107-229, as added by section 5 of Public Law 107-240, is amended by striking “60 days after the date specified in section 107(c) of Public Law 107-229, as amended” and inserting “September 30, 2003”.

SEC. 404. Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105-217, the provisions of this title that would have been estimated by the Office of Management and Budget as changing direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were they included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget Act of 1974.

TITLE V—FISHERIES DISASTERS

SEC. 501. (a) FISHERIES DISASTERS.—In addition to amounts appropriated or otherwise made available, \$100,000,000 is appropriated to the Department of Commerce for fisheries disaster assistance. Not more than 5 percent of such funds may be used for administrative expenses, and no funds may be used for lobbying activities or representational expenses.

(b) WESTERN PACIFIC AND NORTH PACIFIC.—\$5,000,000 shall be made available as a direct lump sum payment to the State of Hawaii for economic assistance to fisheries affected by Federal closures or fishing restrictions and \$35,000,000 shall be made available as a direct lump sum payment to the State of Alaska no later than 30 days after the date of enactment of this Act to make payments to persons or entities which have experienced significant economic hardship. Funds in Alaska shall be used to provide: (i) personal assistance with priority given to food, energy needs, housing assistance, transportation fuel including subsistence activities, and other urgent needs; (ii) assistance for small businesses including fishermen, fish processors, and related businesses serving the fishing industry; (iii) and assistance for local and borough governments adversely affected by reductions in fish landing fees and other fishing-related revenue; and (iv) product development and marketing.

Hawaii.
Alaska.
Deadline.

(c) NORTHEAST AND WEST COAST.—\$10,000,000 shall be made available to conduct a voluntary fishing capacity reduction program in the Northeast multispecies fishery and \$10,000,000 shall be made available to conduct a voluntary fishing capacity reduction program in the West Coast groundfish fishery. Such sums shall supplement the voluntary capacity reduction program authorized for the fishery in section 211 of Public Law 107-206 and be consistent with section 312(b) of the Magnuson-Stevens Fishery Conservation and Management Act and the requirements relating to the capacity program in section 211 of Public Law 107-206 that shall—

(1) permanently revoke all fishery licenses, fishery permits, area and species endorsements, and any other fishery privileges issued to a vessel or vessels (or to persons on the basis of their operation or ownership of that vessel or vessels) removed under the program; and

(2) ensure that vessels removed under the program are made permanently ineligible to participate in any fishery worldwide, and that the owners of such vessels will operate only under the United States flag or be scrapped as a reduction vessel pursuant to section 600.1011(c) of title 50, Code of Federal Regulations.

(d) GULF AND SOUTH ATLANTIC.—

State listing.

(1) \$17,500,000 shall be made available for assistance to the shrimp industries in the States of South Carolina, Georgia, North Carolina, and Florida in proportion to the percentage of the shrimp catch landed by each State for economic assistance to the South Atlantic shrimp fishery: *Provided*, That the State of Florida shall receive only that proportion associated with landings of the Florida east coast fishery; and

(2) \$17,500,000 shall be made available for assistance to the shrimp industries in the States of Mississippi, Texas, Alabama, Louisiana, and Florida in proportion to the percentage

of the shrimp catch landed by each State for economic assistance to the Gulf shrimp fishery: *Provided*, That the State of Florida shall receive only that proportion associated with landings of the Florida gulf coast fishery. *Provided further*, That 2 percent of funds received by each State shall be retained by the State for distribution of additional payments to fishermen with a demonstrated record of compliance with turtle excluder and bycatch reduction device regulations, and that the remainder of the funds may be used only for: (A) personal assistance with priority given to food, energy needs, housing assistance, transportation fuel, and other urgent needs; (B) assistance for small businesses including fishermen, fish processors, and related businesses serving the fishing industry; (C) domestic product marketing and seafood promotion; (D) State seafood testing programs; (E) development of limited entry programs for the fishery; (F) funding or other incentives to ensure widespread and proper use of turtle excluder devices and bycatch reduction devices in the fishery; and (G) voluntary capacity reduction programs for shrimp fisheries under limited access.

(e) BLUE CRAB FISHERY.—\$5,000,000 shall be made available for assistance to blue crab fisheries affected by reduced harvests and sales of blue crab in proportion to the amount of the catch landed by each State: *Provided*, That such funds may be used only for: (i) personal assistance with priority given to food, energy needs, housing assistance, transportation fuel, and other urgent needs; (ii) assistance for small businesses including fishermen, fish processors, and related businesses serving the fishing industry; (iii) domestic product marketing and seafood promotion; and (iv) state seafood testing programs: *Provided further*, That the Secretary of Commerce, in consultation with the Commandant of the Coast Guard, shall provide coordinated, enhanced and routine support for fisheries monitoring and enforcement through use of remote sensing, aircraft and communications assets, with particular emphasis on Federal waters seaward of the coasts of South Carolina and Georgia, including the Charleston Bump closed area.

TITLE VI—OFFSETS

SEC. 601. (a) ACROSS-THE-BOARD RESCISSIONS.—There is hereby rescinded an amount equal to 0.65 percent of—

(1) the budget authority provided (or obligation limitation imposed) for fiscal year 2003 for any discretionary account in divisions A through K of this joint resolution;

(2) the budget authority provided in any advance appropriation for fiscal year 2003 for any discretionary account in any prior fiscal year appropriations Act; and

(3) the contract authority provided in fiscal year 2003 for any program subject to limitation contained in this joint resolution.

(b) PROPORTIONATE APPLICATION.—Any rescission made by subsection (a) shall be applied proportionately—

(1) to each discretionary account and each item of budget authority described in subsection (a); and

(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying reports

for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President's budget).

(c) The rescission in subsection (a) shall not apply to budget authority appropriated or otherwise made available by this joint resolution in the following amounts in the following activities or accounts:

\$4,696,000,000 provided for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) in the Department of Agriculture in division A;

\$6,667,533,000 provided for the Head Start Act in the Department of Education in division G;

\$23,889,304,000 provided for medical care in the Department of Veterans Affairs in division K; and

\$3,836,000,000 provided for the Shuttle program in the National Aeronautics and Space Administration in division K.

TITLE VII—BONNEVILLE POWER ADMINISTRATION BORROWING AUTHORITY

SEC. 701. For the purposes of providing funds to assist in financing the construction, acquisition, and replacement of the transmission system of the Bonneville Power Administration and to implement the authority of the Administrator under the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.), an additional \$700,000,000 in borrowing authority is made available under the Federal Columbia River Transmission System Act (16 U.S.C. 838 et seq.), to remain outstanding at any time: *Provided*, That the Bonneville Power Administration shall not use more than \$531,000,000 of its permanent borrowing authority in fiscal year 2003.

SEC. 702. Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report No. 105–217, the provisions of this title that would have been estimated by the Office of Management and Budget as changing direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were they included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget Act of 1974.

DIVISION O—PRICE-ANDERSON ACT AMENDMENTS

SEC. 101. INDEMNIFICATION OF NUCLEAR REGULATORY COMMISSION LICENSEES.

Section 170 c. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(c)) is amended by striking “August 1, 2002” each place it appears and inserting “December 31, 2003”.

United States-
China Economic
and Security
Review
Commission.
22 USC 6901
note.

DIVISION P—UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

SECTION 1. SHORT TITLE.—This division may be cited as the “United States-China Economic and Security Review Commission”.

SEC. 2. (a) APPROPRIATIONS.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, \$1,800,000, to remain available until expended, to the United States-China Economic and Security Review Commission.

(b) NAME CHANGE.—

(1) IN GENERAL.—Section 1238 of the Floyd D. Spence National Defense Authorization Act of 2001 (22 U.S.C. 7002) is amended—

(A) in the section heading by inserting “ECONOMIC AND” before “SECURITY”;

(B) in subsection (a)—

(i) in paragraph (1), by inserting “Economic and” before “Security”; and

(ii) in paragraph (2), by inserting “Economic and” before “Security”;

(C) in subsection (b)—

(i) in the subsection heading, by inserting “ECONOMIC AND” before “SECURITY”;

(ii) in paragraph (1), by inserting “Economic and” before “Security”;

(iii) in paragraph (3)—

(I) in the matter preceding subparagraph (A), by inserting “Economic and” before “Security”; and

(II) in subparagraph (H), by inserting “Economic and” before “Security”; and

(iv) in paragraph (4), by inserting “Economic and” before “Security” each place it appears; and

(D) in subsection (e)—

(i) in paragraph (1), by inserting “Economic and” before “Security”;

(ii) in paragraph (2), by inserting “Economic and” before “Security”;

(iii) in paragraph (3)—

(I) in the first sentence, by inserting “Economic and” before “Security”; and

(II) in the second sentence, by inserting “Economic and” before “Security”;

(iv) in paragraph (4), by inserting “Economic and” before “Security”; and

(v) in paragraph (6), by inserting “Economic and” before “Security” each place it appears.

(2) REFERENCES.—Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to the United States-China Security Review Commission shall be deemed to refer to the United States-China Economic and Security Review Commission.

(c) MEMBERSHIP, RESPONSIBILITIES, AND TERMS.—

(1) IN GENERAL.—Section 1238(b)(3) of the Floyd D. Spence National Defense Authorization Act of 2001 (22 U.S.C. 7002) is amended by striking subparagraph (F) and inserting the following:

22 USC 7002
note.

“(F) each appointing authority referred to under subparagraphs (A) through (D) of this paragraph shall—

“(i) appoint 3 members to the Commission;

“(ii) make the appointments on a staggered term basis, such that—

“(I) 1 appointment shall be for a term expiring on December 31, 2003;

“(II) 1 appointment shall be for a term expiring on December 31, 2004; and

“(III) 1 appointment shall be for a term expiring on December 31, 2005;

“(iii) make all subsequent appointments on an approximate 2-year term basis to expire on December 31 of the applicable year; and

“(iv) make appointments not later than 30 days after the date on which each new Congress convenes;”.

(2) RESPONSIBILITIES OF THE COMMISSION.—The United States-China Commission shall focus, in lieu of any other areas of work or study, on the following:

22 USC 7002
note.

(A) PROLIFERATION PRACTICES.—The Commission shall analyze and assess the Chinese role in the proliferation of weapons of mass destruction and other weapons (including dual use technologies) to terrorist-sponsoring states, and suggest possible steps which the United States might take, including economic sanctions, to encourage the Chinese to stop such practices.

(B) ECONOMIC REFORMS AND UNITED STATES ECONOMIC TRANSFERS.—The Commission shall analyze and assess the qualitative and quantitative nature of the shift of United States production activities to China, including the relocation of high-technology, manufacturing, and R&D facilities; the impact of these transfers on United States national security, including political influence by the Chinese Government over American firms, dependence of the United States national security industrial base on Chinese imports, the adequacy of United States export control laws, and the effect of these transfers on United States economic security, employment, and the standard of living of the American people; analyze China's national budget and assess China's fiscal strength to address internal instability problems and assess the likelihood of externalization of such problems.

(C) ENERGY.—The Commission shall evaluate and assess how China's large and growing economy will impact upon world energy supplies and the role the United States can play, including joint R&D efforts and technological assistance, in influencing China's energy policy.

(D) UNITED STATES CAPITAL MARKETS.—The Commission shall evaluate the extent of Chinese access to, and use of United States capital markets, and whether the existing disclosure and transparency rules are adequate to identify Chinese companies which are active in United States markets and are also engaged in proliferation activities or other activities harmful to United States security interests.

(E) CORPORATE REPORTING.—The Commission shall assess United States trade and investment relationship

with China, including the need for corporate reporting on United States investments in China and incentives that China may be offering to United States corporations to relocate production and R&D to China.

(F) REGIONAL ECONOMIC AND SECURITY IMPACTS.—The Commission shall assess the extent of China's "hollowing-out" of Asian manufacturing economies, and the impact on United States economic and security interests in the region; review the triangular economic and security relationship among the United States, Taipei and Beijing, including Beijing's military modernization and force deployments aimed at Taipei, and the adequacy of United States executive branch coordination and consultation with Congress on United States arms sales and defense relationship with Taipei.

(G) UNITED STATES-CHINA BILATERAL PROGRAMS.—The Commission shall assess science and technology programs to evaluate if the United States is developing an adequate coordinating mechanism with appropriate review by the intelligence community with Congress; assess the degree of non-compliance by China and United States-China agreements on prison labor imports and intellectual property rights; evaluate United States enforcement policies; and recommend what new measures the United States Government might take to strengthen our laws and enforcement activities and to encourage compliance by the Chinese.

(H) WORLD TRADE ORGANIZATION COMPLIANCE.—The Commission shall review China's record of compliance to date with its accession agreement to the WTO, and explore what incentives and policy initiatives should be pursued to promote further compliance by China.

(I) MEDIA CONTROL.—The Commission shall evaluate Chinese government efforts to influence and control perceptions of the United States and its policies through the internet, the Chinese print and electronic media, and Chinese internal propaganda.

(3) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

22 USC 7002
note.

Approved February 20, 2003.

LEGISLATIVE HISTORY—H.J. Res. 2:

HOUSE REPORTS: No. 108-10 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 8, considered and passed House.

Jan. 15-17, 21-23, considered and passed Senate, amended.

Feb. 13, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Feb. 20, Presidential statements.



Public Law 108–8
108th Congress

An Act

To improve the calculation of the Federal subsidy rate with respect to certain
small business loans, and for other purposes.

Feb. 25, 2003

[S. 141]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SUBSIDY RATE FOR SMALL BUSINESS LOANS.

Notwithstanding section 502(5)(F) of the Federal Credit Reform Act of 1990 and section 254(j) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Director of the Office of Management and Budget, in calculating the Federal cost for guaranteeing loans during fiscal year 2003 under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), may use the most recently approved subsidy cost model and methodology in conjunction with the program and economic assumptions, and historical data which were included in the fiscal year 2003 budget. After written notification to Congress, the Small Business Administration shall implement the validated, OMB-approved subsidy rate for fiscal year 2003, using this model and methodology. Such rate shall be deemed to have been effective on October 1, 2002.

Effective date.

Approved February 25, 2003.

LEGISLATIVE HISTORY—S. 141:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Jan. 10, considered and passed Senate.

Feb. 11, considered and passed House.



Public Law 108–9
108th Congress

Joint Resolution

Mar. 6, 2003

[H.J. Res. 19]

Recognizing the 92d birthday of Ronald Reagan.

Whereas February 6, 2003, is the 92d birthday of Ronald Wilson Reagan;

Whereas Ronald Reagan is the first former President ever to attain the age of 92;

Whereas both Ronald Reagan and his wife Nancy Reagan have distinguished records of public service to the United States, the American people, and the international community;

Whereas Ronald Reagan was twice elected by overwhelming margins as President of the United States;

Whereas Ronald Reagan fulfilled his pledge to help restore “the great, confident roar of American progress, growth, and optimism” and ensure renewed economic prosperity;

Whereas Ronald Reagan’s leadership was instrumental in extending freedom and democracy around the globe and uniting a world divided by the Cold War;

Whereas Ronald Reagan is loved and admired by millions of Americans, and by countless others around the world;

Whereas the recent tragic loss of the space shuttle Columbia and her crew remind us of how, 17 years ago, Ronald Reagan’s eloquence helped heal the Nation after the Challenger disaster;

Whereas Nancy Reagan not only served as a gracious First Lady but also led a national crusade against illegal drug use;

Whereas, together Ronald and Nancy Reagan dedicated their lives to promoting national pride and to bettering the quality of life in the United States and throughout the world; and

Whereas the thoughts and prayers of the Congress and the country are with Ronald Reagan in his courageous battle with Alzheimer’s disease: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress, on behalf of the American people, extends its birthday greetings and best wishes to Ronald Reagan on his 92d birthday.

Approved March 6, 2003.

LEGISLATIVE HISTORY—H.J. Res. 19:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 11, considered and passed House.

Feb. 13, considered and passed Senate.



Public Law 108–10
108th Congress

An Act

To authorize the Federal Trade Commission to collect fees for the implementation and enforcement of a “do-not-call” registry, and for other purposes.

Mar. 11, 2003
[H.R. 395]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Do-Not-Call Implementation Act”.

Do-Not-Call
Implementation
Act.
15 USC 6101
note.

SEC. 2. TELEMARKETING SALES RULE; DO-NOT-CALL REGISTRY FEES.

15 USC 6101
note.

The Federal Trade Commission may promulgate regulations establishing fees sufficient to implement and enforce the provisions relating to the “do-not-call” registry of the Telemarketing Sales Rule (16 CFR 310.4(b)(1)(iii)), promulgated under the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.). Such regulations shall be promulgated in accordance with section 553 of title 5, United States Code. Fees may be collected pursuant to this section for fiscal years 2003 through 2007, and shall be deposited and credited as offsetting collections to the account, Federal Trade Commission—Salaries and Expenses, and shall remain available until expended. No amounts shall be collected as fees pursuant to this section for such fiscal years except to the extent provided in advance in appropriations Acts. Such amounts shall be available for expenditure only to offset the costs of activities and services related to the implementation and enforcement of the Telemarketing Sales Rule, and other activities resulting from such implementation and enforcement.

SEC. 3. FEDERAL COMMUNICATIONS COMMISSION DO-NOT-CALL REGULATIONS.

15 USC 6101
note.

Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall issue a final rule pursuant to the rulemaking proceeding that it began on September 18, 2002, under the Telephone Consumer Protection Act (47 U.S.C. 227 et seq.). In issuing such rule, the Federal Communications Commission shall consult and coordinate with the Federal Trade Commission to maximize consistency with the rule promulgated by the Federal Trade Commission (16 CFR 310.4(b)).

Deadline.

SEC. 4. REPORTING REQUIREMENTS.

15 USC 6101
note.
Deadline.

(a) REPORT ON REGULATORY COORDINATION.—Within 45 days after the promulgation of a final rule by the Federal Communications Commission as required by section 3, the Federal Trade Commission and the Federal Communications Commission shall each transmit to the Committee on Energy and Commerce of the

House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report which shall include—

(1) an analysis of the telemarketing rules promulgated by both the Federal Trade Commission and the Federal Communications Commission;

(2) any inconsistencies between the rules promulgated by each such Commission and the effect of any such inconsistencies on consumers, and persons paying for access to the registry; and

(3) proposals to remedy any such inconsistencies.

(b) ANNUAL REPORT.—For each of fiscal years 2003 through 2007, the Federal Trade Commission and the Federal Communications Commission shall each transmit an annual report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report which shall include—

(1) an analysis of the effectiveness of the “do-not-call” registry as a national registry;

(2) the number of consumers who have placed their telephone numbers on the registry;

(3) the number of persons paying fees for access to the registry and the amount of such fees;

(4) an analysis of the progress of coordinating the operation and enforcement of the “do-not-call” registry with similar registries established and maintained by the various States;

(5) an analysis of the progress of coordinating the operation and enforcement of the “do-not-call” registry with the enforcement activities of the Federal Communications Commission pursuant to the Telephone Consumer Protection Act (47 U.S.C. 227 et seq.); and

(6) a review of the enforcement proceedings under the Telemarketing Sales Rule (16 CFR 310), in the case of the Federal Trade Commission, and under the Telephone Consumer Protection Act (47 U.S.C. 227 et seq.), in the case of the Federal Communications Commission.

Approved March 11, 2003.

LEGISLATIVE HISTORY—H.R. 395:

HOUSE REPORTS: No. 108–8 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 12, considered and passed House.

Feb. 13, considered and passed Senate.



Public Law 108–11
108th Congress

An Act

Making emergency wartime supplemental appropriations for the fiscal year 2003,
and for other purposes.

Apr. 16, 2003
[H.R. 1559]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, and for other purposes, namely:

Emergency
Wartime
Supplemental
Appropriations
Act, 2003.

TITLE I—WAR-RELATED APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

For an additional amount for “Buildings and Facilities”, \$110,000,000, to remain available until expended.

PUBLIC LAW 480 TITLE II GRANTS

(INCLUDING TRANSFER OF FUNDS)

For additional expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years’ costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, \$369,000,000, to remain available until expended, for commodities supplied in connection with dispositions abroad under title II of said Act: *Provided*, That from this amount, to the maximum extent possible, funding shall be restored to the previously approved fiscal year 2003 programs under section 204(a)(2) of the Agricultural Trade Development and Assistance Act of 1954: *Provided further*, That of the funds provided under this heading, the Secretary of Agriculture shall transfer to the Commodity Credit Corporation \$69,000,000 to acquire a quantity of commodities for use in administering the Bill Emerson Humanitarian Trust: *Provided further*, That the authority contained in 7 U.S.C. 1736f–1(c)(4) shall not apply during fiscal year 2003 for any release of commodities after the date of enactment of this Act.

CHAPTER 2

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for “General Administration, Salaries and Expenses”, \$5,000,000, to remain available until September 30, 2004.

COUNTERTERRORISM FUND

For an additional amount for “Counterterrorism Fund”, \$20,000,000, to remain available until December 31, 2003: *Provided*, That funds provided under this paragraph shall be available only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of division B of Public Law 108–7.

DETENTION TRUSTEE

For an additional amount for “Detention Trustee” for the detention of Federal prisoners in the custody of the United States Marshals Service, \$40,000,000.

OFFICE OF INSPECTOR GENERAL

For an additional amount for “Office of Inspector General”, \$2,500,000, to remain available until September 30, 2004.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For an additional amount for “Salaries and Expenses, United States Marshals Service” for necessary expenses, \$8,000,000, to remain available until September 30, 2004.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for “Federal Bureau of Investigations, Salaries and Expenses”, \$367,192,000, to remain available until September 30, 2004: *Provided*, That the funds provided under this heading shall not be available for obligation or expenditure except in compliance with the procedures set forth in section 605 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2003.

OFFICE OF JUSTICE PROGRAMS

COMMUNITY ORIENTED POLICING SERVICES

For an additional amount for “Community Oriented Policing Services”, \$54,750,000, to remain available until December 31, 2003, shall be for the Community Oriented Policing Services, Interoperable Communications Technology Program, for grants to States

and localities to improve communications within and among law enforcement agencies: *Provided*, That the funds provided under this heading shall not be available for obligation or expenditure except in compliance with the procedures set forth in section 605 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2003.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For an additional amount for “Supreme Court of the United States, Salaries and Expenses” for police enhancements, \$1,535,000, to remain available until September 30, 2004.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For an additional amount for “United States Court of Appeals for the Federal Circuit, Salaries and Expenses” for court security officer expenses, \$973,000, to remain available until September 30, 2004.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For an additional amount for “United States Court of International Trade, Salaries and Expenses” to enhance security, \$50,000.

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For an additional amount for “Diplomatic and Consular Programs”, \$88,420,000, to remain available until December 31, 2003: *Provided*, That \$35,800,000 shall be available for costs associated with the re-establishment of a United States diplomatic presence in Baghdad, Iraq.

In addition, for the costs of worldwide security upgrades, \$10,000,000, to remain available until December 31, 2003.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For an additional amount for “Embassy Security, Construction, and Maintenance”, \$149,500,000, to remain available until expended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For an additional amount for “Emergencies in the Diplomatic and Consular Service”, \$50,000,000, to remain available until

expended, which may be transferred to, and merged with, the appropriations for “Diplomatic and Consular Programs”.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for “International Broadcasting Operations” for activities related to the Middle East Television Network broadcasting to the Middle East and radio broadcasting to Iraq, \$30,500,000, to remain available until September 30, 2004.

GENERAL PROVISION, THIS CHAPTER

SEC. 1201. Funds appropriated under this chapter for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.

CHAPTER 3

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$7,700,000,000.

MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$1,600,000,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for “Military Personnel, Marine Corps”, \$1,200,000,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for “Military Personnel, Air Force”, \$2,800,000,000.

RESERVE PERSONNEL, ARMY

For an additional amount for “Reserve Personnel, Army”, \$3,000,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for “National Guard Personnel, Army”, \$100,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Operation and Maintenance, Army”, \$16,000,000,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for “Operation and Maintenance, Navy”, \$5,100,000,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for “Operation and Maintenance, Marine Corps”, \$1,650,000,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Operation and Maintenance, Air Force”, \$7,100,000,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$1,200,000,000.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for “Operation and Maintenance, Army Reserve”, \$3,000,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for “Operation and Maintenance, Navy Reserve”, \$7,000,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$20,000,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Army National Guard”, \$75,000,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Air National Guard”, \$20,000,000.

IRAQ FREEDOM FUND

(TRANSFER OF FUNDS)

There is established in the Treasury of the United States a special account to be known as the “Iraq Freedom Fund”. For additional expenses for ongoing military operations in Iraq, and

those operations authorized by Public Law 107-40, and other operations and related activities in support of the global war on terrorism, not otherwise provided for, necessary to finance the estimated partial costs of combat, stability operations (including natural resource risk remediation activities), force reconstitution, replacement of munitions and equipment, and other costs, there is hereby appropriated \$15,678,900,000, to remain available for transfer until September 30, 2004: *Provided*, That amounts provided under this heading shall be available for transfer for the following activities:

Not less than \$1,771,180,000 for classified programs, which shall be in addition to amounts provided for elsewhere in this chapter, and under this heading, for procurement and research, development, test and evaluation;

Not less than \$1,100,000,000 for increased fuel costs, for transfer to “Defense Working Capital Funds”;

Up to \$1,400,000,000 for transfer to “Operation and Maintenance, Defense-Wide”, only for purposes further specified in section 1310 of this chapter;

Up to \$489,300,000 for transfer to the “Natural Resources Risk Remediation Fund”;

Up to \$400,000,000 for transfer to Department of Homeland Security, “United States Coast Guard, Operating Expenses”, to support military activities in connection with operations in and around Iraq and the global war on terrorism;

Up to \$57,600,000 for research, development, test, and evaluation; and

Up to \$25,000,000 for counter-terrorism military training activities for foreign governments in connection with the global war on terrorism, including equipment, supplies and services, on such terms as the Secretary of Defense, with the concurrence of the Secretary of State and 15 days following submission of a financial plan for the use of such funds to the congressional defense committees, may determine:

Provided further, That in addition to the transfers authorized in the preceding proviso, the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster Assistance, and Civic Aid; procurement; research, development, test and evaluation; military construction; the Defense Health Program appropriation; and working capital funds: *Provided further*, That the funds transferred under this heading shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary of Defense shall submit a report no later than July 1, 2003, and then 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

Deadline.
Notification.

Reports.
Deadline.

NATURAL RESOURCES RISK REMEDIATION FUND

(TRANSFER OF FUNDS)

There is established in the Treasury of the United States a special account to be known as the “Natural Resources Risk Remediation Fund”. Funds transferred to, appropriated to, and contributions made to, the Natural Resources Risk Remediation Fund may be made available for expenses necessary, in and around Iraq, to address emergency fire fighting, repair of damage to oil facilities and related infrastructure, and preserve a distribution capability, and may remain available until expended: *Provided*, That up to \$489,300,000 of the funds appropriated to the Iraq Freedom Fund in this Act may be transferred to this fund: *Provided further*, That the Secretary of Defense may accept from any person, foreign government, or international organization, and credit to this fund, any contribution of money for such purposes: *Provided further*, That funds available in the Defense Cooperation Account may be transferred to and merged with the Natural Resources Risk Remediation Fund: *Provided further*, That the Secretary of Defense may transfer funds available in the Natural Resources Risk Remediation Fund to other appropriations or funds of the Department of Defense to carry out such purposes, or to reimburse such appropriations or funds for expenses incurred for such purposes: *Provided further*, That funds so transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided, such amounts may be transferred back to this appropriation: *Provided further*, That in administering the Natural Resources Risk Remediation Fund during fiscal year 2003, the Secretary of Defense may transfer funds from the Iraq Freedom Fund only to the extent that amounts transferred from the Defense Cooperation Account and amounts accepted pursuant to the authority of the second proviso of this paragraph are not currently available: *Provided further*, That, hereafter, contributions of money deposited into the Natural Resources Risk Remediation Fund shall be reported to the Congress in the same report, and under the same terms and conditions, as the report required for contributions to the Defense Cooperation Account under section 2608, chapter 155 of title 10, United States Code: *Provided further*, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees of any transfer of funds from this appropriation.

Reports.
Deadline.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for “Aircraft Procurement, Army”, \$4,100,000.

MISSILE PROCUREMENT, ARMY

For an additional amount for “Missile Procurement, Army”, \$3,100,000.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES,
ARMY

For an additional amount for “Procurement of Weapons and Tracked Combat Vehicles, Army”, \$53,300,000.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for “Procurement of Ammunition, Army”, \$447,500,000.

OTHER PROCUREMENT, ARMY

For an additional amount for “Other Procurement, Army”, \$241,800,000.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for “Other Procurement, Air Force”, \$113,600,000.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for “Procurement, Defense-Wide”, \$451,000,000.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for “Research, Development, Test and Evaluation, Army”, \$11,500,000.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, \$70,000,000, to remain available for obligation until September 30, 2004.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for “Defense Health Program”, \$501,700,000 for Operation and maintenance.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

For an additional amount for “Drug Interdiction and Counter-Drug Activities, Defense”, \$34,000,000.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1301. Except as otherwise specifically provided in this chapter, amounts provided to the Department of Defense under

each of the headings in this chapter shall be available for the same time period, and subject to the same terms and conditions, as the amounts appropriated or otherwise made available in the Department of Defense Appropriations Act, 2003 (Public Law 107–248) and Making Further Continuing Appropriations for the Fiscal Year 2003, and for Other Purposes (Public Law 108–7).

SEC. 1302. None of the funds provided in this chapter may be used to finance programs or activities denied by Congress in previous fiscal year 2003 appropriations acts which make appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior notification to the congressional defense committees.

SEC. 1303. None of the funds in this chapter may be used to develop or procure any item or capability that will not be fielded within 4 years of enactment of this Act.

SEC. 1304. (a) Title II of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), is amended under the heading “Operation and Maintenance, Defense-Wide” by striking “\$25,000,000” and inserting “\$50,000,000”.

116 Stat. 1522.

(b) During fiscal year 2003 and notwithstanding the limitations in section 166a(e)(1) of title 10, United States Code, of the total amount available under such heading for the CINC initiative fund account (as amended by subsection (a)), not more than \$15,000,000 may be used for the purpose described in subparagraph (A) of such section 166a(e)(1), not more than \$10,000,000 may be used for the purpose described in subparagraph (B) of such section, and not more than \$10,000,000 may be used for the purpose described in subparagraph (C) of such section.

SEC. 1305. Title II of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), is amended under the heading “Operation and Maintenance, Defense-Wide” by striking “\$34,500,000” and inserting “\$50,000,000”.

116 Stat. 1522.

(TRANSFER OF FUNDS)

SEC. 1306. Section 8005 of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), is amended—

116 Stat. 1537.

(1) by striking “\$2,000,000,000” and inserting “\$2,500,000,000”;

(2) by striking “May 31, 2003” and inserting “June 30, 2003”; and

(3) by striking the sixth proviso, as added by section 112 of division M of Public Law 108–7, beginning with “: *Provided further*,” and ending with “to which transferred”.

Ante, p. 536.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1307. In addition to amounts made available elsewhere in this Act for the Department of Defense, \$165,000,000 is appropriated to the Department of Defense to reimburse applicable appropriations for the value of drawdown support provided by the Department of Defense under the Afghanistan Freedom Support Act of 2002: *Provided*, That this appropriation shall not increase the limitation set forth in section 202(b) of that Act: *Provided further*, That the Secretary of Defense may transfer the funds provided herein to the applicable appropriations of the Department of Defense: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and

for the same time period as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That notwithstanding any other provision of law, none of the funds provided in this or any other appropriations Act for the Department of Defense may be used for the drawdown authority in section 202 of the Afghanistan Freedom Support Act of 2002 (Public Law 107–327) prior to notifying in writing the House and Senate Committees on Appropriations of the source of the funds to be used for such purpose.

SEC. 1308. Funds appropriated in this Act, or made available by the transfer of funds in or pursuant to this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 1309. (a) Of the amounts available to the Secretary of Defense, \$63,500,000 may be used to reimburse applicable appropriations for the value of support provided by the Department of Defense under the Iraq Liberation Act of 1998: *Provided*, That this appropriation shall not increase the limitation set forth in section (4)(a)(2)(B) of that Act.

22 USC 2151
note.

(b) Section (4)(a)(2) of the Iraq Liberation Act of 1998 is amended by adding the following new subparagraph at the end:

“(C) The aggregate value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of assistance provided under this paragraph may not exceed \$86,500,000 in fiscal year 2003.”.

Notification.
Deadline.

(c) Notwithstanding any other provision of law, none of the funds provided in this or any other appropriations Act for the Department of Defense may be used for the drawdown authority in section (4)(a)(2) of the Iraq Liberation Act of 1998 (including the drawdown authority of this section) unless the House and Senate Committees on Appropriations are notified in writing of the sources of the funds to be used for such purpose not later than 7 days following the exercise of the drawdown authority.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1310. Up to \$1,400,000,000 of funds transferred under the authority provided under the heading “Iraq Freedom Fund” to “Operation and Maintenance, Defense-Wide” may be used, notwithstanding any other provision of law, for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical and military support provided, or to be provided, to United States military operations in connection with military action in Iraq and the global war on terrorism: *Provided*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That unless expressly provided in an appropriations Act enacted after the date of enactment of this Act, and notwithstanding any other provision of law, no funds other than those additional

amounts provided herein shall be made available for any payments intended to fulfill the purposes specified in this section and similar reimbursement authorities expressly provided in section 304 of Public Law 107–117 and within the “Operation and Maintenance, Defense-Wide” appropriation account enacted in Public Law 107–206: *Provided further*, That not later than July 1, 2003, the Secretary of Defense shall submit a report in writing to the Committees on Appropriations that includes a financial plan for the obligation and expenditure of such funds: *Provided further*, That if such report is not provided to the Committees on Appropriations by the date specified in the previous proviso, unobligated balances of funds that are available from the amounts provided in this chapter for the purposes specified under this section shall be returned to the Treasury of the United States: *Provided further*, That, beginning not later than July 1, 2003, the Secretary of Defense shall provide quarterly reports to the Committees on Appropriations on the uses of funds made available for payments to Pakistan, Jordan, and other key cooperating nations for logistical and military support provided to United States military operations in connection with military action in and around Iraq and the global war on terrorism.

Deadline.
Reports.

Deadline.
Reports.

(TRANSFER OF FUNDS)

SEC. 1311. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may transfer between appropriations up to \$2,000,000,000 of the funds made available in this chapter: *Provided*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority: *Provided further*, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That the authority in this section is subject to the same terms and conditions as the authority provided in section 8005 of Public Law 107–248 except for the fourth proviso.

SEC. 1312. The Secretary of Defense shall notify the congressional defense committees no later than 15 days after the obligation of funds appropriated in this Act for military construction activities or minor construction in excess of \$7,500,000.

Notification.
Deadline.

(TRANSFER OF FUNDS)

SEC. 1313. As of October 31, 2003, all balances of funds remaining in the “Defense Emergency Response Fund” shall be transferred to, and merged with, the “Iraq Freedom Fund”, and shall be available for the same purposes, and under the same terms and conditions, as funds appropriated to the “Iraq Freedom Fund” in this chapter.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1314. TECHNICAL ADJUSTMENTS TO PUBLIC LAW 107–248. Notwithstanding any other provision of law, the following adjustments and transfers shall apply to funds previously made available, and to restrictions, in the Department of Defense Appropriations Act, 2003 (Public Law 107–248):

Applicability.

(1) Under the heading “Operation and Maintenance, Army National Guard”, not more than \$3,000,000 is available to build an Infantry Brigade Rifle Range for the South Carolina

National Guard; and, in addition, appropriations available during fiscal year 2003 under the heading “Operation and Maintenance, Army”, not more than \$2,000,000 is available for training range enhancements at Fort Indiantown Gap, Pennsylvania and, further, appropriations available for the Air Battle Captain program at the University of North Dakota may be used to provide summer flight training to the United States Military Academy cadets.

(2) Under the heading, “Operation and Maintenance, Air Force”, not more than \$6,800,000 is available to build and install fiber optic and power improvements and upgrades at the 11th Air Force Range.

(3) Under the heading, “Procurement, Defense-Wide”, strike “purchase of 4” and insert “purchase of 6”.

(4) Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds provided in Public Law 107–248 for the Dismounted Intelligence Situation Mapboard (DISM) program, and such funds, once transferred, are available for the Dismounted Intelligence Situation Mapboard (DISM) program: *Provided*, That the amounts transferred shall be available for the same purpose as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further*, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading “Other Procurement, Army, 2003/2005”, \$5,600,000; and

Under the heading “Research, Development, Test and Evaluation, Army, 2003/2004”, \$2,800,000.

To:

Under the heading “Procurement, Marine Corps, 2003/2005”, \$2,800,000;

Under the heading “Procurement, Defense-Wide, 2003/2005”, \$2,800,000;

Under the heading “Research, Development, Test and Evaluation, Navy, 2003/2004”, \$1,400,000; and

Under the heading “Research, Development, Test and Evaluation, Defense-Wide, 2003/2004”, \$1,400,000.

10 USC 2306c
note.

SEC. 1315. Section 811(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2608; 10 U.S.C. 2406c note) is amended by striking “on or after the date of the enactment of this Act” and inserting “on or after January 1, 2004”.

SEC. 1316. (a) INCREASE IN IMMINENT DANGER SPECIAL PAY.—Section 310(a) of title 37, United States Code, is amended by striking “\$150” and inserting “\$225”.

(b) INCREASE IN FAMILY SEPARATION ALLOWANCE.—Section 427(a)(1) of title 37, United States Code, is amended by striking “\$100” and inserting “\$250”.

37 USC 310 note.

(c) EXPIRATION.—(1) The amendments made by subsections (a) and (b) shall expire on September 30, 2003.

Effective date.

(2) Effective on September 30, 2003, sections 310(a) of title 37, United States Code, and 427(a)(1) of title 37, United States Code, as in effect on the day before the date of the enactment of this Act are hereby revived.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2002, and shall apply with respect to months beginning on or after that date.

Applicability.
37 USC 310 note.

(RESCISSION OF FUNDS)

SEC. 1317. Of the funds appropriated in Department of Defense appropriations Acts, the following funds are hereby rescinded from the following account in the specified amount: “Research, Development, Test and Evaluation, Navy, 2003/2004”, \$3,400,000.

SEC. 1318. In the case of a member of the Armed Forces who is ill or injured as described in section 411h of title 37, United States Code, as a result of service on active duty in support of Operation Noble Eagle, Operation Enduring Freedom or Operation Iraqi Freedom, in addition to the transportation benefits authorized under that section, travel allowances may be provided to members of the family of the ill or injured member without regard to whether there is a determination that the presence of the family member may contribute to the member’s health and welfare.

SEC. 1319. (a) For a member of the Armed Forces medically evacuated for treatment in a medical facility, or for travel to a medical facility or the member’s home station, by reason of an illness or injury incurred or aggravated by the member while on active duty in support of Operation Noble Eagle, Operation Enduring Freedom or Operation Iraqi Freedom, the Secretary of the military department concerned may procure civilian attire suitable for wear by the member during the travel.

(b) The Secretary may not expend more than \$250 for the procurement of civilian attire for any member under subsection (a).

CHAPTER 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

For an additional amount for homeland security expenses, for “Operation and Maintenance, General”, \$39,000,000, to remain available until expended.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

For an additional amount for homeland security expenses, for “Water and Related Resources”, \$25,000,000, to remain available until expended.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

SCIENCE

For an additional amount for “Science” for expenses necessary to support safeguards and security of nuclear and other facilities and for other purposes, \$11,000,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For an additional amount for “Weapons Activities” for expenses necessary to safeguard nuclear weapons and nuclear material, \$67,000,000, to remain available until expended: *Provided*, That \$20,000,000 of the funds provided shall be available for secure transportation asset activities: *Provided further*, That \$47,000,000 of the funds provided shall be available to meet increased safeguards and security needs throughout the nuclear weapons complex.

DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for “Defense Nuclear Nonproliferation”, \$148,000,000, to remain available until expended.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For an additional amount for “Defense Environmental Restoration and Waste Management”, for expenses necessary to support safeguards and security activities at nuclear and other facilities, \$6,000,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For an additional amount for “Other Defense Activities”, \$4,000,000, to remain available until expended.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

For an additional amount for “Child Survival and Health Programs Fund”, \$90,000,000, to remain available until September 30, 2004.

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for “International Disaster Assistance”, \$143,800,000, to remain available until expended: *Provided*, That amounts made available pursuant to section 492(b) of the Foreign Assistance Act of 1961 for the purpose of addressing relief and rehabilitation needs in Iraq, prior to enactment of this Act, shall be in addition to the amount that may be obligated in any fiscal year under that section: *Provided further*, That during the remainder of fiscal year 2003 the authority referenced in the preceding proviso may not be utilized unless written notice has been provided to the Committees on Appropriations not less than 5 days prior to the exercise of such authority.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT

For an additional amount for “Operating Expenses of the United States Agency for International Development”, \$24,500,000, of which not less than \$3,500,000 may be transferred to and merged with “Operating Expenses of the United States Agency for International Development Office of Inspector General” for financial and program audits of the Iraq Relief and Reconstruction Fund and other assistance for Iraq.

OTHER BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

IRAQ RELIEF AND RECONSTRUCTION FUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for humanitarian assistance in and around Iraq and to carry out the purposes of the Foreign Assistance Act of 1961 for rehabilitation and reconstruction in Iraq, there is appropriated to the President, \$2,475,000,000, to remain available until September 30, 2004, including for the costs of: (1) water/sanitation infrastructure; (2) feeding and food distribution; (3) supporting relief efforts related to refugees, internally displaced persons, and vulnerable individuals, including assistance for families of innocent Iraqi civilians who suffer losses as a result of military operations; (4) electricity; (5) healthcare; (6) telecommunications; (7) economic and financial policy; (8) education; (9) transportation; (10) rule of law and governance; (11) humanitarian demining; and (12) agriculture: *Provided*, That these funds shall be apportioned only to the Department of State, the United States Agency for International Development, the Department of the Treasury, the Department of Defense, and the Department of Health and Human Services, as appropriate, for expenses to meet such costs: *Provided further*, That funds appropriated under this heading shall be used to fully reimburse accounts administered by the Department of State, the Department of the Treasury and the United States Agency for International Development, not otherwise reimbursed from funds appropriated by this chapter, for obligations incurred for the purposes provided under this heading prior to enactment of this Act from funds appropriated for foreign operations, export financing, and related programs: *Provided further*, That prior to the initial apportionment of funds made available under this

Notification. heading to any agency or department, the President, or his designee, shall consult with the Committees on Appropriations on plans for the use of the funds appropriated under this heading that will be used for assistance for Iraq: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the United States may accept from any person, foreign government, or international organization, and credit to this Fund, any contribution of money for such purposes: *Provided further*, That funds appropriated under this heading shall be available notwithstanding any other provision of law, including section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956: *Provided further*, That funds appropriated under this heading or transferred under provisions of this chapter or section 632 of the Foreign Assistance Act of 1961 that are made available for assistance for Iraq shall be subject to notification of the Committees on Appropriations, except that notifications shall be transmitted at least 5 days in advance of the obligation of funds.

ECONOMIC SUPPORT FUND

For an additional amount for “Economic Support Fund”, \$2,422,000,000, of which:

Jordan. (1) not less than \$700,000,000 shall be made available for assistance for Jordan;

Egypt. (2) \$300,000,000, to remain available until September 30, 2005, shall be made available only for grants for Egypt: *Provided*, That during the period beginning March 1, 2003, and ending September 30, 2005, loan guarantees may be made to Egypt, the principal amount, any part of which is to be guaranteed, shall not exceed \$2,000,000,000: *Provided further*, That the Government of Egypt will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loan guarantees, including any non-repayment exposure risk: *Provided further*, That all fees associated with these loan guarantees, including subsidy and administrative costs, shall be paid by the Government of Egypt to the Government of the United States: *Provided further*, That funds made available under this paragraph and other funds appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 and made available for assistance for Egypt may be used by the Government of Egypt to pay such fees to the United States Government: *Provided further*, That such guarantees shall constitute obligations, in accordance with the terms of such guarantees, of the United States and the full faith and credit of the United States is hereby pledged for full payment and performance of such obligations: *Provided further*, That the President shall determine the terms and conditions for issuing the economic assistance authorized by this paragraph and should take into consideration budgetary and economic reforms undertaken by Egypt: *Provided further*, That if the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of such economic assistance not yet outlayed under this paragraph;

President.

(3) not to exceed \$1,000,000,000, to remain available until September 30, 2005, for grants for Turkey: *Provided*, That during the period beginning March 1, 2003, and ending September 30, 2005, direct loans or loan guarantees may be made to Turkey, the principal amount of direct loans or loans, any part of which is to be guaranteed, shall not exceed \$8,500,000,000: *Provided further*, That the Government of Turkey will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loans or loan guarantees, including any non-repayment exposure risk: *Provided further*, That all fees associated with these loans or loan guarantees, including subsidy and administrative costs, shall be paid by the Government of Turkey to the Government of the United States: *Provided further*, That funds made available under this paragraph and other funds appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 and made available for assistance for Turkey may be used by the Government of Turkey to pay such fees to the United States Government: *Provided further*, That such guarantees shall constitute obligations, in accordance with the terms of such guarantees, of the United States and the full faith and credit of the United States is hereby pledged for the full payment and performance of such obligations: *Provided further*, That none of the funds made available by this paragraph may be made available for assistance for Turkey if the Secretary of State determines and reports to the Committees on Appropriations of the House and Senate, the Committee on Foreign Relations of the Senate and Committee on International Relations of the House that the Government of Turkey is not cooperating with the United States in Operation Iraqi Freedom, including the facilitation of humanitarian assistance to Iraq, or has unilaterally deployed troops into northern Iraq: *Provided further*, That the President shall determine the terms and conditions for issuing the economic assistance authorized by this paragraph and should take into consideration budgetary and economic reforms undertaken by Turkey: *Provided further*, That if the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of such economic assistance not yet outlayed under this paragraph: *Provided further*, That any balance of funds not made available to Turkey under this paragraph shall be transferred to, and merged with, funds appropriated for “Iraq Relief and Reconstruction Fund”;

Turkey.

President.

(4) not less than \$30,000,000 for assistance for the Philippines to further prospects for peace in Mindanao, and not less than \$167,000,000 for assistance for Afghanistan: *Provided*, That of the funds appropriated under this heading, \$10,000,000 should be made available for investigations and research into allegations of war crimes, crimes against humanity, or genocide committed by Saddam Hussein or other Iraqis, and for a contribution to an international tribunal to bring these individuals to justice;

Philippines.

(5) regional funds made available under this heading for assistance that are not specified in paragraphs (1) through (4) shall be subject to the regular notification procedures of the Committees on Appropriations; and

(6) unless otherwise specified herein, funds appropriated under this heading shall remain available until September 30, 2004.

LOAN GUARANTEES TO ISRAEL

During the period beginning March 1, 2003, and ending September 30, 2005, loan guarantees may be made available to Israel, guaranteeing 100 percent of the principal and interest on such loans, the principal amount, any part of which is to be guaranteed, not to exceed \$9,000,000,000, of which up to \$3,000,000,000 may be issued prior to October 1, 2003, or thereafter and of which \$3,000,000,000 may be issued subsequent to September 30, 2004: *Provided*, That such guarantees shall constitute obligations, in accordance with the terms of such guarantees, of the United States and the full faith and credit of the United States is hereby pledged for the full payment and performance of such obligations: *Provided further*, That if less than the full amount of guarantees authorized to be made available is issued prior to September 30, 2005, the authority to issue the balance of such guarantees shall extend to the subsequent fiscal year: *Provided further*, That guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967: *Provided further*, That the amount of guarantees that may be issued shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the period from March 1, 2003, to the date of issue of the guarantee, for activities which the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the loan guarantee program: *Provided further*, That the President shall submit a report to Congress no later than September 30 of each fiscal year during the pendency of the program specifying the amount calculated under the preceding proviso and that will be deducted from the amount of guarantees authorized to be issued in the next fiscal year: *Provided further*, That the interest rate for loans guaranteed under this heading may include a reasonable fee to cover the costs and fees incurred by the borrower in connection with this program or financing under this heading in the event the borrower elects not to finance such costs or fees out of loan principal: *Provided further*, That no appropriations under this heading are available for the subsidy costs for these loan guarantees: *Provided further*, That the Government of Israel will pay the cost, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, including any non-payment exposure risk, associated with the loan guarantees issued in any fiscal year, on a pro rata basis as each guarantee is issued during that year: *Provided further*, That all fees (as defined in section 601(e) of Public Law 102–391) associated with the loan guarantees shall be paid by the Government of Israel to the Government of the United States: *Provided further*, That funds made available for assistance to Israel under chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Israel to pay such fees to the United States Government: *Provided further*, That the President shall determine the terms and conditions for issuing guarantees, taking into consideration

President.
Reports.
Deadline.

President.

the budgetary and economic reforms undertaken by Israel: *Provided further*, That if the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of the loan guarantees not yet issued under this heading.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for “International Narcotics Control and Law Enforcement”, \$25,000,000, to remain available until September 30, 2004.

ANDEAN COUNTERDRUG INITIATIVE

For an additional amount for the “Andean Counterdrug Initiative”, \$34,000,000, to remain available until September 30, 2004: *Provided*, That of the funds appropriated under this heading that are made available for Colombia, not less than \$5,000,000 should be made available for programs and activities to assist persons who have been displaced as a result of armed conflict.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for “United States Emergency Refugee and Migration Assistance Fund”, \$80,000,000, to remain available until expended, notwithstanding section 2(c)(2) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)(2)).

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, \$28,000,000: *Provided*, That funds appropriated by this paragraph shall be available notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for the “Foreign Military Financing Program”, \$2,059,100,000: *Provided*, That funds appropriated by this paragraph shall be available notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956: *Provided further*, That of the funds appropriated under this heading, not less than \$406,000,000 shall be made available for grants only for Jordan and not less than \$1,000,000,000 shall be available for grants only for Israel: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act: *Provided further*, That to the extent that the Government of Israel

Deadline.

requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed to by the United States and Israel, be available for advanced weapons systems, of which not less than \$263,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That up to \$20,000,000 of the funds appropriated by this paragraph may be transferred to and merged with funds appropriated under the heading “Andean Counterdrug Initiative” for aircraft, training, and other assistance for the Colombian Armed Forces: *Provided further*, That, except for Israel and Jordan, funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations, except that notifications shall be transmitted at least 5 days in advance of the commitment of funds: *Provided further*, That such notification shall be in the form of a report (in classified or unclassified form) which contains each country receiving assistance from funds aggregated under this heading, other than Israel and Jordan, the amount of assistance to be provided and a description of the equipment and other assistance being financed from such funds.

Notification.

Reports.

PEACEKEEPING OPERATIONS

For an additional amount for “Peacekeeping Operations”, \$100,000,000, to remain available until September 30, 2004.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1501. Any appropriation made available in this chapter under the headings “International Disaster Assistance”, “United States Emergency Refugee and Migration Assistance Fund”, “Non-proliferation, Anti-Terrorism, Demining and Related Programs”, “Peacekeeping Operations”, or “Iraq Relief and Reconstruction Fund” may be transferred between such appropriations for use for any of the purposes for which the funds in such receiving account may be used: *Provided*, That the total amount transferred from funds appropriated under these headings shall not exceed \$100,000,000: *Provided further*, That the Secretary of State shall consult with the Committees on Appropriations prior to exercising the authority contained in this section: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations, except that notification shall be transmitted at least 5 days in advance of the obligations of funds.

Notification.

SEC. 1502. Assistance or other financing under this chapter may be provided for Iraq notwithstanding any other provision of law: *Provided*, That the authority contained in this section shall not apply to section 553 of Public Law 108–7: *Provided further*, That funds made available for Iraq pursuant to this authority shall be subject to the regular reprogramming procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961, except that notification shall be transmitted at least 5 days in advance of obligation: *Provided further*, That the notification requirements of this section may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking

Notification.

the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

SEC. 1503. The President may suspend the application of any provision of the Iraq Sanctions Act of 1990: *Provided*, That nothing in this section shall affect the applicability of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Public Law 102–484), except that such Act shall not apply to humanitarian assistance and supplies: *Provided further*, That the President may make inapplicable with respect to Iraq section 620A of the Foreign Assistance Act of 1961 or any other provision of law that applies to countries that have supported terrorism: *Provided further*, That military equipment, as defined by title XVI, section 1608(1)(A) of Public Law 102–484, shall not be exported under the authority of this section: *Provided further*, That section 307 of the Foreign Assistance Act of 1961 shall not apply with respect to programs of international organizations for Iraq: *Provided further*, That provisions of law that direct the United States Government to vote against or oppose loans or other uses of funds, including for financial or technical assistance, in international financial institutions for Iraq shall not be construed as applying to Iraq: *Provided further*, That the President shall submit a notification 5 days prior to exercising any of the authorities described in this section to the Committee on Appropriations of each House of the Congress, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives: *Provided further*, That not more than 60 days after enactment of this Act and every 90 days thereafter the President shall submit a report to the Committee on Appropriations of each House of the Congress, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives containing a summary of all licenses approved for export to Iraq of any item on the Commerce Control List contained in the Export Administration Regulations, 15 CFR Part 774, Supplement 1, including identification of end users of such items: *Provided further*, That the authorities contained in this section shall expire on September 30, 2004, or on the date of enactment of a subsequent Act authorizing assistance for Iraq and that specifically amends, repeals or otherwise makes inapplicable the authorities of this section, whichever occurs first.

President.
Notification.

Deadlines.
President.
Reports.

Expiration date.

SEC. 1504. Notwithstanding any other provision of law, the President may authorize the export to Iraq of any nonlethal military equipment controlled under the International Trafficking in Arms Regulations on the United States Munitions List established pursuant to section 38 of the Arms Export Control Act (22 U.S.C. 2778), if the President determines and notifies within 5 days prior to export the Committee on Appropriations of each House of the Congress, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives that the export of such nonlethal military equipment is in the national interest of the United States: *Provided*, That the limitation regarding nonlethal military equipment shall not apply to military equipment designated by the Secretary of State for use by a reconstituted (or interim) Iraqi military or police

Expiration date. force: *Provided further*, That the authorities contained in this section shall expire on September 30, 2004, or on the date of enactment of a subsequent Act authorizing assistance for Iraq and that specifically amends, repeals or otherwise makes inapplicable the authorities of this section, whichever occurs first.

Ante, p. 169. SEC. 1505. Division E of Public Law 108–7, under the heading “Assistance for the Independent States of the Former Soviet Union”, is amended in subsection (f) by: (1) striking “assistance for the Government” and inserting “assistance for the central Government”; and (2) striking “unless” and inserting “if”; and striking “not facilitated” and inserting “facilitated”.

President.
22 USC 2151
note.
Deadline.

SEC. 1506. REPORTS ON UNITED STATES STRATEGY FOR RELIEF AND RECONSTRUCTION IN IRAQ.

(a) INITIAL REPORT.—Not later than 45 days after the date of enactment of this Act, the President shall submit to the Committees on Appropriations a report on the United States strategy regarding activities related to post-conflict security, humanitarian assistance, governance, and reconstruction in Iraq that are undertaken as a result of Operation Iraqi Freedom. The report shall include the following:

(1) The distribution of duties and responsibilities regarding such activities among agencies of the United States Government, including the Department of State, the United States Agency for International Development, and the Department of Defense (to be provided within 30 days of enactment of this Act).

(2) A detailed plan describing the roles and responsibilities of foreign governments and international organizations including the United Nations, in carrying out activities related to post-conflict security, humanitarian assistance, governance, and reconstruction in Iraq.

(3) A strategy for coordinating such activities among the United States Government, foreign governments and international organizations, including the United Nations.

(4) An initial estimate of the costs expected to be associated with such activities.

(5) A strategy for distributing the responsibility for paying costs associated with reconstruction activities in Iraq among the United States, foreign governments, and international organizations, including the United Nations, and an estimate of the revenue expected to be generated by Iraqi oil production that could be used to pay such costs.

Deadlines.

(b) SUBSEQUENT REPORTS.—Not later than 90 days after the date of enactment of this Act, and every 90 days thereafter until September 30, 2004, the President shall submit to the Committees on Appropriations a report that contains:

(1) A list of significant United States Government-funded activities related to reconstruction in Iraq that, during the 90-day period ending 15 days prior to the date the report is submitted to the Committees on Appropriations—

(A) were initiated; or

(B) were completed.

(2) A list of the significant activities related to reconstruction in Iraq that the President anticipates initiating during the 90-day period beginning on the date the report is submitted to the Committees on Appropriations, including:

(A) Cost estimates for carrying out the proposed activities.

(B) The source of the funds that will be used to pay such costs.

(3) Updated strategies, if changes are proposed regarding matters included in the reports required under subsection (a).

(4) An updated list of the financial pledges and contributions made by foreign governments or international organizations to fund activities related to humanitarian, governance, and reconstruction assistance in Iraq.

CHAPTER 6

DEPARTMENT OF HOMELAND SECURITY

DEPARTMENTAL MANAGEMENT

COUNTERTERRORISM FUND

For an additional amount for the “Counterterrorism Fund” for necessary expenses as determined by the Secretary of Homeland Security, \$150,000,000, to remain available until expended, to reimburse any Department of Homeland Security organization for the costs of providing support to prevent, counter, investigate, respond to, or prosecute unexpected threats or acts of terrorism: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds in accordance with section 1601 of this Act.

Notification.
Deadline.

CITIZENSHIP AND IMMIGRATION SERVICES

OPERATING EXPENSES

For necessary expenses for “Operating Expenses” related to conducting Operation Liberty Shield, \$3,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

Notification.
Deadline.

UNITED STATES SECRET SERVICE

OPERATING EXPENSES

For an additional amount for “Operating Expenses” for necessary expenses related to conducting Operation Liberty Shield, \$30,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

Notification.
Deadline.

BORDER AND TRANSPORTATION SECURITY

CUSTOMS AND BORDER PROTECTION

For necessary expenses for “Customs and Border Protection” related to conducting Operation Liberty Shield and for other purposes, \$333,000,000, to remain available until expended: *Provided*,

Notification.
Deadline.

That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

IMMIGRATION AND CUSTOMS ENFORCEMENT

Notification.
Deadline.

For necessary expenses for “Immigration and Customs Enforcement” related to conducting Operation Liberty Shield and for other purposes, \$170,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

TRANSPORTATION SECURITY ADMINISTRATION

For necessary expenses for “Transportation Security Administration”, \$665,000,000, to remain available until expended: *Provided*, That \$130,000,000 of this amount shall not be made available until September 30, 2003: *Provided further*, That of the total amount provided, the following amounts are made available solely for the purposes specified below:

(1) physical modification of commercial service airports for the purposes of installing checked baggage explosive detection systems into airport baggage systems, \$235,000,000;

(2) port security grants, \$20,000,000; and

(3) passenger screener hiring, training and related costs, \$280,000,000, which shall not be obligated: (a) until the President transmits an official budget request for such amount to the Congress; and (b) until the Administrator of the Transportation Security Administration submits a fiscal year 2003 budget execution plan approved by the Office of Management and Budget detailing spending levels by budget line item, program, project and activity: *Provided*, That such plan shall fully fund all programs and activities specifically funded by Congress in Public Laws 107–206 and 108–7:

Notification.
Deadline.

Provided further, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

FEDERAL LAW ENFORCEMENT TRAINING CENTER OPERATING EXPENSES

Notification.
Deadline.

For an additional amount for “Operating Expenses” related to conducting Operation Liberty Shield, \$2,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

OFFICE FOR DOMESTIC PREPAREDNESS

For an additional amount for the “Office for Domestic Preparedness”, \$2,230,000,000, to remain available until December 31, 2003, as authorized by sections 403(5) and 430 of the Homeland Security Act of 2002 (Public Law 107–296) and section 1014 of the USA PATRIOT Act of 2001 (Public Law 107–56), for grants, contracts, cooperative agreements, and other activities, including grants to

State and local governments for terrorism prevention activities, which shall be allocated as follows:

(1) \$1,300,000,000 for grants pursuant to section 1014 of Public Law 107–56: *Provided*, That the application for grants shall be made available to States within 15 days of enactment of this Act; that States shall submit applications within 30 days of the grant announcement; that the Office for Domestic Preparedness shall act on each application within 15 days of receipt; and that each State shall transfer no less than 80 percent of the total amount of the grant to local governments within 45 days of the grant award;

Deadlines.

(2) \$30,000,000 for technical assistance;

(3) \$200,000,000 for formula-based grants for critical infrastructure protection, subject to section 1014(c)(3) of Public Law 107–56: *Provided*, That the application for these grants shall be made available to States within 15 days of enactment of this Act; that States shall submit applications within 30 days of the grant announcement; that the Office for Domestic Preparedness shall act on each application within 15 days of receipt; and that each State shall transfer no less than 50 percent of the total amount of the grant to local governments within 45 days of the grant award; and

Deadlines.

(4) \$700,000,000 for discretionary grants for use in high-density urban areas, high-threat areas, and for protection of critical infrastructure, as determined by the Secretary of Homeland Security: *Provided*, That no less than 80 percent of any grant to a State shall be transferred by the State to local governments within 45 days of the receipt of funds: *Provided further*, That section 1014(c)(3) of Public Law 107–56 shall not apply to these grants:

Provided, That none of the funds appropriated under this heading shall be used for the construction or renovation of facilities: *Provided further*, That funds appropriated in subsections (3) and (4) under this heading shall be available for operational costs, to include personnel overtime as needed: *Provided further*, That the Secretary of Homeland Security shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of the funds provided under this heading.

Notification.
Deadline.

UNITED STATES COAST GUARD

OPERATING EXPENSES

For an additional amount for “Operating Expenses” for expenses related to conducting Operation Liberty Shield and for other purposes, \$228,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

Notification.
Deadline.

EMERGENCY PREPAREDNESS AND RESPONSE

OPERATING EXPENSES

For necessary expenses for “Operating Expenses” related to conducting Operation Liberty Shield, \$45,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the

Notification.
Deadline.

Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Notification.
Deadline.

For an additional amount for “Emergency Management Planning and Assistance”, \$54,750,000, for grants for interoperable communications equipment: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days prior to the obligation of any amount of these funds.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1601. (a) None of the funds provided by this Act, or provided by previous appropriations Acts to the agencies in or transferred to the Department of Homeland Security that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds for any program, project, or activity for which funds have been denied or restricted by Congress; or (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose, unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous appropriations Acts to the agencies in or transferred to the Department of Homeland Security that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for programs, projects, or activities through a reprogramming of funds in excess of \$5,000,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, projects or activities, as approved by Congress; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

SEC. 1602. (a) The Under Secretary of Homeland Security for Border and Transportation Security may issue letters of intent to airports to provide assistance for the installation of explosive detection systems by the date prescribed by section 44901(d)(2)(i) of title 49, United States Code.

Deadline.
Reports.

(b) Beginning 30 days after the date of enactment of this Act, and every 60 days thereafter in calendar year 2003, the Under Secretary shall transmit a classified report to the House of Representatives Committee on Appropriations, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the Senate Committee on

Commerce, Science, and Transportation describing each letter of intent issued by the Under Secretary under subsection (a).

SEC. 1603. In accordance with section 873(b) of the Homeland Security Act of 2002 (6 U.S.C. 453(b)), the Bureau of Customs and Border Protection may accept donations of body armor for United States Border Patrol agents and United States Border Patrol canines if such donations would further the mission of protecting our Nation's borders and ports of entry as determined by the Under Secretary for Border and Transportation Security.

CHAPTER 7

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

For an additional amount for “Centers for Disease Control and Prevention, Disease Control, Research, and Training”, \$16,000,000 for costs associated with the prevention and control of Severe Acute Respiratory Syndrome (SARS).

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For an additional amount for “Public Health and Social Services Emergency Fund”, for the Centers for Disease Control and Prevention, \$100,000,000, to remain available until expended.

For an additional amount for the “Public Health and Social Services Emergency Fund”, \$42,000,000, to remain available until expended, for costs associated with compensating individuals with injuries resulting from smallpox vaccinations and countermeasures: *Provided*, That such funds shall become available only upon the enactment of legislation authorizing a smallpox vaccination compensation program.

GENERAL PROVISION

REPATRIATION

SEC. 1701. Section 1113(d) of the Social Security Act (42 U.S.C. 1313(d)), is amended by striking “1991” and inserting “2003”.

CHAPTER 8

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the House of Representatives, \$11,000,000, as follows:

COMMITTEE EMPLOYEES

STANDING COMMITTEES, SPECIAL AND SELECT

For an additional amount for salaries and expenses of standing committees, special and select, authorized by House resolutions, \$11,000,000: *Provided*, That such amount shall remain available for such salaries and expenses until December 31, 2004.

CAPITOL POLICE

GENERAL EXPENSES

For an additional amount for “General expenses”, \$37,758,000, to remain available until expended.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For an additional amount for “Salaries and expenses”, \$111,000.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDING

For an additional amount for “Capitol building”, \$1,100,000.

CAPITOL POWER PLANT

For an additional amount for “Capitol power plant”, \$22,679,000, which shall remain available until September 30, 2007.

CAPITOL POLICE BUILDINGS AND GROUNDS

For an additional amount for “Capitol police buildings and grounds”, \$40,140,000, to remain available until September 30, 2007.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For an additional amount for “Salaries and expenses”, \$5,500,000 to remain available until September 30, 2007.

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For an additional amount for “Salaries and expenses”, \$1,863,000, to remain available until September 30, 2004.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For an additional amount for “Salaries and expenses”, \$4,849,000.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1801. POSTAL PATRON POSTCARDS. The matter under the subheading “MISCELLANEOUS ITEMS” under the heading “CONTINGENT EXPENSES OF THE SENATE” under title I of the Legislative Branch Appropriations Act, 2003 (Public Law 108–7) is amended by striking “with a population of less than 250,000”. *Ante*, p. 348.

CHAPTER 9

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, NAVY

For an additional amount for “Military Construction, Navy”, \$48,100,000, to remain available until September 30, 2007: *Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for “Military Construction, Air Force”, \$152,900,000, to remain available until September 30, 2007: *Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Family Housing Operation and Maintenance, Air Force”, \$1,800,000.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1901. (a) TRANSFER AUTHORITY.—Subject to subsection (b), the Secretary of Defense may transfer not more than \$150,000,000 of the funds appropriated or otherwise made available to the Department of Defense in this Act to the contingency construction account, authorized under section 2804 of title 10, United States Code, for the purpose of carrying out military construction projects not otherwise authorized by law. The transfer authority under this section is in addition to any other transfer authority available to the Department of Defense.

(b) CONDITIONS ON TRANSFER.—A transfer of funds under subsection (a) may not be made until the end of the 7-day period beginning on the date the Secretary of Defense submits written notice to the appropriate committees of Congress certifying that the transfer is necessary to respond to, or protect against, acts or threatened acts of terrorism or to support Department of Defense operations in Iraq, and specifying the amounts and purposes of the transfer, including a list of proposed projects and their estimated costs.

(c) NOTICE OF OBLIGATIONS.—Notwithstanding section 2804(b) of title 10, United States Code, when a decision is made to carry out a military construction project using funds transferred to the

contingency construction account under subsection (a), the Secretary of Defense shall submit written notice to the appropriate committees of Congress no later than 15 days after the obligation of the funds for the project, specifying the estimated cost of the project and including form 1391.

(d) DEFINITIONS.—For purposes of this section, the terms “appropriate committees of Congress”, “military construction”, and “military installation” have the meanings given such terms in section 2801 of title 10, United States Code, except that, with respect to military construction in a foreign country, the term “military installation” includes, not only buildings, structures, and other improvements to real property under the operational control of the Secretary of a military department or the Secretary of Defense, but also any building, structure, or other improvement to real property to be used by the Armed Forces, regardless of whether such use is anticipated to be temporary or of longer duration.

SEC. 1902. (a) The Secretary of the Army may accept funds from the State of Utah, and credit them to the appropriate Department of the Army accounts for the purpose of funding the costs associated with extending the runway at Michael Army Airfield, Dugway Proving Ground, Utah, as part of a previously authorized military construction project.

(b) The Secretary may use the funds accepted for the refurbishment, in addition to funds authorized and appropriated for the project. The authority to accept a contribution under this section does not authorize the Secretary of the Army to reduce expenditures of amounts appropriated for the refurbishment project. The funds accepted shall remain available until expended.

Effective date.

(c) The authority provided in this section shall be effective upon the date of the enactment of this Act.

CHAPTER 10

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized, \$25,000,000, to remain available until September 30, 2005: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That none of the funds under this heading may be obligated or expended until the Department of Transportation Inspector General certifies to the House and Senate Committees on Appropriations that the recommendations of report CR–2003–031 have been implemented to his satisfaction.

Certification.

TITLE II—MISCELLANEOUS AND TECHNICAL
APPROPRIATIONS

CHAPTER 1

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, AND
RELATED AGENCIES

GENERAL PROVISIONS

SEC. 2101. (a) Section 756 in division A of Public Law 108–7 is amended by striking “section 7404” and inserting in lieu thereof “sections 7404(a)(1) and 7404(c)(1)”. *Ante*, p. 45.

(b) Section 7404(e) of Public Law 107–171 is amended by striking “0.1 percent of the amount of appropriations available to the Agricultural Research Service” and inserting in lieu thereof “\$499,000 of the amount of appropriations available to the Department of Agriculture”. 7 USC 3101 note.

SEC. 2102. Section 210 of the Agricultural Assistance Act of 2003, “Assistance to Agricultural Producers Located in New Mexico for Tebuthiuron Application Losses”, is amended in subsection (a)— *Ante*, p. 544.

(1) by inserting “all” before “losses”;

(2) by inserting after “losses” the following: “to crops, livestock, and trees, and interest and loss of income, and related expenses”;

(3) by striking “during calendar years 2002 and 2003”; and

(4) by striking “August” and inserting in lieu thereof “July”.

SEC. 2103. LIVESTOCK COMPENSATION PROGRAM. Section 203(a) of the Agricultural Assistance Act of 2003 (title II of division N of Public Law 108–7) is amended by adding at the end the following: *Ante*, p. 539.

“(3) GRANTS.—

“(A) IN GENERAL.—To provide assistance to eligible applicants under paragraph (2)(B), the Secretary shall provide grants to appropriate State departments of agriculture (or other appropriate State agencies) that agree to provide assistance to eligible applicants.

“(B) AMOUNT.—The total amount of grants provided under subparagraph (A) shall be equal to the total amount of assistance that the Secretary determines all eligible applicants are eligible to receive under paragraph (2)(B).”.

SEC. 2104. USE OF ORGANICALLY PRODUCED FEED FOR CERTIFICATION AS ORGANIC FARM. Section 771 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003 (division A of Public Law 108–7) is repealed. *Ante*, p. 49.

SEC. 2105. WILD SEAFOOD. Section 2107 of the Organic Foods Production Act of 1990 (7 U.S.C. 6503) is amended— 7 USC 6506.

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

“(c) WILD SEAFOOD.—

“(1) IN GENERAL.—Notwithstanding the requirement of section 2107(a)(1)(A) requiring products be produced only on certified organic farms, the Secretary shall allow, through regulations promulgated after public notice and opportunity for comment, wild seafood to be certified or labeled as organic. Regulations. Public information.

“(2) CONSULTATION AND ACCOMMODATION.—In carrying out paragraph (1), the Secretary shall—

“(A) consult with—

“(i) the Secretary of Commerce;

“(ii) the National Organic Standards Board established under section 2119;

“(iii) producers, processors, and sellers; and

“(iv) other interested members of the public; and

“(B) to the maximum extent practicable, accommodate the unique characteristics of the industries in the United States that harvest and process wild seafood.”.

SEC. 2106. TECHNICAL ASSISTANCE FOR CONSERVATION PROGRAMS. (a) IN GENERAL.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (b) and inserting the following:

Effective date.

“(b) TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—Effective beginning on the date of enactment of the Agricultural Assistance Act of 2003, subject to paragraph (2), Commodity Credit Corporation funds made available under paragraphs (4) through (7) of subsection (a) shall be available for the provision of technical assistance (subject to section 1242) for the conservation programs specified in subsection (a).

“(2) CONSERVATION SECURITY PROGRAM.—Effective for fiscal year 2004 and subsequent fiscal years, Commodity Credit Corporation funds made available to carry out the conservation security program under subsection (a)(3)—

“(A) shall be available for the provision of technical assistance for the conservation security program; and

“(B) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the conservation security program.”.

16 USC 3841
note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on February 20, 2003.

CHAPTER 2

DEPARTMENT OF COMMERCE AND RELATED AGENCIES

RELATED AGENCIES

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

EUROPEAN COMMUNITIES MUSIC LICENSING DISPUTE

For the payment to the European Communities with regard to the European Communities music licensing dispute, \$3,300,000.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

PROCUREMENT, ACQUISITION AND CONSTRUCTION

For an additional amount for “Procurement, Acquisition and Construction” for satellite programs, \$65,000,000, to remain available until September 30, 2004: *Provided*, That funds provided under

this heading for the National Polar-orbiting Operational Environmental Satellite System shall only be made available on a dollar for dollar matching basis with funds provided for the same purpose by the Department of Defense.

RELATED AGENCIES

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For an additional amount for “Equal Employment Opportunity Commission, Salaries and Expenses”, \$15,000,000.

NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

SALARIES AND EXPENSES

For an additional amount for “National Commission on Terrorist Attacks Upon the United States, Salaries and Expenses”, \$11,000,000, to remain available until September 30, 2004.

GENERAL PROVISION, THIS CHAPTER

SEC. 2201. Section 501(b) of title V of division N of the Consolidated Appropriations Resolution, 2003 is amended—

Ante, p. 549.

(1) by striking “program authorized for the fishery in Sec. 211” and inserting “programs authorized for the fisheries in sections 211 and 212”; and

(2) by striking “program in section 211” and inserting “programs in sections 211 and 212”.

CHAPTER 3

SUBCOMMITTEE ON DISTRICT OF COLUMBIA

DISTRICT OF COLUMBIA FUNDS

OPERATING EXPENSES

DIVISION OF EXPENSES

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSIONS)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$8,752,000 are rescinded (including \$8,655,000 from local funds and \$97,000 from other funds).

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for “Economic Development and Regulation”, \$13,428,000 (including a rescission of \$1,282,000 from local funds appropriated under this heading in the District of

Columbia Appropriations Act, 2003, and an additional amount of \$14,710,000 from other funds).

PUBLIC SAFETY AND JUSTICE

For an additional amount for “Public Safety and Justice”, \$11,462,000 from local funds.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSIONS)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$11,435,000 are rescinded (including a rescission of \$13,546,000 from local funds and an additional amount of \$2,111,000 from other funds), to be allocated as follows:

(1) DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—An increase of \$2,029,000 (including a rescission of \$29,000 from local funds and an additional amount of \$2,058,000 from other funds).

(2) STATE EDUCATION OFFICE.—A rescission of \$181,000 from local funds.

(3) PUBLIC CHARTER SCHOOLS.—Notwithstanding any other provision of law, a rescission of \$12,000,000 from local funds.

(4) UNIVERSITY OF THE DISTRICT OF COLUMBIA.—A rescission of \$1,040,000 from local funds.

(5) DISTRICT OF COLUMBIA PUBLIC LIBRARIES.—A rescission of \$237,000 (including a rescission of \$290,000 from local funds and an additional amount of \$53,000 from other funds).

(6) COMMISSION ON THE ARTS AND HUMANITIES.—A rescission of \$6,000 from local funds.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for “Human Support Services”, \$30,258,000 (including an additional amount of \$34,292,000 from local funds and a rescission of \$4,034,000 from other funds appropriated under this heading in the District of Columbia Appropriations Act, 2003).

In addition, this heading in the District of Columbia Appropriations Act, 2003, is amended by striking the following proviso “: *Provided further*, That \$37,500,000 in local funds, to remain available until expended, shall be deposited in the Medicaid and Special Education Reform Fund.” and inserting the following proviso “: *Provided further*, That \$74,500,000 in local funds may be deposited in the Medicaid and Special Education Reform Fund and shall then remain available until expended.”.

PUBLIC WORKS

(INCLUDING RESCISSION)

For an additional amount for “Public Works”, \$2,420,000 (including a rescission of \$8,998,000 from local funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, and an additional amount of \$11,418,000 from other funds):

Provided, That \$512,000 from other funds shall remain available until expended for the taxicab revolving loan fund.

REPAYMENT OF LOANS AND INTEREST

(INCLUDING RESCISSION)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$2,466,000 are rescinded.

WILSON BUILDING

(INCLUDING RESCISSION)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$700,000 are rescinded.

WORKFORCE INVESTMENTS

(INCLUDING RESCISSION)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$2,000,000 are rescinded.

NON-DEPARTMENTAL AGENCY

(INCLUDING RESCISSION)

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2003, \$5,799,000 are rescinded.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 2301. The District of Columbia is hereby authorized to transfer an amount not to exceed \$12,081,000, to remain available until expended, from funds identified in the fiscal year 2002 comprehensive annual financial report as the District of Columbia's undesignated, unreserved fund balance to the local general fund to cover revenue shortfalls: *Provided*, That nothing in this provision shall be deemed as granting the District additional authority to expend funds from the emergency or contingency reserves established under section 450A of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1–204.50a(b)).

SEC. 2302. The authority which the Chief Financial Officer of the District of Columbia exercised with respect to personnel, procurement, and the preparation of fiscal impact statements during a control period (as defined in Public Law 104–8) shall remain in effect through September 30, 2004.

SEC. 2303. In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108–7; House Report 108–10), in the matter in title I of division C, under the heading “Federal Payment to the Chief Financial Officer of the District of Columbia” the provision specifying \$100,000 to Friends of Fort Dupont to restore and upgrade unused Fort Dupont baseball fields shall be deemed to read as follows: “\$100,000 to Friends of Fort Dupont to restore and upgrade unused Fort Dupont baseball fields and to support the Fort Dupont’s Kids on Ice program”.

CHAPTER 4

SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

UNITED STATES FISH AND WILDLIFE SERVICE

STATE AND TRIBAL WILDLIFE GRANTS

Ante, p. 223. Division F of Public Law 108–7 is hereby amended under the heading “United States Fish and Wildlife Service, State and Tribal Wildlife Grants” by striking “\$3,000,000” and inserting “\$5,000,000”.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

Ante, p. 224. Division F of Public Law 108–7 is hereby amended under the heading “National Park Service, Operation of the National Park System” by striking “\$1,565,565,000” and inserting “\$1,574,565,000”.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

Deadline. Within 30 days of enactment of this Act, the Secretary of the Interior shall make available for obligation funds previously appropriated in Public Law 107–63 for construction of the Ojibwa Indian School.

GENERAL PROVISION, THIS CHAPTER

Ante, p. 276. SEC. 2401. Section 328 of division F, Public Law 108–7 is amended by striking the phrase “under the authority of Section 504 of the Rescissions Act of 1995 (Public Law 104–19)” in the proviso.

CHAPTER 5

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND
EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

Ante, p. 307. The matter under the heading “Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services”, in Public Law 108–7 is amended—
(1) by striking “Heart Beat, New Bloomfield, PA,” and inserting “Heart Beat, Millerstown, PA,” in lieu thereof;
(2) by striking “Tressler Lutheran Services, Harrisburg, PA, for abstinence education and related services” and inserting “DIAKON Lutheran Social Ministries, Allentown, PA, for

abstinence education and related services in Cumberland and Dauphin counties” in lieu thereof;

(3) by striking “Community Ministries of the Lutheran Home at Topton, Reading, PA, for abstinence education and related services” and inserting “DIAKON Lutheran Social Ministries of Allentown, PA, for abstinence education and related services in Berks county” in lieu thereof;

(4) by striking “\$298,153,000” and inserting “\$296,638,000” in the first proviso; and

(5) by inserting after “a study regarding delivery of pediatric health care in northeastern Oklahoma,” the following: “\$225,000 is available for the Mental Health Association of Tarrant County, Ft. Worth, Texas, to provide school-based mental health education to schools in Tarrant County, \$200,000 is available for the AIDS Research Institute at the University of California, San Francisco for a Developing Country Medical Program to facilitate clinician exchange between the United States and developing countries, \$1,000,000 is available for the Geisinger Health System, Harrisburg, PA, to establish centers of excellence for the treatment of autism”.

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

The matter under the heading “Office of the Secretary, Public Health and Social Services Emergency Fund”, in Public Law 108–7 is amended by striking “, to remain available until expended” after “\$5,000,000”.

Ante, p. 322.

GENERAL PROVISIONS

(TRANSFER AUTHORITY)

SEC. 2501. Section 207 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2003 (Public Law 108–7; division G) is amended by striking “or any other”.

Ante, p. 323.

INTERNATIONAL HEALTH ACTIVITIES

SEC. 2502. (a) In addition to the authority provided in section 215 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2003 (Public Law 108–7, division G), in order for the Centers for Disease Control and Prevention to carry out international health activities, including HIV/AIDS and other infectious disease, chronic and environmental disease, and other health activities abroad during fiscal year 2003, the Secretary of Health and Human Services may exercise authority equivalent to that available to the Secretary of State in section 2(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669(c)).

(b) The Secretary of Health and Human Services shall consult with the Secretary of State and relevant Chief of Mission to ensure that the authority provided in this section is exercised in a manner consistent with section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) and other applicable statutes administered by the Department of State.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

Ante, p. 327.

The matter under the heading “Department of Education, School Improvement Programs”, in Public Law 108–7 is amended—

(1) by striking “\$8,052,957,000” and inserting “\$8,053,507,000”;

(2) by striking “\$508,100,000” and inserting “\$537,100,000”;

(3) by striking “\$4,132,167,000” and inserting “\$4,233,167,000”;

(4) by striking “\$814,660,000” and inserting “\$815,210,000”;

and

(5) by striking “\$212,160,000” and inserting “\$212,710,000”.

In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108–7; House Report 108–10), in the matter in title III of division G, relating to the Fund for the Improvement of Education under the heading “School Improvement Programs”—

(1) the provision specifying \$150,000 for Illinois State Board of Education, Springfield, Illinois, for computers, hardware and software for the implementation of Fast ForWord reading program to the Pleasant Plains Community Unit District #8 and Pleasant Plain Illinois District #18 shall be deemed to read as follows: “Illinois State Board of Education, Springfield, Illinois, for implementation of Fast ForWord reading program to the Pleasant Plains Community Unit District #8 and for improving mathematics achievement in Peoria School District #150 and Jacksonville School District #117, \$150,000”;

(2) the provision specifying \$2,000,000 for Pinellas County Florida School District, St. Petersburg, Florida, for technology for Title I schools shall be deemed to read as follows: “St. Petersburg College, St. Petersburg, Florida, for the Pinellas County EpiCenter, \$2,000,000”;

(3) the provision specifying \$500,000 for the St. Louis Children’s Museum, MO, for a collaborative project with the St. Louis Public Library to create interactive exhibits and educational programs shall be deleted;

(4) the provision specifying \$200,000 for the Harford County Board of Education in Aberdeen, MD, for a collaboration between a science and technology high school and the Aberdeen Proving Ground shall be deemed to read as follows: “Harford County Board of Education in Aberdeen, MD, for a collaboration between a science and technology high school and the Aberdeen Proving Ground, \$700,000”;

(5) the provision specifying \$25,000 for the Boys and Girls Club of El Dorado, Arkansas, for drug prevention and after school programs shall be deemed to read as follows: “Boys and Girls Club, Southeast Unit, El Dorado, Arkansas, for drug prevention and after school programs, \$25,000”;

(6) the provision specifying \$100,000 for the American Academy of Liberal Education, Washington, D.C., to develop projects and survey best practices in the study of American democracy and principles of free government at colleges and universities shall be deleted;

(7) the provision specifying \$400,000 for the Milwaukee Public Schools, Wisconsin, to expand before- and after-school

programs shall be deemed to read: “Milwaukee Public Schools, WI, for before- and after-school programs, \$400,000”;

(8) the provision specifying \$200,000 for Tensas Reunion, Inc., Newellton, LA, for instructional technology training, and after school programs at the Tensas Charter School shall be deemed to read: “Tensas Reunion, Inc., Newellton, LA, for the TREES Project in Tensas Parish, including activities such as the purchase of computers and educational software, tutoring, and workshops to promote parental involvement, \$200,000”;

(9) the provision specifying \$250,000 for Community School District 8, Flushing, NY, for after-school programs shall be deemed to read: “Community School District 8, Bronx, NY, for after-school programs, \$250,000”;

(10) the provision specifying \$20,000 for Westside High School, Bakersfield, California, for equipment shall be deemed to read: “West High School, Bakersfield, California, for equipment, \$20,000”;

(11) the provision specifying \$1,000,000 for the National Science Center Foundation, Atlanta, Georgia, for educational technology and other purposes shall be deemed to read: “National Science Center Foundation, Augusta, Georgia, for educational technology and other purposes, \$1,000,000”;

(12) the provision specifying \$200,000 for the Golden Gate National Parks Association, San Francisco, CA, for environmental education programs at the Crissy Field Center shall be deemed to read: “Golden Gate National Parks Conservancy, San Francisco, CA, for environmental education programs at the Crissy Field Center, \$200,000” and a provision shall be added that reads: “Beresford Community Education in Beresford, SD, to expand community education programs, \$150,000”;

(13) the provision specifying \$100,000 for the University of South Florida, Tampa, FL, for the Tampa Bay Consortium for the Development of Educational Leaders and the Preparation and Recruitment of Teachers shall be deemed to read: “University of South Florida, Tampa, FL, for the Tampa Bay Consortium for the Development of Educational Leaders, \$100,000”;

(14) the provision specifying \$25,000 for the Meredith-Dunn Learning Disabilities Center, Inc., Louisville, Kentucky, for technology shall be deemed to read as follows: “Meredith-Dunn Learning Disabilities Center, Inc., Louisville, Kentucky, for school counseling services, \$25,000”;

(15) the provision specifying \$40,000 for the Father Maloney’s Boys Haven, Louisville, Kentucky, for technology shall be deemed to read as follows: “Father Maloney’s Boys Haven, Louisville, Kentucky, for an educational program, \$40,000”;

(16) the provision specifying \$50,000 for the Joel II Restoration Ministries for education programs shall be deemed to read as follows: “Joel II Restoration Outreach, Inc., for education programs, \$50,000”; and

(17) the provision specifying \$1,500,000 for the City of Upland, California, for after school programs shall be deemed to read as follows: “YMCA of the City of Upland, California, for after-school activities, \$1,500,000”.

HIGHER EDUCATION

Ante, p. 330. The matter under the heading “Higher Education”, in Public Law 108-7 is amended—

(1) by striking “\$2,100,701,000” and inserting “\$2,100,151,000”; and

(2) by striking “\$140,599,000” and inserting “\$140,049,000”.

In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108-7; House Report 108-10), in the matter in title III of division G, relating to the Fund for the Improvement of Postsecondary Education under the heading “Higher Education”—

(1) the second reference to the provision specifying \$1,000,000 for the University of Massachusetts-Boston to purchase research equipment and technology infrastructure shall be deleted;

(2) the provision specifying \$500,000 for Harford County Public Schools, Bel Air, MD, for support of a math and science magnet school program at Aberdeen High School shall be deleted and a provision shall be added that reads: “American Academy of Liberal Education, Washington, D.C., to develop projects and survey best practices in the study of American democracy and principles of free government at colleges and universities, \$100,000”;

(3) the provision specifying \$100,000 for Slippery Rock University, Slippery Rock, PA, for Knowledge Pointe at Cranberry Woods, as part of an initiative to provide life-long educational services to Pittsburgh’s regional industry and community residents shall be deemed to read as follows: “Regional Learning Alliance, Marshall Township in Allegheny County, PA, as part of an initiative to provide life-long educational services to Pittsburgh’s regional industry and community residents, \$200,000”;

(4) the provision specifying \$150,000 for Beresford Community Education in Beresford, SD, to expand community education programs shall be deleted;

(5) the provision specifying \$100,000 for Slippery Rock University, Slippery Rock, Pennsylvania, for the North Hill Educational Alliance shall be deleted;

(6) the provision specifying \$400,000 for the University of Southern Maine, Portland, Maine, for telecommunications and technology upgrades to support science, engineering and advanced technology programs shall be deleted and the provision specifying \$600,000 for the University of Maine, School of Applied Science, Engineering & Technology for purchase of equipment and technology shall be deemed to read as follows: “University of Southern Maine, School of Applied Science, Engineering & Technology for purchase of equipment and technology, \$1,000,000”; and

(7) the provision specifying \$250,000 to the National Aviary Conservation Education Technology Integration in Pittsburgh shall be deemed to read as follows: “National Aviary Conservation Education Technology Integration in Pittsburgh, for the Remote Audio-Visual Engagement Network (RAVEN) project, \$250,000”.

GENERAL PROVISIONS

SEC. 2503. Section 1707(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6537(3)) is amended by striking “17” and inserting “19”.

SEC. 2504. Section 7304(a)(2)(P) of the Elementary and Secondary Education Act of 1965 is amended by striking “such as” and inserting in lieu thereof “operated by”. 20 USC 7544.

RELATED AGENCIES

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

The matter under the heading “Corporation for National and Community Service, Domestic Volunteer Service Programs, Operating Expenses”, in Public Law 108–7 is amended by inserting after “in this Act” the following: “for activities authorized by section 122 of part C of title I and part E of title II of the Domestic Volunteer Service Act of 1973”.

Ante, p. 333.

CHAPTER 6

SUBCOMMITTEE ON LEGISLATIVE BRANCH

ARCHITECT OF THE CAPITOL

SEC. 2601. (a) The third sentence of section 1203(a) of the Legislative Branch Appropriations Act, 2003 (Public Law 108–7, division H) is amended by striking “not later than 90 days” and inserting “not later than 180 days”.

Ante, p. 373.

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2003.

Effective date.
2 USC 1805 note.

SEC. 2602. Notwithstanding any other provision of law, the Architect of the Capitol may obligate and expend such amounts from the Capitol Preservation Fund established under section 803 of the Arizona-Idaho Conservation Act of 1988 (2 U.S.C. 2083, formerly 40 U.S.C. 188a–2) as approved by the Capitol Preservation Commission established under section 801 of such Act (2 U.S.C. 2081, formerly 40 U.S.C. 188a) for the purposes of planning, engineering, design or construction of the Capitol Visitor Center.

LIBRARY OF CONGRESS

SEC. 2603. The Legislative Branch Appropriations Act, 2003 (Public Law 108–7, division H) is amended in the item relating to “Library of Congress—Salaries and Expenses” by striking the period at the end and inserting the following: “: *Provided further*, That of the amount transferred under this heading to the educational consortium formed to conduct the ‘Joining Hands Across America: Local Community Initiative’, not more than \$500,000 may be used for a math and science education pilot project.”.

Ante, p. 376.

SEC. 2604. The Legislative Branch Appropriations Act, 2003 (Public Law 108–7, division H) is amended in the item relating to “Library of Congress—Salaries and Expenses” by striking “North

Carolina” and inserting the following: “North Carolina, and for developing a high-capacity computer facility to serve that region”.

CHAPTER 7

SUBCOMMITTEE ON TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT

GENERAL PROVISIONS, THIS CHAPTER

Ante, p. 415.

SEC. 2701. Section 336 of division I of Public Law 108-7 is amended by striking “Transportation Management” and inserting in lieu thereof “Urbanized”.

Ante, p. 411.

SEC. 2702. Section 321 of division I of Public Law 108-7 is amended by—

(1) inserting “or underneath” in subsection (q)(2) before “the Class B airspace”;

(2) striking “has sufficient capacity and” in subsection (q)(3) after “Title 49”; and

(3) inserting “passenger” in subsection (q)(3) before “delays”.

SEC. 2703. Amounts made available to carry out sections 1212(k) and 5117(b)(6) of 112 Stat. 107 et seq. shall be used to carry out item number 1278 of the table contained in section 1602 of such Act (112 Stat. 263).

SEC. 2704. It is the sense of the Senate that—

(1) the asset acquisition of Trans World Airlines by American Airlines was a positive action that should be commended;

(2) although the acquisition was a positive action, the combination of the two airlines has resulted in a difficult seniority integration for the majority of the employee groups involved;

(3) airline layoffs from American Airlines should be conducted in a manner that maintains the maximum level of fairness and equitable treatment for all parties involved; and

(4) American Airlines should encourage its employee groups to integrate all employees in a manner that is fair and equitable for all parties involved.

SEC. 2705. No provision of this Act may be construed as altering or amending the force or effect of any of the following provisions of law as currently applied:

(1) Sections 2631 and 2631a of title 10, United States Code.

(2) Sections 901(b) and 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b), 1241f).

(3) Public Resolution Numbered 17, Seventy-third Congress (48 Stat. 500).

(4) Any other similar provision of law requiring the use of privately owned United States flag commercial vessels for certain transportation purposes of the United States.

SEC. 2706. (a) Notwithstanding any other provision of law, projects and activities designated on pages 1267 through 1278 of the Joint Explanatory Statement of the Committee of Conference for Public Law 108-7 shall be eligible for fiscal year 2003 funds made available from the program for which each project or activity is so designated and projects and activities on pages 1305 through 1307 shall be awarded those grants upon receipt of an application.

(b) Public Law 108–7 is amended in the first paragraph under the heading “Federal Highway Administration Limitation on Administrative Expenses” by striking “\$269,700,000” and inserting “\$299,745,000”. *Ante*, p. 392.

SEC. 2707. Notwithstanding any other provision of law, funds made available under the heading “Federal Transit Administration Formula Grants” for fiscal year 2003 shall be available to finance the operating cost of equipment and facilities for use in public transportation in an urbanized area with a population of at least 200,000 as determined under the 2000 Federal decennial census of population for a portion of the area that was not designated as an urbanized area as determined under the 1990 Federal decennial census of population if that portion of the area received assistance under section 5311 of title 49, United States Code.

SEC. 2708. Section 41743(c)(4) of title 49, United States Code, is amended by inserting before the period at the end the following: “in each year for which funds are appropriated for the program”.

SEC. 2709. Section 626 of title VI of division B of Public Law 108–7 is amended by striking “previously”.

Ante, p. 106.

SEC. 2710. None of the funds in this Act or any other Act may be obligated or expended to pay for transportation described in section 41106 of title 49, United States Code, to be performed by any air carrier that is not effectively controlled by citizens of the United States: *Provided*, That for purposes of implementing section 41106, an air carrier shall not be considered to be effectively controlled by citizens of the United States if the air carrier receives 50 percent or more of its operating revenue over the most recent 3-year period from a person not a citizen of the United States and such person, directly or indirectly, either owns a voting interest in the air carrier or is owned by an agency or instrumentality of a foreign state: *Provided further*, That this prohibition applies to transportation performed under any contract awarded or re-awarded after the date of enactment of this Act: *Provided further*, That when the Secretary of Defense decides that no air carrier holding a certificate under section 41102 is capable of providing, and willing to provide, such transportation, the Secretary of Defense may make a contract to provide the transportation with an air carrier not having a certificate: *Provided further*, That the Secretary of Transportation is directed to use an Administrative Law Judge in a formal proceeding to resolve docket number OST–2002–13089.

Applicability.

CHAPTER 8

SUBCOMMITTEE ON VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for costs associated with processing claims of veterans who may have incurred injuries with service in the Persian Gulf War combat arena, \$100,000,000, to remain available until expended: *Provided*, That the Secretary may transfer

Notification. such sums as may be necessary to “Veterans Health Administration, Medical Care” to provide health care services as authorized by 38 U.S.C. 1710(e)(1)(D) subject to a determination by the Secretary of Veterans Affairs that such additional funds are necessary: *Provided further*, That the Secretary shall notify the Committees on Appropriations at least 15 days prior to the transfer or allocation of any funds provided under this paragraph.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

The referenced statement of managers under the heading “Community development fund” in title II of Public Law 108–7 under grant No. 26 under the Neighborhoods Initiative program is amended by striking “Glendale, Montana” and inserting in lieu thereof “Glendive, Montana”.

The referenced statement of managers under the heading “Community development fund” in title II of Public Law 106–377 is amended by striking “\$200,000 for Light of Life Ministries in Allegheny County, Pennsylvania for infrastructure improvements at the Serenity Village homeless programs” and inserting in lieu thereof “\$200,000 for Light of Life Ministries in Allegheny County, Pennsylvania, for renovation and infrastructure improvements for a homeless service center on Penn Avenue in Pittsburgh”.

The referenced statement of managers under the heading “Community development fund” in title II of Public Law 108–7 under grant No. 201 under the Economic Development Initiatives program is amended by striking “the Clearwater Economic Development Association in Clearwater, Idaho” and inserting in lieu thereof “the State of Idaho”.

The referenced statement of managers under the heading “Community development fund” in title II of Public Law 108–7 under grant No. 873 under the Economic Development Initiatives program is amended by striking “Grant County Commission in West Virginia” and inserting in lieu thereof “Grant County Library Commission in Grant County, West Virginia”.

INDEPENDENT AGENCIES

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

To liquidate obligations previously incurred by the Corporation for National and Community Service (“Corporation”), up to \$64,000,000 is provided to the National Service Trust: *Provided*, That the Corporation may use these funds only to liquidate the deficiency that it has already incurred and that these funds are not available for obligation, or to liquidate obligations, for any other purpose whatsoever: *Provided further*, That the Corporation may not use these funds unless and until it reports these overobligations to the Congress and the President in accordance with the requirements of the Antideficiency Act and the guidance of the Office of Management and Budget in OMB Circular A–11 (2002):

Provided further, That the second proviso under the heading “Corporation for National and Community Service” in Public Law 108–7 is deemed to be amended by inserting after “section 501(a)(4)” the following: “with not less than \$2,500,000 for the Office of the Chief Financial Officer to enact financial reform in the Corporation, without regard to the provisions of section 501(a)(4)(B) of the Act”. *Ante*, p. 506.

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

The referenced statement of the managers under this heading in Public Law 106–74 is deemed to be amended in reference to item number 135, as amended, by striking everything after “135.” and inserting, “\$437,000 for the Huntington Sanitary Board of Huntington, West Virginia for the construction of wastewater treatment facilities in the Fourpole Watershed; and \$513,000 for the Region I Planning and Development Council in Princeton, West Virginia for water and wastewater infrastructure improvements”: *Provided*, That the referenced statement of the managers under this heading in Public Law 107–73 is deemed to be amended by striking everything after “District” in reference to item number 222 and inserting “for water infrastructure improvements”: *Provided further*, That the referenced statement of the managers under this heading in Public Law 108–7 is deemed to be amended by striking everything after the word “Agency” in reference to item number 72 and inserting “for the Mojave Desert Arsenic Demonstration Project”.

ADMINISTRATIVE PROVISION

Within 30 days of enactment of this Act, the Administrator of the Environmental Protection Agency shall adjust each “maximum annual fee payable” pursuant to 7 U.S.C. 136a–1(i)(5)(D) and (E) in a manner such that maintenance fee collections made to reach the level authorized in division K of Public Law 108–7 shall be established in the same proportion as those maintenance fee collections authorized in Public Law 107–73.

Deadline.
7 USC 136a–1
note.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

The first sentence under this heading in Public Law 108–7 is amended by striking “\$320,000,000” and inserting in lieu thereof “\$330,000,000”.

Ante, p. 521.

TITLE III—COLUMBIA ORBITER MEMORIAL ACT

SEC. 301. SHORT TITLE.

This title may be cited as the “Columbia Orbiter Memorial Act”.

Columbia Orbiter
Memorial Act.
38 USC 2409
note.

SEC. 302. CONSTRUCTION OF MEMORIAL TO CREW OF COLUMBIA ORBITER AT ARLINGTON NATIONAL CEMETERY.

Virginia.

(a) CONSTRUCTION REQUIRED.—The Secretary of the Army shall, in consultation with the Administrator of the National Aeronautics and Space Administration, construct at an appropriate place in

Arlington National Cemetery, Virginia, a memorial marker honoring the seven members of the crew of the Columbia Orbiter who died on February 1, 2003, over the State of Texas during the landing of space shuttle mission STS–107.

(b) AVAILABILITY OF FUNDS.—Of the amount appropriated or otherwise made available by title II of the Department of Defense Appropriations Act, 2003 (Public Law 107–248) under the heading “OPERATION AND MAINTENANCE, ARMY”, \$500,000 shall be available for the construction of the memorial marker required by subsection (a).

SEC. 303. DONATIONS FOR MEMORIAL FOR CREW OF COLUMBIA ORBITER.

(a) AUTHORITY TO ACCEPT DONATIONS.—The Administrator of the National Aeronautics and Space Administration may accept gifts and donations of services, money, and property (including personal, tangible, or intangible property) for the purpose of an appropriate memorial or monument to the seven members of the crew of the Columbia Orbiter who died on February 1, 2003, over the State of Texas during the landing of space shuttle mission STS–107, whether such memorial or monument is constructed by the Administrator or is the memorial marker required by section 302.

(b) TRANSFER.—(1) The Administrator may transfer to the Secretary of the Army any services, money, or property accepted by the Administrator under subsection (a) for the purpose of the construction of the memorial marker required by section 302.

(2) Any moneys transferred to the Secretary under paragraph (1) shall be merged with amounts in the account referred to in subsection (b) of section 302, and shall be available for the purpose referred to in that subsection.

(c) EXPIRATION OF AUTHORITY.—The authority of the Administrator to accept gifts and donations under subsection (a) shall expire 5 years after the date of the enactment of this Act.

TITLE IV—AVIATION-RELATED ASSISTANCE

DEPARTMENT OF HOMELAND SECURITY

TRANSPORTATION SECURITY ADMINISTRATION

For expenses and revenue forgone related to aviation security, \$2,395,750,000, to remain available until September 30, 2003: *Provided*, That the first \$100,000,000 of such amounts shall be available, notwithstanding any other provision of this Act, until expended to compensate air carriers for the direct costs associated with the strengthening of flight deck doors and locks on aircraft required by section 104(a)(1)(B) of the Aviation and Transportation Security Act: *Provided further*, That the remaining \$2,295,750,000 of such amounts shall be remitted to United States flag air carriers in the proportional share each such carrier has paid or collected as of the date of enactment of this Act in passenger security and air carrier security fees to the Transportation Security Administration: *Provided further*, That payments made under the preceding proviso may be used by an air carrier for such purposes as the carrier determines appropriate: *Provided further*, That payments made under this heading shall be distributed as a lump sum payment and made not later than 30 days after the date of enactment

Deadline.

of this Act: *Provided further*, That the Transportation Security Administration, not later than 30 days after the last disbursement of funds made pursuant to the second proviso under this heading, shall certify that such funds were allocated by air carriers for security related expenses or revenue forgone as a result of meeting Federal security mandates and shall transmit such certification to the Senate Committee on Appropriations, the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Appropriations, and the House Committee on Transportation and Infrastructure: *Provided further*, That the Under Secretary for Border and Transportation Security of the Department of Homeland Security shall not impose the fees authorized by section 44940(a) of title 49, United States Code, during the period beginning June 1, 2003, and ending September 30, 2003: *Provided further*, That: (1) Notwithstanding any other provision of law, the Secretary of Homeland Security may not provide assistance to an air carrier pursuant to the second proviso under this heading unless that air carrier executes a contract with the Secretary under which the air carrier agrees that—

Deadline.
Certification.

(A) the air carrier will not provide total cash compensation during the 12-month period beginning April 1, 2003, to an executive officer in an amount equal to more than the annual salary paid to that officer with respect to the air carrier's fiscal year 2002; and

(B) if the air carrier violates the agreement under subparagraph (A), the air carrier will pay to the Secretary of the Treasury, within 60 days after the date on which the violation occurs, an amount, determined by the Secretary of Homeland Security, equal to the total amount of assistance received by the air carrier pursuant to the second proviso under this heading.

(2) For the purpose of applying paragraph (1) of this proviso to an executive officer—

(A) who was employed by an air carrier for less than 12 months during the air carrier's fiscal year 2002, or whose employment began after the last day of the last fiscal year of such air carrier ending before the date of enactment of this Act—

(i) the salary paid to that executive officer in that air carrier's fiscal year 2002, or in the next fiscal year of that air carrier (if such next fiscal year began before the date of enactment of this Act), respectively, shall be determined as an annual rate of pay;

(ii) that annual rate of pay shall be treated as if it were the annual salary paid to that executive officer during the air carrier's fiscal year 2002; and

(iii) that executive officer shall be deemed to have been employed during that fiscal year; and

(B) whose employment begins after the date of enactment of this Act—

(i) the annual salary at which that executive officer is first employed by an air carrier may not exceed the maximum salary paid to any executive officer by that air carrier during that air carrier's fiscal year 2002 with the same or similar responsibilities;

(ii) that salary shall be treated as if it were the annual salary paid to the executive officer during that air carrier's fiscal year 2002; and

(iii) the executive officer shall be deemed to have been employed by that air carrier during that air carrier's fiscal year 2002.

(3) The Secretary shall not apply any of the conditions of this proviso for receiving assistance pursuant to the second proviso under this heading to any air carrier that operates aircraft exclusively with 85 seats or less, any Hawaii-based carrier or any air carrier that does not operate trans-Pacific or trans-Atlantic flights.

Records.

(4)(A) The Comptroller General, or any of the Comptroller General's duly authorized representatives, shall have access for the purpose of audit and examination to any books, accounts, documents, papers, and records of air carriers entering into an agreement under this proviso that relate to the information required to implement the provisions of this proviso.

Reports.
Certification.

(B) The Comptroller General shall transmit a report of any investigation conducted under this proviso to the Senate Committee on Appropriations, the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Appropriations, and the House of Representatives Committee on Transportation and Infrastructure, together with a certification as to whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by this report.

(5) In this proviso, the following definitions apply:

(A) The term "executive officer" means the two most highly compensated named executive officers (as that term is used in section 402(a)(3) of Regulation S-K promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (17 CFR 229.402(a)(3))).

(B) The term "salary" means the base salary of an individual, excluding any bonuses, awards of stock, or other financial benefits provided by an air carrier to the individual.

(C) The term "total cash compensation" has the meaning given the term "total compensation" by section 104(b) of the Air Transportation Safety and System Stabilization Act (49 U.S.C. 40101 note), but does not include awards of stock or stock options or preexisting contracts governing retirement.

(6) Nothing in this proviso shall be construed to prohibit or limit an air carrier in providing health benefits, life insurance benefits, or reimbursement of reasonable expenses to an executive officer.

GENERAL PROVISIONS—THIS TITLE

SEC. 4001. (a) Section 44302(f)(1) of title 49, United States Code, is amended by striking "2003" each place it appears and inserting "2004".

(b) Section 44303(b) of such title is amended by striking "2003" and inserting "2004".

(c) Section 44310 of such title is amended by striking "2003" and inserting "2004".

**SEC. 4002. ADDITIONAL TEMPORARY EXTENDED UNEMPLOYMENT
COMPENSATION FOR DISPLACED AIRLINE RELATED
WORKERS.** 26 USC 3304
note.

(a) **DEFINITIONS.**—For purposes of this section—

(1) the term “eligible individual” means an individual whose eligibility for temporary extended unemployment compensation under the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21), as amended by Public Law 108–1 (117 Stat. 3), is or would be based on the exhaustion of regular compensation under State law, entitlement to which was based in whole or in part on qualifying employment performed during such individual’s base period;

(2) the term “qualifying employment”, with respect to an eligible individual, means employment—

(A) with an air carrier, employment at a facility at an airport, or with an upstream producer or supplier for an air carrier; and

(B) as determined by the Secretary, separation from which was due, in whole or in part, to—

(i) reductions in service by an air carrier as a result of a terrorist action or security measure;

(ii) a closure of an airport in the United States as a result of a terrorist action or security measure; or

(iii) a military conflict with Iraq that has been authorized by Congress;

(3) the term “air carrier” means an air carrier that holds a certificate issued under chapter 411 of title 49, United States Code;

(4) the term “upstream producer” means a firm that performs additional, value-added, production processes, including firms that perform final assembly, finishing, or packaging of articles, for another firm;

(5) the term “supplier” means a firm that produces component parts for, or articles and contract services considered to be a part of the production process or services for, another firm;

(6) the term “Secretary” means the Secretary of Labor; and

(7) the term “terrorist action or security measure” means a terrorist attack on the United States on September 11, 2001, or a security measure taken in response to such attack.

(b) **ADDITIONAL TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION FOR ELIGIBLE INDIVIDUAL.**—In the case of an eligible individual, the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21), as amended by Public Law 108–1 (117 Stat. 3), shall be applied as if it had been amended in accordance with subsection (c). Applicability.

(c) **MODIFICATIONS.**—

(1) **IN GENERAL.**—For purposes of subsection (b), the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21), as amended by Public Law 108–1 (117 Stat. 3), shall be treated as if it had been amended as provided in this subsection.

(2) **PROGRAM EXTENSION.**—Deem section 208 of the Temporary Extended Unemployment Compensation Act of 2002,

26 USC 3304
note.

as amended by Public Law 108–1 (117 Stat. 3), to be amended to read as follows:

“SEC. 208. APPLICABILITY.

“(a) IN GENERAL.—Subject to subsection (b), an agreement entered into under this title shall apply to weeks of unemployment—

“(1) beginning after the date on which such agreement is entered into; and

“(2) ending before December 29, 2003.

“(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

“(1) IN GENERAL.—Subject to paragraph (2), in the case of an individual who has amounts remaining in an account established under section 203 as of December 28, 2003, temporary extended unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such date for which the individual meets the eligibility requirements of this title, including such compensation payable by reason of amounts deposited in such account after such date pursuant to the application of subsection (c) of such section.

“(2) LIMITATION.—No compensation shall be payable by reason of paragraph (1) for any week beginning after December 26, 2004.”.

(3) ADDITIONAL WEEKS OF BENEFITS.—Deem section 203 of the Temporary Extended Unemployment Compensation Act of 2002, as amended by Public Law 108–1 (117 Stat. 3), to be amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A), by striking “50” and inserting “150”; and

(ii) by striking “13” and inserting “39”; and

(B) in subsection (c)(1), by inserting “ $\frac{1}{3}$ of” after “equal to”.

(4) EFFECTIVE DATE OF MODIFICATIONS DESCRIBED IN PARAGRAPH (3).—

(A) IN GENERAL.—The amendments described in paragraph (3)—

(i) shall be deemed to have taken effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002; but

(ii) shall be treated as applying only with respect to weeks of unemployment beginning on or after the date of enactment of this Act, subject to subparagraph (B).

(B) SPECIAL RULES.—In the case of an eligible individual for whom a temporary extended unemployment account was established before the date of enactment of this Act, the Temporary Extended Unemployment Compensation Act of 2002 (as amended by this section) shall be applied subject to the following:

(i) Any amounts deposited in the individual’s temporary extended unemployment compensation account by reason of section 203(c) of such Act (commonly known as “TEUC–X amounts”) before the date of enactment of this Act shall be treated as amounts deposited by reason of section 203(b) of such Act (commonly

26 USC 3304
note.

known as “TEUC amounts”), as deemed to have been amended by paragraph (3)(A).

(ii) For purposes of determining whether the individual is eligible for any TEUC–X amounts under such Act, as deemed to be amended by this subsection—

(I) any determination made under section 203(c) of such Act before the application of the amendment described in paragraph (3)(B) shall be disregarded; and

(II) any such determination shall instead be made by applying section 203(c) of such Act, as deemed to be amended by paragraph (3)(B), as of the time that all amounts established in such account in accordance with section 203(b) of such Act (as deemed to be amended under this subsection, and including any amounts described in clause (i)) are in fact exhausted.

TITLE V—PANEL TO REVIEW SEXUAL MISCONDUCT ALLEGATIONS AT UNITED STATES AIR FORCE ACADEMY

SEC. 501. ESTABLISHMENT OF PANEL.

(a) **ESTABLISHMENT.**—There is established a panel to review sexual misconduct allegations at the United States Air Force Academy.

(b) **COMPOSITION.**—The panel shall be composed of seven members, appointed by the Secretary of Defense from among private United States citizens who have expertise in behavioral and psychological sciences and standards and practices relating to proper treatment of sexual assault victims (to include their medical and legal rights and needs), as well as the United States military academies.

(c) **CHAIRMAN.**—The Secretary of Defense shall, in consultation with the Chairmen of the Committees on Armed Services of the Senate and House of Representatives, select the Chairman of the panel from among its members under subsection (b).

(d) **PERIOD OF APPOINTMENT; VACANCIES.**—Members shall be appointed for the life of the panel. Any vacancy in the panel shall be filled in the same manner as the original appointment.

(e) **MEETINGS.**—The panel shall meet at the call of the Chairman.

(f) **INITIAL ORGANIZATION REQUIREMENTS.**—(1) All original appointments to the panel shall be made not later than May 1, 2003. Deadline.

(2) The Chairman shall convene the first meeting of the panel not later than May 8, 2003.

SEC. 502. DUTIES OF PANEL.

(a) **IN GENERAL.**—The panel established under section 501(a) shall carry out a study of the policies, management and organizational practices, and cultural elements of the United States Air Force Academy that were conducive to allowing sexual misconduct (including sexual assaults and rape) at the United States Air Force Academy.

(b) REVIEW.—In carrying out the study required by subsection (a), the panel shall—

(1) review the actions taken by United States Air Force Academy personnel and other Department of the Air Force officials in response to allegations of sexual assaults at the United States Air Force Academy;

(2) review directives issued by the United States Air Force pertaining to sexual misconduct at the United States Air Force Academy;

(3) review the effectiveness of the process, procedures, and policies used at the United States Air Force Academy to respond to allegations of sexual misconduct;

(4) review the relationship between—

(A) the command climate for women at the United States Air Force Academy, including factors that may have produced a fear of retribution for reporting sexual misconduct; and

(B) the circumstances that resulted in sexual misconduct at the Academy;

(5) review, evaluate, and assess such other matters and materials as the panel considers appropriate for the study; and

(6) review, and incorporate as appropriate, the findings of ongoing studies being conducted by the Air Force General Counsel and Inspector General.

Deadline.

(c) REPORT.—(1) Not later than 90 days after its first meeting under section 501(f)(2), the panel shall submit a report on the study required by subsection 502(a) to the Secretary of Defense and the Committees on Armed Services of the Senate and the House of Representatives.

(2) The report shall include—

(A) the findings and conclusions of the panel as a result of the study; and

(B) any recommendations for legislative or administrative action that the panel considers appropriate in light of the study.

SEC. 503. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—(1) Members of the panel established under section 501(a) shall serve without pay by reason of their work on the panel.

(2) Section 1342 of title 31, United States Code, shall not apply to the acceptance of services of a member of the panel under this title.

(b) TRAVEL EXPENSES.—The members of the panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel.

TITLE VI—GENERAL PROVISIONS—THIS ACT

SEC. 6001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the “Emergency Wartime Supplemental Appropriations Act, 2003”.

Approved April 16, 2003.

LEGISLATIVE HISTORY—H.R. 1559 (S. 762):

HOUSE REPORTS: Nos. 108–55 (Comm. on Appropriations) and 108–76 (Comm. of Conference).

SENATE REPORTS: No. 108–33 accompanying S. 762 (Comm. on Appropriations). CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 3, considered and passed House.

Apr. 7, considered and passed Senate, amended, in lieu of S. 762.

Apr. 12, House and Senate (pursuant to a unanimous-consent agreement on Apr. 11) agreed to conference report.



Public Law 108–12
108th Congress

An Act

Apr. 22, 2003
[H.R. 397]

To reinstate and extend the deadline for commencement of construction of a hydro-electric project in the State of Illinois.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF TIME FOR FEDERAL ENERGY REGULATORY COMMISSION PROJECT.

Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 11214, the Commission may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the Commission's procedures under that section—

(1) reinstate the license for the construction of the project as of the effective date of the surrender of the license; and

(2) extend the time period during which the licensee is required to commence the construction of the project for 3 consecutive 2-year periods beyond the date that is 4 years after the date of issuance of the license.

Approved April 22, 2003.

LEGISLATIVE HISTORY—H.R. 397 (S. 220):

HOUSE REPORTS: No. 108–6 (Comm. on Energy and Commerce).

SENATE REPORTS: No. 108–22 accompanying S. 220 and 108–27 (both from Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 11, considered and passed House.

Apr. 7, considered and passed Senate.



Public Law 108–13
108th Congress

An Act

To rename the Guam South Elementary/Middle School of the Department of Defense Domestic Dependents Elementary and Secondary Schools System in honor of Navy Commander William “Willie” McCool, who was the pilot of the Space Shuttle Columbia when it was tragically lost on February 1, 2003.

Apr. 22, 2003
[H.R. 672]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds the following:

(1) Commander William C. McCool of the United States Navy, pilot of the Space Shuttle Columbia when it was tragically lost on February 1, 2003, attended Dededo Middle School and John F. Kennedy High School on Guam.

(2) Commander McCool carried a flag commemorating the liberation of Guam on NASA mission STS–107 of the Space Shuttle Columbia.

(3) Commander McCool pursued his dream of space flight with vigor and passion and, by his life and accomplishments, is an inspiration for school children everywhere to dare to dream big things, to believe in themselves, and to reach for the stars.

SEC. 2. DESIGNATION.

The Guam South Elementary/Middle School of the Department of Defense Domestic Dependents Elementary and Secondary Schools System in Apra Heights, Guam, shall be known and designated as the “Commander William C. McCool Elementary/Middle School”, in honor of William C. McCool, who was a commander in the United States Navy and pilot of the Space Shuttle Columbia when it was tragically lost on February 1, 2003.

SEC. 3. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Guam South Elementary/Middle School shall be deemed to be a reference to the “Commander William C. McCool Elementary/Middle School”.

Approved April 22, 2003.

LEGISLATIVE HISTORY—H.R. 672:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Feb. 26, considered and passed House.
Apr. 7, considered and passed Senate.



Public Law 108–14
108th Congress

An Act

Apr. 23, 2003
[H.R. 145]

To designate the Federal building located at 290 Broadway in New York, New York, as the “Ted Weiss Federal Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 290 Broadway in New York, New York, shall be known and designated as the “Ted Weiss Federal Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the “Ted Weiss Federal Building”.

Approved April 23, 2003.

LEGISLATIVE HISTORY—H.R. 145:

HOUSE REPORTS: No. 108–30 (Comm. on Transportation and Infrastructure).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 18, considered and passed House.

Apr. 11, considered and passed Senate.



Public Law 108–15
108th Congress

An Act

To ensure continuity for the design of the 5-cent coin, establish the Citizens Coinage Advisory Committee, and for other purposes.

Apr. 23, 2003

[H.R. 258]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “American 5-Cent Coin Design Continuity Act of 2003”.

American 5-Cent
Coin Design
Continuity Act of
2003.
31 USC 5101
note.

**TITLE I—UNITED STATES 5-CENT COIN
DESIGN CONTINUITY**

SEC. 101. DESIGNS ON THE 5-CENT COIN.

31 USC 5101
note.

(a) IN GENERAL.—Subject to subsection (b) and after consulting with the Citizens Coinage Advisory Committee and the Commission of Fine Arts, the Secretary of the Treasury may change the design on the obverse and the reverse of the 5-cent coin for coins issued in 2003, 2004, and 2005 in recognition of the bicentennial of the Louisiana Purchase and the expedition of Meriwether Lewis and William Clark.

(b) DESIGN SPECIFICATIONS.—

(1) OVERSE.—If the Secretary of the Treasury elects to change the obverse of 5-cent coins issued during 2003, 2004, and 2005, the design shall depict a likeness of President Thomas Jefferson, different from the likeness that appeared on the obverse of the 5-cent coins issued during 2002, in recognition of his role with respect to the Louisiana Purchase and the commissioning of the Lewis and Clark expedition.

(2) REVERSE.—If the Secretary of the Treasury elects to change the reverse of the 5-cent coins issued during 2003, 2004, and 2005, the design selected shall depict images that are emblematic of the Louisiana Purchase or the expedition of Meriwether Lewis and William Clark.

(3) OTHER INSCRIPTIONS.—5-cent coins issued during 2003, 2004, and 2005 shall continue to meet all other requirements for inscriptions and designations applicable to circulating coins under section 5112(d)(1) of title 31, United States Code.

SEC. 102. DESIGNS ON THE 5-CENT COIN SUBSEQUENT TO THE RECOGNITION OF THE BICENTENNIAL OF THE LOUISIANA PURCHASE AND THE LEWIS AND CLARK EXPEDITION.

(a) IN GENERAL.—Section 5112(d)(1) of title 31, United States Code, is amended by inserting after the 4th sentence the following

new sentence: “Subject to other provisions of this subsection, the obverse of any 5-cent coin issued after December 31, 2005, shall bear the likeness of Thomas Jefferson and the reverse of any such 5-cent coin shall bear an image of the home of Thomas Jefferson at Monticello.”.

(b) DESIGN CONSULTATION.—The 2d sentence of section 5112(d)(2) of title 31, United States Code, is amended by inserting “, after consulting with the Citizens Coinage Advisory Committee and the Commission of Fine Arts,” after “The Secretary may”.

SEC. 103. CITIZENS COINAGE ADVISORY COMMITTEE.

(a) IN GENERAL.—Section 5135 of title 31, United States Code, is amended to read as follows:

“§ 5135. Citizens Coinage Advisory Committee

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is hereby established the Citizens Coinage Advisory Committee (in this section referred to as the ‘Advisory Committee’) to advise the Secretary of the Treasury on the selection of themes and designs for coins.

“(2) OVERSIGHT OF ADVISORY COMMITTEE.—The Advisory Committee shall be subject to the authority of the Secretary of the Treasury (hereafter in this section referred to as the ‘Secretary’).

“(b) MEMBERSHIP.—

“(1) APPOINTMENT.—The Advisory Committee shall consist of 11 members appointed by the Secretary as follows:

“(A) Seven persons appointed by the Secretary—

“(i) one of whom shall be appointed from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience as a nationally or internationally recognized curator in the United States of a numismatic collection;

“(ii) one of whom shall be appointed from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their experience in the medallic arts or sculpture;

“(iii) one of whom shall be appointed from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience in American history;

“(iv) one of whom shall be appointed from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience in numismatics; and

“(v) three of whom shall be appointed from among individuals who can represent the interests of the general public in the coinage of the United States.

“(B) Four persons appointed by the Secretary on the basis of the recommendations of the following officials who shall make the selection for such recommendation from among citizens who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience:

“(i) One person recommended by the Speaker of the House of Representatives.

“(ii) One person recommended by the minority leader of the House of Representatives.

“(iii) One person recommended by the majority leader of the Senate.

“(iv) One person recommended by the minority leader of the Senate.

“(2) TERMS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), members of the Advisory Committee shall be appointed for a term of 4 years.

“(B) TERMS OF INITIAL APPOINTEES.—As designated by the Secretary at the time of appointment, of the members first appointed—

“(i) four of the members appointed under paragraph (1)(A) shall be appointed for a term of 4 years;

“(ii) the four members appointed under paragraph (1)(B) shall be appointed for a term of 3 years; and

“(iii) three of the members appointed under paragraph (1)(A) shall be appointed for a term of 2 years.

“(3) PRESERVATION OF PUBLIC ADVISORY STATUS.—No individual may be appointed to the Advisory Committee while serving as an officer or employee of the Federal Government.

“(4) CONTINUATION OF SERVICE.—Each appointed member may continue to serve for up to 6 months after the expiration of the term of office to which such member was appointed until a successor has been appointed.

“(5) VACANCY AND REMOVAL.—

“(A) IN GENERAL.—Any vacancy on the Advisory Committee shall be filled in the manner in which the original appointment was made.

“(B) REMOVAL.—Advisory Committee members shall serve at the discretion of the Secretary and may be removed at any time for good cause.

“(6) CHAIRPERSON.—The Chairperson of the Advisory Committee shall be appointed for a term of 1 year by the Secretary from among the members of the Advisory Committee.

“(7) PAY AND EXPENSES.—Members of the Advisory Committee shall serve without pay for such service but each member of the Advisory Committee shall be reimbursed from the United States Mint Public Enterprise Fund for travel, lodging, meals, and incidental expenses incurred in connection with attendance of such members at meetings of the Advisory Committee in the same amounts and under the same conditions as employees of the United States Mint who engage in official travel, as determined by the Secretary.

“(8) MEETINGS.—

“(A) IN GENERAL.—The Advisory Committee shall meet at the call of the Secretary, the chairperson, or a majority of the members, but not less frequently than twice annually.

“(B) OPEN MEETINGS.—Each meeting of the Advisory Committee shall be open to the public.

“(C) PRIOR NOTICE OF MEETINGS.—Timely notice of each meeting of the Advisory Committee shall be published in the Federal Register, and timely notice of each meeting shall be made to trade publications and publications of general circulation.

Federal Register,
publication.

“(9) QUORUM.—Seven members of the Advisory Committee shall constitute a quorum.

“(c) DUTIES OF THE ADVISORY COMMITTEE.—The duties of the Advisory Committee are as follows:

“(1) Advising the Secretary of the Treasury on any theme or design proposals relating to circulating coinage, bullion coinage, congressional gold medals and national and other medals produced by the Secretary of the Treasury in accordance with section 5111 of title 31, United States Code.

“(2) Advising the Secretary of the Treasury with regard to—

“(A) the events, persons, or places that the Advisory Committee recommends be commemorated by the issuance of commemorative coins in each of the 5 calendar years succeeding the year in which a commemorative coin designation is made;

“(B) the mintage level for any commemorative coin recommended under subparagraph (A); and

“(C) the proposed designs for commemorative coins.

“(d) EXPENSES.—The expenses of the Advisory Committee that the Secretary of the Treasury determines to be reasonable and appropriate shall be paid by the Secretary from the United States Mint Public Enterprise Fund.

“(e) ADMINISTRATIVE SUPPORT, TECHNICAL SERVICES, AND ADVICE.—Upon the request of the Advisory Committee, or as necessary for the Advisory Committee to carry out the responsibilities of the Advisory Committee under this section, the Director of the United States Mint shall provide to the Advisory Committee the administrative support, technical services, and advice that the Secretary of the Treasury determines to be reasonable and appropriate.

“(f) CONSULTATION AUTHORITY.—In carrying out the duties of the Advisory Committee under this section, the Advisory Committee may consult with the Commission of Fine Arts.

“(g) ANNUAL REPORT.—

Deadline.

“(1) REQUIRED.—Not later than September 30 of each year, the Advisory Committee shall submit a report to the Secretary, the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate. Should circumstances arise in which the Advisory Committee cannot meet the September 30 deadline in any year, the Secretary shall advise the Chairpersons of the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate of the reasons for such delay and the date on which the submission of the report is anticipated.

“(2) CONTENTS.—The report required by paragraph (1) shall describe the activities of the Advisory Committee during the preceding year and the reports and recommendations made by the Advisory Committee to the Secretary of the Treasury.

“(h) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—Subject to the requirements of subsection (b)(8), the Federal Advisory Committee Act shall not apply with respect to the Committee.”

Effective date.
31 USC 5135
note.

(b) ABOLISHMENT OF CITIZENS COMMEMORATIVE COIN ADVISORY COMMITTEE.—Effective on the date of the enactment of this Act, the Citizens Commemorative Coin Advisory Committee (established

by section 5135 of title 31, United States Code, as in effect before the amendment made by subsection (a)) is hereby abolished.

(c) CONTINUITY OF MEMBERS OF CITIZENS COMMEMORATIVE COIN ADVISORY COMMITTEE.—Subject to paragraphs (1) and (2) of section 5135(b) of title 31, United States Code, any person who is a member of the Citizens Commemorative Coin Advisory Committee on the date of the enactment of this Act, other than the member of such committee who is appointed from among the officers or employees of the United States Mint, may continue to serve the remainder of the term to which such member was appointed as a member of the Citizens Coinage Advisory Committee in one of the positions as determined by the Secretary.

31 USC 5135
note.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 5112(l)(4)(A)(ii) of title 31, United States Code, is amended by striking “Citizens Commemorative Coin Advisory Committee” and inserting “Citizens Coinage Advisory Committee”.

(2) Section 5134(c) of title 31, United States Code, is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4).

TITLE II—TECHNICAL AND CLARIFYING PROVISIONS

SEC. 201. CLARIFICATION OF EXISTING LAW.

(a) IN GENERAL.—Section 5134(f)(1) of title 31, United States Code, is amended to read as follows:

“(1) PAYMENT OF SURCHARGES.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, no amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall be paid from the fund to any designated recipient organization unless—

“(i) all numismatic operation and program costs allocable to the program under which such numismatic item is produced and sold have been recovered; and

“(ii) the designated recipient organization submits an audited financial statement that demonstrates, to the satisfaction of the Secretary, that, with respect to all projects or purposes for which the proceeds of such surcharge may be used, the organization has raised funds from private sources for such projects and purposes in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.

“(B) UNPAID AMOUNTS.—If any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item that may otherwise be paid from the fund, under any provision of law relating to such numismatic item, to any designated recipient organization remains unpaid to such organization solely by reason of the matching fund requirement contained in subparagraph (A)(ii) after the end of the 2-year period beginning on the later of—

“(i) the last day any such numismatic item is issued by the Secretary; or

“(ii) the date of the enactment of the American 5-Cent Coin Design Continuity Act of 2003, such unpaid amount shall be deposited in the Treasury as miscellaneous receipts.”.

Applicability.
31 USC 5134
note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as of the date of the enactment of Public Law 104–208.

Approved April 23, 2003.

LEGISLATIVE HISTORY—H.R. 258:

HOUSE REPORTS: No. 108–20 (Comm. on Financial Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 26, considered and passed House.

Apr. 11, considered and passed Senate.



Public Law 108–16
108th Congress

An Act

To provide for the eradication and control of nutria in Maryland and Louisiana.

Apr. 23, 2003

[H.R. 273]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Nutria Eradication and Control Act of 2003”.

Nutria
Eradication and
Control Act of
2003.

SEC. 2. FINDINGS AND PURPOSES.

(a) **FINDINGS.**—The Congress finds the following:

(1) Wetlands and tidal marshes of the Chesapeake Bay and in Louisiana provide significant cultural, economic, and ecological benefits to the Nation.

(2) The South American nutria (*Myocastor coypus*) is directly contributing to substantial marsh loss in Maryland and Louisiana on Federal, State, and private land.

(3) Traditional harvest methods to control or eradicate nutria have failed in Maryland and have had limited success in the eradication of nutria in Louisiana. Consequently, marsh loss is accelerating.

(4) The nutria eradication and control pilot program authorized by Public Law 105–322 is to develop new and effective methods for eradication of nutria.

(b) **PURPOSE.**—The purpose of this Act is to authorize the Secretary of the Interior to provide financial assistance to the State of Maryland and the State of Louisiana for a program to implement measures to eradicate or control nutria and restore marshland damaged by nutria.

SEC. 3. NUTRIA ERADICATION PROGRAM.

(a) **GRANT AUTHORITY.**—The Secretary of the Interior (in this Act referred to as the “Secretary”), subject to the availability of appropriations, may provide financial assistance to the State of Maryland and the State of Louisiana for a program to implement measures to eradicate or control nutria and restore marshland damaged by nutria.

(b) **GOALS.**—The goals of the program shall be to—

(1) eradicate nutria in Maryland;

(2) eradicate or control nutria in Louisiana and other States; and

(3) restore marshland damaged by nutria.

(c) **ACTIVITIES.**—In the State of Maryland, the Secretary shall require that the program consist of management, research, and

public education activities carried out in accordance with the document published by the United States Fish and Wildlife Service entitled “Eradication Strategies for Nutria in the Chesapeake and Delaware Bay Watersheds”, dated March 2002.

(d) **COST SHARING.**—

(1) **FEDERAL SHARE.**—The Federal share of the costs of the program may not exceed 75 percent of the total costs of the program.

(2) **IN-KIND CONTRIBUTIONS.**—The non-Federal share of the costs of the program may be provided in the form of in-kind contributions of materials or services.

(e) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—Not more than 5 percent of financial assistance provided by the Secretary under this section may be used for administrative expenses.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—For financial assistance under this section, there is authorized to be appropriated to the Secretary \$4,000,000 for the State of Maryland program and \$2,000,000 for the State of Louisiana program for each of fiscal years 2004, 2005, 2006, 2007, and 2008.

Deadline.

SEC. 4. REPORT.

No later than 6 months after the date of the enactment of this Act, the Secretary and the National Invasive Species Council shall—

(1) give consideration to the 2002 report for the Louisiana Department of Wildlife and Fisheries titled “Nutria in Louisiana”, and the 2002 document entitled “Eradication Strategies for Nutria in the Chesapeake and Delaware Bay Watersheds”; and

(2) develop, in cooperation with the State of Louisiana Department of Wildlife and Fisheries and the State of Maryland Department of Natural Resources, a long-term nutria control or eradication program, as appropriate, with the objective to significantly reduce and restore the damage nutria cause to coastal wetlands in the States of Louisiana and Maryland.

Approved April 23, 2003.

LEGISLATIVE HISTORY—H.R. 273:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 8, considered and passed House.

Apr. 9, considered and passed Senate.



Public Law 108–17
108th Congress

An Act

To designate the facility of the United States Postal Service located at 2127 Beatties Ford Road in Charlotte, North Carolina, as the “Jim Richardson Post Office”.

Apr. 23, 2003
[H.R. 1505]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 2127 Beatties Ford Road in Charlotte, North Carolina, shall be known and designated as the “Jim Richardson Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Jim Richardson Post Office”.

Approved April 23, 2003.

LEGISLATIVE HISTORY—H.R. 1505:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Mar. 31, considered and passed House.
Apr. 10, considered and passed Senate.



Public Law 108–18
108th Congress

An Act

Apr. 23, 2003

[S. 380]

Postal Civil
Service
Retirement
System Funding
Reform Act of
2003.
5 USC 101 note.

To amend chapter 83 of title 5, United States Code, to reform the funding of benefits under the Civil Service Retirement System for employees of the United States Postal Service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Postal Civil Service Retirement System Funding Reform Act of 2003”.

SEC. 2. CIVIL SERVICE RETIREMENT SYSTEM.

(a) **DEFINITIONS.**—Section 8331 of title 5, United States Code, is amended—

(1) in paragraph (17)—

(A) by striking “normal cost” and inserting “normal-cost percentage”; and

(B) by inserting “and standards (using dynamic assumptions)” after “practice”;

(2) by amending paragraph (18) to read as follows:

“(18) ‘Fund balance’ means the current net assets of the Fund available for payment of benefits, as determined by the Office in accordance with appropriate accounting standards, but does not include any amount attributable to—

“(A) the Federal Employees’ Retirement System; or

“(B) contributions made under the Federal Employees’ Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Federal Employees’ Retirement System;”;

(3) by striking “and” at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting “; and”, and by adding at the end the following:

“(29) ‘dynamic assumptions’ means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

“(A) investment yields;

“(B) increases in rates of basic pay; and

“(C) rates of price inflation.”.

(b) **DEDUCTIONS AND CONTRIBUTIONS.**—

(1) **IN GENERAL.**—Section 8334(a)(1) of title 5, United States Code, is amended—

(A) by striking “(a)(1)” and inserting “(a)(1)(A)”;

(B) by designating the matter following the first sentence as subparagraph (B)(i) and aligning the text accordingly;

(C) in subparagraph (B)(i) (as so designated by subparagraph (B)), by striking “An equal” and inserting “Except as provided in clause (ii), an equal”; and

(D) by adding at the end the following:

“(ii) In the case of an employee of the United States Postal Service, the amount to be contributed under this subparagraph shall (instead of the amount described in clause (i)) be equal to the product derived by multiplying the employee’s basic pay by the percentage equal to—

“(I) the normal-cost percentage for the applicable employee category listed in subparagraph (A), minus

“(II) the percentage deduction rate that applies with respect to such employee under subparagraph (A).”.

(2) CONFORMING AMENDMENTS.—Section 8334(k) of title 5, United States Code, is amended—

(A) in paragraph (1)(A), by striking “the first sentence of subsection (a)(1) of this section” and inserting “subsection (a)(1)(A)”;

(B) in paragraph (1)(B)—

(i) by striking “the second sentence of subsection (a)(1) of this section” and inserting “subparagraph (B) of subsection (a)(1)”;

(ii) by striking “such sentence” and inserting “such subparagraph”;

(C) in paragraph (2)(C)(iii), by striking “the first sentence of subsection (a)(1)” and inserting “subsection (a)(1)(A)”.

(c) POSTAL SUPPLEMENTAL LIABILITY.—Subsection (h) of section 8348 of title 5, United States Code, is amended to read as follows:

“(h)(1)(A) For purposes of this subsection, ‘Postal supplemental liability’ means the estimated excess, as determined by the Office, of—

“(i) the actuarial present value of all future benefits payable from the Fund under this subchapter attributable to the service of current or former employees of the United States Postal Service, over

“(ii) the sum of—

“(I) the actuarial present value of deductions to be withheld from the future basic pay of employees of the United States Postal Service currently subject to this subchapter pursuant to section 8334;

“(II) the actuarial present value of the future contributions to be made pursuant to section 8334 with respect to employees of the United States Postal Service currently subject to this subchapter;

“(III) that portion of the Fund balance, as of the date the Postal supplemental liability is determined, attributable to payments to the Fund by the United States Postal Service and its employees, including earnings on those payments; and

“(IV) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles.

Deadline.

“(B)(i) In computing the actuarial present value of future benefits, the Office shall include the full value of benefits attributable to military and volunteer service for United States Postal Service employees first employed after June 30, 1971, and a prorated share of the value of benefits attributable to military and volunteer service for United States Postal Service employees first employed before July 1, 1971.

“(ii) Military service so included shall not be included in the computation of any amount under subsection (g)(2).

“(2)(A) Not later than June 30, 2004, the Office shall determine the Postal supplemental liability as of September 30, 2003. The Office shall establish an amortization schedule, including a series of equal annual installments commencing September 30, 2004, which provides for the liquidation of such liability by September 30, 2043.

“(B) The Office shall redetermine the Postal supplemental liability as of the close of the fiscal year, for each fiscal year beginning after September 30, 2003, through the fiscal year ending September 30, 2038, and shall establish a new amortization schedule, including a series of equal annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2043.

“(C) The Office shall redetermine the Postal supplemental liability as of the close of the fiscal year for each fiscal year beginning after September 30, 2038, and shall establish a new amortization schedule, including a series of equal annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

“(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent dynamic actuarial valuation of the Civil Service Retirement System.

“(E) The United States Postal Service shall pay the amounts so determined to the Office, with payments due not later than the date scheduled by the Office.

“(F) An amortization schedule established under subparagraph (B) or (C) shall supersede any amortization schedule previously established under this paragraph.

“(3) Notwithstanding any other provision of law, in computing the amount of any payment under any other subsection of this section that is based upon the amount of the unfunded liability, such payment shall be computed disregarding that portion of the unfunded liability that the Office determines will be liquidated by payments under this subsection.

“(4) Notwithstanding any other provision of this subsection, any determination or redetermination made by the Office under this subsection shall, upon request of the Postal Service, be subject to reconsideration and review (including adjustment by the Board of Actuaries of the Civil Service Retirement System) to the same extent and in the same manner as provided under section 8423(c).”.

(d) REPEALS.—

(1) IN GENERAL.—The following provisions of law are repealed:

(A) Subsection (m) of section 8348 of title 5, United States Code.

(B) Subsection (c) of section 7101 of the Omnibus Budget Reconciliation Act of 1990 (5 U.S.C. 8348 note).

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be considered to affect any payments made before the date of the enactment of this Act under either of the provisions of law repealed by paragraph (1). 5 USC 8348 note.

(e) MILITARY SERVICE PROPOSALS.—

Deadlines.

(1) PROPOSALS.—The United States Postal Service, the Department of the Treasury, and the Office of Personnel Management shall, by September 30, 2003, each prepare and submit to the President, the Congress, and the General Accounting Office proposals detailing whether and to what extent the Department of the Treasury or the Postal Service should be responsible for the funding of benefits attributable to the military service of current and former employees of the Postal Service that, prior to the date of the enactment of this Act, were provided for under section 8348(g)(2) of title 5, United States Code.

(2) GAO REVIEW AND REPORT.—Not later than 60 days after the Postal Service, the Department of the Treasury, and the Office of Personnel Management have submitted their proposals under paragraph (1), the General Accounting Office shall prepare and submit a written evaluation of each such proposal to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

SEC. 3. DISPOSITION OF SAVINGS ACCRUING TO THE UNITED STATES POSTAL SERVICE.

39 USC note
prec. 2001.

(a) IN GENERAL.—Savings accruing to the United States Postal Service as a result of the enactment of this Act—

(1) shall, to the extent that such savings are attributable to fiscal year 2003 or 2004, be used to reduce the postal debt (in consultation with the Secretary of the Treasury), and the Postal Service shall not incur additional debt to offset the use of the savings to reduce the postal debt in fiscal years 2003 and 2004;

(2) shall, to the extent that such savings are attributable to fiscal year 2005, be used to continue holding postage rates unchanged and to reduce the postal debt, to such extent and in such manner as the Postal Service shall specify (in consultation with the Secretary of the Treasury); and

(3) to the extent that such savings are attributable to any fiscal year after fiscal year 2005, shall be considered to be operating expenses of the Postal Service and, until otherwise provided for by law, shall be held in escrow and may not be obligated or expended.

(b) AMOUNTS SAVED.—

(1) IN GENERAL.—The amounts representing any savings accruing to the Postal Service in any fiscal year as a result of the enactment of this Act shall be computed by the Office of Personnel Management for each such fiscal year in accordance with paragraph (2).

(2) METHODOLOGY.—Not later than July 31, 2003, the Office of Personnel Management shall— Deadline.

(A) formulate a plan specifically enumerating the actuarial methods and assumptions by which the Office shall make its computations under paragraph (1); and

(B) submit such plan to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(3) REQUIREMENTS.—The plan shall be formulated in consultation with the Postal Service and shall include the opportunity for the Postal Service to request reconsideration of computations under this subsection, and for the Board of Actuaries of the Civil Service Retirement System to review and make adjustments to such computations, to the same extent and in the same manner as provided under section 8423(c) of title 5, United States Code.

(c) REPORTING REQUIREMENT.—The Postal Service shall include in each report rendered under section 2402 of title 39, United States Code, the amount applied toward reducing the postal debt, and the size of the postal debt before and after the application of subsection (a), during the period covered by such report.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the savings accruing to the Postal Service as a result of the enactment of this Act will be sufficient to allow the Postal Service to fulfill its commitment to hold postage rates unchanged until at least 2006;

(2) because the Postal Service still faces substantial obligations related to postretirement health benefits for its current and former employees, some portion of the savings referred to in paragraph (1) should be used to address those unfunded obligations; and

(3) none of the savings referred to in paragraph (1) should be used in the computation of any bonuses for Postal Service executives.

Deadlines.

(e) POSTAL SERVICE PROPOSAL.—

(1) IN GENERAL.—The United States Postal Service shall, by September 30, 2003, prepare and submit to the President, the Congress, and the General Accounting Office its proposal detailing how any savings accruing to the Postal Service as a result of the enactment of this Act, which are attributable to any fiscal year after fiscal year 2005, should be expended.

(2) MATTERS TO CONSIDER.—In preparing its proposal under this subsection, the Postal Service shall consider—

(A) whether, and to what extent, those future savings should be used to address—

(i) debt repayment;

(ii) prefunding of postretirement healthcare benefits for current and former postal employees;

(iii) productivity and cost saving capital investments;

(iv) delaying or moderating increases in postal rates; and

(v) any other matter; and

(B) the work of the President's Commission on the United States Postal Service under section 5 of Executive Order 13278 (67 Fed. Reg. 76672).

(3) GAO REVIEW AND REPORT.—Not later than 60 days after the Postal Service submits its proposal pursuant to paragraph (1), the General Accounting Office shall prepare and

submit a written evaluation of such proposal to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(4) LEGISLATIVE ACTION.—Not later than 180 days after it has received both the proposal of the Postal Service and the evaluation of such proposal by the General Accounting Office under this subsection, Congress shall revisit the question of how the savings accruing to the Postal Service as a result of the enactment of this Act should be used.

(f) DETERMINATION AND DISPOSITION OF SURPLUS.—

(1) IN GENERAL.—If, as of the date under paragraph (2), the Office of Personnel Management determines (after consultation with the Postmaster General) that the computation under section 8348(h)(1)(A) of title 5, United States Code, yields a negative amount (hereinafter referred to as a “surplus”)—

(A) the Office shall inform the Postmaster General of its determination, including the size of the surplus so determined; and

(B) the Postmaster General shall submit to the Congress a report describing how the Postal Service proposes that such surplus be used, including a draft of any legislation that might be necessary.

Reports.

(2) DETERMINATION DATE.—The date to be used for purposes of paragraph (1) shall be September 30, 2025, or such earlier date as, in the judgment of the Office, is the date by which all postal employees under the Civil Service Retirement System will have retired.

(g) DEFINITIONS.—For purposes of this section—

(1) the savings accruing to the Postal Service as a result of the enactment of this Act shall, for any fiscal year, be equal to the amount (if any) by which—

(A) the contributions that the Postal Service would otherwise have been required to make to the Civil Service Retirement and Disability Fund for such fiscal year if this Act had not been enacted, exceed

(B) the contributions made by the Postal Service to such Fund for such fiscal year; and

(2) the term “postal debt” means the outstanding obligations of the Postal Service, as determined under chapter 20 of title 39, United States Code.

Applicability.
5 USC 8334 note.

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of the enactment of this Act, except that the amendments made by section 2(b) shall apply with respect to pay periods beginning on or after such date.

Approved April 23, 2003.

LEGISLATIVE HISTORY—S. 380 (H.R. 735):

HOUSE REPORTS: No. 108–49 accompanying H.R. 735 (Comm. on Government Reform).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 2, considered and passed Senate.

Apr. 8, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Apr. 23, Presidential statement.



Public Law 108–19
108th Congress

An Act

To implement effective measures to stop trade in conflict diamonds, and for other purposes.

Apr. 25, 2003
[H.R. 1584]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Clean Diamond Trade Act”.

Clean Diamond
Trade Act.
19 USC 3901
note.

SEC. 2. FINDINGS.

19 USC 3901.

Congress finds the following:

(1) Funds derived from the sale of rough diamonds are being used by rebels and state actors to finance military activities, overthrow legitimate governments, subvert international efforts to promote peace and stability, and commit horrifying atrocities against unarmed civilians. During the past decade, more than 6,500,000 people from Sierra Leone, Angola, and the Democratic Republic of the Congo have been driven from their homes by wars waged in large part for control of diamond mining areas. A million of these are refugees eking out a miserable existence in neighboring countries, and tens of thousands have fled to the United States. Approximately 3,700,000 people have died during these wars.

(2) The countries caught in this fighting are home to nearly 70,000,000 people whose societies have been torn apart not only by fighting but also by terrible human rights violations.

(3) Human rights and humanitarian advocates, the diamond trade as represented by the World Diamond Council, and the United States Government have been working to block the trade in conflict diamonds. Their efforts have helped to build a consensus that action is urgently needed to end the trade in conflict diamonds.

(4) The United Nations Security Council has acted at various times under chapter VII of the Charter of the United Nations to address threats to international peace and security posed by conflicts linked to diamonds. Through these actions, it has prohibited all states from exporting weapons to certain countries affected by such conflicts. It has further required all states to prohibit the direct and indirect import of rough diamonds from Sierra Leone unless the diamonds are controlled under specified certificate of origin regimes and to prohibit absolutely the direct and indirect import of rough diamonds from Liberia.

(5) In response, the United States implemented sanctions restricting the importation of rough diamonds from Sierra

Leone to those diamonds accompanied by specified certificates of origin and fully prohibiting the importation of rough diamonds from Liberia. The United States is now taking further action against trade in conflict diamonds.

(6) Without effective action to eliminate trade in conflict diamonds, the trade in legitimate diamonds faces the threat of a consumer backlash that could damage the economies of countries not involved in the trade in conflict diamonds and penalize members of the legitimate trade and the people they employ. To prevent that, South Africa and more than 30 other countries are involved in working, through the “Kimberley Process”, toward devising a solution to this problem. As the consumer of a majority of the world’s supply of diamonds, the United States has an obligation to help sever the link between diamonds and conflict and press for implementation of an effective solution.

(7) Failure to curtail the trade in conflict diamonds or to differentiate between the trade in conflict diamonds and the trade in legitimate diamonds could have a severe negative impact on the legitimate diamond trade in countries such as Botswana, Namibia, South Africa, and Tanzania.

(8) Initiatives of the United States seek to resolve the regional conflicts in sub-Saharan Africa which facilitate the trade in conflict diamonds.

(9) The Interlaken Declaration on the Kimberley Process Certification Scheme for Rough Diamonds of November 5, 2002, states that Participants will ensure that measures taken to implement the Kimberley Process Certification Scheme for Rough Diamonds will be consistent with international trade rules.

19 USC 3902.

SEC. 3. DEFINITIONS.

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means the Committee on Ways and Means and the Committee on International Relations of the House of Representatives, and the Committee on Finance and the Committee on Foreign Relations of the Senate.

(2) **CONTROLLED THROUGH THE KIMBERLEY PROCESS CERTIFICATION SCHEME.**—An importation or exportation of rough diamonds is “controlled through the Kimberley Process Certification Scheme” if it is an importation from the territory of a Participant or exportation to the territory of a Participant of rough diamonds that is—

(A) carried out in accordance with the Kimberley Process Certification Scheme, as set forth in regulations promulgated by the President; or

(B) controlled under a system determined by the President to meet substantially the standards, practices, and procedures of the Kimberley Process Certification Scheme.

(3) **EXPORTING AUTHORITY.**—The term “exporting authority” means 1 or more entities designated by a Participant from whose territory a shipment of rough diamonds is being exported as having the authority to validate the Kimberley Process Certificate.

(4) **IMPORTING AUTHORITY.**—The term “importing authority” means 1 or more entities designated by a Participant into

whose territory a shipment of rough diamonds is imported as having the authority to enforce the laws and regulations of the Participant regulating imports, including the verification of the Kimberley Process Certificate accompanying the shipment.

(5) **KIMBERLEY PROCESS CERTIFICATE.**—The term “Kimberley Process Certificate” means a forgery resistant document of a Participant that demonstrates that an importation or exportation of rough diamonds has been controlled through the Kimberley Process Certification Scheme and contains the minimum elements set forth in Annex I to the Kimberley Process Certification Scheme.

(6) **KIMBERLEY PROCESS CERTIFICATION SCHEME.**—The term “Kimberley Process Certification Scheme” means those standards, practices, and procedures of the international certification scheme for rough diamonds presented in the document entitled “Kimberley Process Certification Scheme” referred to in the Interlaken Declaration on the Kimberley Process Certification Scheme for Rough Diamonds of November 5, 2002.

(7) **PARTICIPANT.**—The term “Participant” means a state, customs territory, or regional economic integration organization identified by the Secretary of State.

(8) **PERSON.**—The term “person” means an individual or entity.

(9) **ROUGH DIAMOND.**—The term “rough diamond” means any diamond that is unworked or simply sawn, cleaved, or bruted and classifiable under subheading 7102.10, 7102.21, or 7102.31 of the Harmonized Tariff Schedule of the United States.

(10) **UNITED STATES.**—The term “United States”, when used in the geographic sense, means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

(11) **UNITED STATES PERSON.**—The term “United States person” means—

(A) any United States citizen or any alien admitted for permanent residence into the United States;

(B) any entity organized under the laws of the United States or any jurisdiction within the United States (including its foreign branches); and

(C) any person in the United States.

SEC. 4. MEASURES FOR THE IMPORTATION AND EXPORTATION OF ROUGH DIAMONDS. 19 USC 3903.

(a) **PROHIBITION.**—The President shall prohibit the importation into, or exportation from, the United States of any rough diamond, from whatever source, that has not been controlled through the Kimberley Process Certification Scheme. President.

(b) **WAIVER.**—The President may waive the requirements set forth in subsection (a) with respect to a particular country for periods of not more than 1 year each, if, with respect to each such waiver—

(1) the President determines and reports to the appropriate congressional committees that such country is taking effective steps to implement the Kimberley Process Certification Scheme; or

(2) the President determines that the waiver is in the national interests of the United States, and reports such determination to the appropriate congressional committees, together with the reasons therefor.

President.
19 USC 3904.

SEC. 5. REGULATORY AND OTHER AUTHORITY.

(a) **IN GENERAL.**—The President is authorized to and shall as necessary issue such proclamations, regulations, licenses, and orders, and conduct such investigations, as may be necessary to carry out this Act.

(b) **RECORDKEEPING.**—Any United States person seeking to export from or import into the United States any rough diamonds shall keep a full record of, in the form of reports or otherwise, complete information relating to any act or transaction to which any prohibition imposed under section 4(a) applies. The President may require such person to furnish such information under oath, including the production of books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(c) **OVERSIGHT.**—The President shall require the appropriate Government agency to conduct annual reviews of the standards, practices, and procedures of any entity in the United States that issues Kimberley Process Certificates for the exportation from the United States of rough diamonds to determine whether such standards, practices, and procedures are in accordance with the Kimberley Process Certification Scheme. The President shall transmit to the appropriate congressional committees a report on each annual review under this subsection.

19 USC 3905.

SEC. 6. IMPORTING AND EXPORTING AUTHORITIES.

(a) **IN THE UNITED STATES.**—For purposes of this Act—

(1) the importing authority shall be the United States Bureau of Customs and Border Protection or, in the case of a territory or possession of the United States with its own customs administration, analogous officials; and

(2) the exporting authority shall be the Bureau of the Census.

President.
Federal Register,
publication.

(b) **OF OTHER COUNTRIES.**—The President shall publish in the Federal Register a list of all Participants, and all exporting authorities and importing authorities of Participants. The President shall update the list as necessary.

19 USC 3906.

SEC. 7. STATEMENT OF POLICY.

The Congress supports the policy that the President shall take appropriate steps to promote and facilitate the adoption by the international community of the Kimberley Process Certification Scheme implemented under this Act.

19 USC 3907.

SEC. 8. ENFORCEMENT.

(a) **IN GENERAL.**—In addition to the enforcement provisions set forth in subsection (b)—

(1) a civil penalty of not to exceed \$10,000 may be imposed on any person who violates, or attempts to violate, any license, order, or regulation issued under this Act; and

(2) whoever willfully violates, or willfully attempts to violate, any license, order, or regulation issued under this Act shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than

10 years, or both; and any officer, director, or agent of any corporation who willfully participates in such violation may be punished by a like fine, imprisonment, or both.

(b) **IMPORT VIOLATIONS.**—Those customs laws of the United States, both civil and criminal, including those laws relating to seizure and forfeiture, that apply to articles imported in violation of such laws shall apply with respect to rough diamonds imported in violation of this Act.

(c) **AUTHORITY TO ENFORCE.**—The United States Bureau of Customs and Border Protection and the United States Bureau of Immigration and Customs Enforcement are authorized, as appropriate, to enforce the provisions of subsection (a) and to enforce the laws and regulations governing exports of rough diamonds, including with respect to the validation of the Kimberley Process Certificate by the exporting authority.

SEC. 9. TECHNICAL ASSISTANCE.

19 USC 3908.

The President may direct the appropriate agencies of the United States Government to make available technical assistance to countries seeking to implement the Kimberley Process Certification Scheme.

SEC. 10. SENSE OF CONGRESS.

19 USC 3909.

(a) **ONGOING PROCESS.**—It is the sense of the Congress that the Kimberley Process Certification Scheme, officially launched on January 1, 2003, is an ongoing process. The President should work with Participants to strengthen the Kimberley Process Certification Scheme through the adoption of measures for the sharing of statistics on the production of and trade in rough diamonds, and for monitoring the effectiveness of the Kimberley Process Certification Scheme in stemming trade in diamonds the importation or exportation of which is not controlled through the Kimberley Process Certification Scheme.

(b) **STATISTICS AND REPORTING.**—It is the sense of the Congress that under Annex III to the Kimberley Process Certification Scheme, Participants recognized that reliable and comparable data on the international trade in rough diamonds are an essential tool for the effective implementation of the Kimberley Process Certification Scheme. Therefore, the executive branch should continue to—

(1) keep and publish statistics on imports and exports of rough diamonds under subheadings 7102.10.00, 7102.21, and 7102.31.00 of the Harmonized Tariff Schedule of the United States;

(2) make these statistics available for analysis by interested parties and by Participants; and

(3) take a leadership role in negotiating a standardized methodology among Participants for reporting statistics on imports and exports of rough diamonds.

SEC. 11. KIMBERLEY PROCESS IMPLEMENTATION COORDINATING COMMITTEE.

Establishment.
President.
19 USC 3910.

The President shall establish a Kimberley Process Implementation Coordinating Committee to coordinate the implementation of this Act. The Committee shall be composed of the following individuals or their designees:

(1) The Secretary of the Treasury and the Secretary of State, who shall be co-chairpersons.

(2) The Secretary of Commerce.

- (3) The United States Trade Representative.
- (4) The Secretary of Homeland Security.
- (5) A representative of any other agency the President deems appropriate.

Deadlines.
President.
19 USC 3911.

SEC. 12. REPORTS.

(a) **ANNUAL REPORTS.**—Not later than 1 year after the date of the enactment of this Act and every 12 months thereafter for such period as this Act is in effect, the President shall transmit to the Congress a report—

(1) describing actions taken by countries that have exported rough diamonds to the United States during the preceding 12-month period to control the exportation of the diamonds through the Kimberley Process Certification Scheme;

(2) describing whether there is statistical information or other evidence that would indicate efforts to circumvent the Kimberley Process Certification Scheme, including cutting rough diamonds for the purpose of circumventing the Kimberley Process Certification Scheme;

(3) identifying each country that, during the preceding 12-month period, exported rough diamonds to the United States and was exporting rough diamonds not controlled through the Kimberley Process Certification Scheme, if the failure to do so has significantly increased the likelihood that those diamonds not so controlled are being imported into the United States; and

(4) identifying any problems or obstacles encountered in the implementation of this Act or the Kimberly Process Certification Scheme.

(b) **SEMIANNUAL REPORTS.**—For each country identified in subsection (a)(3), the President, during such period as this Act is in effect, shall, every 6 months after the initial report in which the country was identified, transmit to the Congress a report that explains what actions have been taken by the United States or such country since the previous report to ensure that diamonds the exportation of which was not controlled through the Kimberley Process Certification Scheme are not being imported from that country into the United States. The requirement to issue a semi-annual report with respect to a country under this subsection shall remain in effect until such time as the country is controlling the importation and exportation of rough diamonds through the Kimberley Process Certification Scheme.

Deadline.
19 USC 3912.

SEC. 13. GAO REPORT.

Not later than 24 months after the effective date of this Act, the Comptroller General of the United States shall transmit a report to the Congress on the effectiveness of the provisions of this Act in preventing the importation or exportation of rough diamonds that is prohibited under section 4. The Comptroller General shall include in the report any recommendations on any modifications to this Act that may be necessary.

19 USC 3913.

SEC. 14. DELEGATION OF AUTHORITIES.

The President may delegate the duties and authorities under this Act to such officers, officials, departments, or agencies of the United States Government as the President deems appropriate.

SEC. 15. EFFECTIVE DATE.

This Act shall take effect on the date on which the President certifies to the Congress that—

(1) an applicable waiver that has been granted by the World Trade Organization is in effect; or

(2) an applicable decision in a resolution adopted by the United Nations Security Council pursuant to Chapter VII of the Charter of the United Nations is in effect.

This Act shall thereafter remain in effect during those periods in which, as certified by the President to the Congress, an applicable waiver or decision referred to in paragraph (1) or (2) is in effect.

19 USC 3901
note.
President.
Certification.

Approved April 25, 2003.

LEGISLATIVE HISTORY—H.R. 1584:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 8, considered and passed House.

Apr. 10, considered and passed Senate, amended.

Apr. 11, House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Apr. 25, Presidential statement.



Public Law 108–20
108th Congress

An Act

Apr. 30, 2003
[H.R. 1770]

Smallpox
Emergency
Personnel
Protection Act of
2003.
42 USC 201 note.

To provide benefits and other compensation for certain individuals with injuries resulting from administration of smallpox countermeasures, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Smallpox Emergency Personnel Protection Act of 2003”.

SEC. 2. SMALLPOX EMERGENCY PERSONNEL PROTECTION.

Title II of the Public Health Service Act (42 U.S.C. 202 et seq.) is amended by adding at the end the following part:

“PART C—SMALLPOX EMERGENCY PERSONNEL PROTECTION

42 USC 239.

“**SEC. 261. GENERAL PROVISIONS.**

“(a) **DEFINITIONS.**—For purposes of this part:

“(1) **COVERED COUNTERMEASURE.**—The term ‘covered countermeasure’ means a covered countermeasure as specified in a Declaration made pursuant to section 224(p).

“(2) **COVERED INDIVIDUAL.**—The term ‘covered individual’ means an individual—

“(A) who is a health care worker, law enforcement officer, firefighter, security personnel, emergency medical personnel, other public safety personnel, or support personnel for such occupational specialities;

“(B) who is or will be functioning in a role identified in a State, local, or Department of Health and Human Services smallpox emergency response plan (as defined in paragraph (7)) approved by the Secretary;

“(C) who has volunteered and been selected to be a member of a smallpox emergency response plan described in subparagraph (B) prior to the time at which the Secretary publicly announces that an active case of smallpox has been identified either within or outside of the United States; and

“(D) to whom a smallpox vaccine is administered pursuant to such approved plan during the effective period of the Declaration (including the portion of such period before the enactment of this part).

“(3) **COVERED INJURY.**—The term ‘covered injury’ means an injury, disability, illness, condition, or death (other than a minor injury such as minor scarring or minor local reaction)

determined, pursuant to the procedures established under section 262, to have been sustained by an individual as the direct result of—

“(A) administration to the individual of a covered countermeasure during the effective period of the Declaration; or

“(B) accidental vaccinia inoculation of the individual in circumstances in which—

“(i) the vaccinia is contracted during the effective period of the Declaration or within 30 days after the end of such period;

“(ii) smallpox vaccine has not been administered to the individual; and

“(iii) the individual has been in contact with an individual who is (or who was accidentally inoculated by) a covered individual.

“(4) DECLARATION.—The term ‘Declaration’ means the Declaration Regarding Administration of Smallpox Countermeasures issued by the Secretary on January 24, 2003, and published in the Federal Register on January 28, 2003.

“(5) EFFECTIVE PERIOD OF THE DECLARATION.—The term ‘effective period of the Declaration’ means the effective period specified in the Declaration, unless extended by the Secretary.

“(6) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual who is (as determined in accordance with section 262)—

“(A) a covered individual who sustains a covered injury in the manner described in paragraph (3)(A); or

“(B) an individual who sustains a covered injury in the manner described in paragraph (3)(B).

“(7) SMALLPOX EMERGENCY RESPONSE PLAN.—The term ‘smallpox emergency response plan’ or ‘plan’ means a response plan detailing actions to be taken in preparation for a possible smallpox-related emergency during the period prior to the identification of an active case of smallpox either within or outside the United States.

“(b) VOLUNTARY PROGRAM.—The Secretary shall ensure that a State, local, or Department of Health and Human Services plan to vaccinate individuals that is approved by the Secretary establishes procedures to ensure, consistent with the Declaration and any applicable guidelines of the Centers for Disease Control and Prevention, that—

“(1) potential participants are educated with respect to contraindications, the voluntary nature of the program, and the availability of potential benefits and compensation under this part;

“(2) there is voluntary screening provided to potential participants that can identify health conditions relevant to contraindications; and

“(3) there is appropriate post-inoculation medical surveillance that includes an evaluation of adverse health effects that may reasonably appear to be due to such vaccine and prompt referral of, or the provision of appropriate information to, any individual requiring health care as a result of such adverse health event.

Procedures.
Applicability.

42 USC 239a.

Procedures.

“SEC. 262. DETERMINATION OF ELIGIBILITY AND BENEFITS.

“(a) IN GENERAL.—The Secretary shall establish procedures for determining, as applicable with respect to an individual—

“(1) whether the individual is an eligible individual;

“(2) whether an eligible individual has sustained a covered injury or injuries for which medical benefits or compensation may be available under sections 264 and 265, and the amount of such benefits or compensation; and

“(3) whether the covered injury or injuries of an eligible individual caused the individual’s death for purposes of benefits under section 266.

“(b) COVERED INDIVIDUALS.—The Secretary may accept a certification, by a Federal, State, or local government entity or private health care entity participating in the administration of covered countermeasures under the Declaration, that an individual is a covered individual.

“(c) CRITERIA FOR REIMBURSEMENT.—

“(1) INJURIES SPECIFIED IN INJURY TABLE.—In any case where an injury or other adverse effect specified in the injury table established under section 263 as a known effect of a vaccine manifests in an individual within the time period specified in such table, such injury or other effect shall be presumed to have resulted from administration of such vaccine.

“(2) OTHER DETERMINATIONS.—In making determinations other than those described in paragraph (1) as to the causation or severity of an injury, the Secretary shall employ a preponderance of the evidence standard and take into consideration all relevant medical and scientific evidence presented for consideration, and may obtain and consider the views of qualified medical experts.

“(d) DEADLINE FOR FILING REQUEST.—The Secretary shall not consider any request for a benefit under this part with respect to an individual, unless—

“(1) in the case of a request based on the administration of the vaccine to the individual, the individual files with the Secretary an initial request for benefits or compensation under this part not later than one year after the date of administration of the vaccine; or

“(2) in the case of a request based on accidental vaccinia inoculation, the individual files with the Secretary an initial request for benefits or compensation under this part not later than two years after the date of the first symptom or manifestation of onset of the adverse effect.

“(e) STRUCTURED SETTLEMENTS AT SECRETARY’S OPTION.—In any case in which there is a reasonable likelihood that compensation or payment under section 264, 265, or 266(b) will be required for a period in excess of one year from the date an individual is determined eligible for such compensation or payment, the Secretary shall have the discretion to make a lump-sum payment, purchase an annuity or medical insurance policy, or execute an appropriate structured settlement agreement, provided that such payment, annuity, policy, or agreement is actuarially determined to have a value equal to the present value of the projected total amount of benefits or compensation that the individual is eligible to receive under such section or sections.

“(f) REVIEW OF DETERMINATION.—

“(1) SECRETARY’S REVIEW AUTHORITY.—The Secretary may review a determination under this section at any time on the Secretary’s own motion or on application, and may affirm, vacate, or modify such determination in any manner the Secretary deems appropriate. The Secretary shall develop a process by which an individual may file a request for reconsideration of any determination made by the Secretary under this section.

“(2) JUDICIAL AND ADMINISTRATIVE REVIEW.—No court of the United States, or of any State, District, territory or possession thereof, shall have subject matter jurisdiction to review, whether by mandamus or otherwise, any action by the Secretary under this section. No officer or employee of the United States shall review any action by the Secretary under this section (unless the President specifically directs otherwise).

“SEC. 263. SMALLPOX VACCINE INJURY TABLE.

42 USC 239b.

“(a) SMALLPOX VACCINE INJURY TABLE.—

“(1) ESTABLISHMENT REQUIRED.—The Secretary shall establish by interim final regulation a table identifying adverse effects (including injuries, disabilities, illnesses, conditions, and deaths) that shall be presumed to result from the administration of (or exposure to) a smallpox vaccine, and the time period in which the first symptom or manifestation of onset of each such adverse effect must manifest in order for such presumption to apply.

Regulations.

“(2) AMENDMENTS.—The Secretary may by regulation amend the table established under paragraph (1). An amendment to the table takes effect on the date of the promulgation of the final rule that makes the amendment, and applies to all requests for benefits or compensation under this part that are filed on or after such date or are pending as of such date. In addition, the amendment applies retroactively to an individual who was not with respect to the injury involved an eligible individual under the table as in effect before the amendment but who with respect to such injury is an eligible individual under the table as amended. With respect to a request for benefits or compensation under this part by an individual who becomes an eligible individual as described in the preceding sentence, the Secretary may not provide such benefits or compensation unless the request (or amendment to a request, as applicable) is filed before the expiration of one year after the effective date of the amendment to the table in the case of an individual to whom the vaccine was administered and before the expiration of two years after such effective date in the case of a request based on accidental vaccinia inoculation.

“SEC. 264. MEDICAL BENEFITS.

42 USC 239c.

“(a) IN GENERAL.—Subject to the succeeding provisions of this section, the Secretary shall make payment or reimbursement for medical items and services as reasonable and necessary to treat a covered injury of an eligible individual, including the services, appliances, and supplies prescribed or recommended by a qualified physician, which the Secretary considers likely to cure, give relief, reduce the degree or the period of disability, or aid in lessening the amount of monthly compensation.

“(b) BENEFITS SECONDARY TO OTHER COVERAGE.—Payment or reimbursement for services or benefits under subsection (a) shall

be secondary to any obligation of the United States or any third party (including any State or local governmental entity, private insurance carrier, or employer) under any other provision of law or contractual agreement, to pay for or provide such services or benefits.

42 USC 239d.

“SEC. 265. COMPENSATION FOR LOST EMPLOYMENT INCOME.

“(a) IN GENERAL.—Subject to the succeeding provisions of this section, the Secretary shall provide compensation to an eligible individual for loss of employment income (based on such income at the time of injury) incurred as a result of a covered injury, at the rate specified in subsection (b).

“(b) AMOUNT OF COMPENSATION.—

“(1) IN GENERAL.—Compensation under subsection (a) shall be at the rate of $66\frac{2}{3}$ percent of the relevant pay period (weekly, monthly, or otherwise), except as provided in paragraph (2).

“(2) AUGMENTED COMPENSATION FOR DEPENDENTS.—If an eligible individual has one or more dependents, the basic compensation for loss of employment income as described in paragraph (1) shall be augmented at the rate of $8\frac{1}{3}$ percent.

“(3) CONSIDERATION OF OTHER PROGRAMS.—

“(A) IN GENERAL.—The Secretary may consider the provisions of sections 8114, 8115, and 8146a of title 5, United States Code, and any implementing regulations, in determining the amount of payment under subsection (a) and the circumstances under which such payments are reasonable and necessary.

“(B) MINORS.—With respect to an eligible individual who is a minor, the Secretary may consider the provisions of section 8113 of title 5, United States Code, and any implementing regulations, in determining the amount of payment under subsection (a) and the circumstances under which such payments are reasonable and necessary.

“(4) TREATMENT OF SELF-EMPLOYMENT INCOME.—For purposes of this section, the term ‘employment income’ includes income from self-employment.

“(c) LIMITATIONS.—

“(1) BENEFITS SECONDARY TO OTHER COVERAGE.—

“(A) IN GENERAL.—Any compensation under subsection (a) shall be secondary to the obligation of the United States or any third party (including any State or local governmental entity, private insurance carrier, or employer), under any other law or contractual agreement, to pay compensation for loss of employment income or to provide disability or retirement benefits.

“(B) RELATION TO OTHER OBLIGATIONS.—Compensation under subsection (a) shall not be made to an eligible individual to the extent that the total of amounts paid to the individual under such subsection and under the other obligations referred to in subparagraph (A) is an amount that exceeds the rate specified in subsection (b)(1). If under any such other obligation a lump-sum payment is made, such payment shall, for purposes of this paragraph, be deemed to be received over multiple years rather than

received in a single year. The Secretary may, in the discretion of the Secretary, determine how to apportion such payment over multiple years.

“(2) NO BENEFITS IN CASE OF DEATH.—No payment shall be made under subsection (a) in compensation for loss of employment income subsequent to the receipt, by the survivor or survivors of an eligible individual, of benefits under section 266 for death.

“(3) LIMIT ON TOTAL BENEFITS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B)—

“(i) total compensation paid to an individual under subsection (a) shall not exceed \$50,000 for any year; and

“(ii) the lifetime total of such compensation for the individual may not exceed an amount equal to the amount authorized to be paid under section 266.

“(B) PERMANENT AND TOTAL DISABILITY.—The limitation under subparagraph (A)(ii) does not apply in the case of an eligible individual who is determined to have a covered injury or injuries meeting the definition of disability in section 216(i) of the Social Security Act (42 U.S.C. 416(i)).

“(4) WAITING PERIOD.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), an eligible individual shall not be provided compensation under this section for the first 5 work days of loss of employment income.

“(B) EXCEPTION.—Subparagraph (A) does not apply if the period of loss of employment income of an eligible individual is 10 or more work days.

“(5) TERMINATION OF BENEFITS.—No payment shall be made under subsection (a) in compensation for loss of employment income once the eligible individual involved reaches the age of 65.

“(d) BENEFIT IN ADDITION TO MEDICAL BENEFITS.—A benefit under subsection (a) shall be in addition to any amounts received by an eligible individual under section 264.

“SEC. 266. PAYMENT FOR DEATH.

42 USC 239e.

“(a) DEATH BENEFIT.—

“(1) IN GENERAL.—The Secretary shall pay, in the case of an eligible individual whose death is determined to have resulted from a covered injury or injuries, a death benefit in the amount determined under paragraph (2) to the survivor or survivors in the same manner as death benefits are paid pursuant to the Public Safety Officers’ Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) with respect to an eligible deceased (except that in the case of an eligible individual who is a minor with no living parent, the legal guardian shall be considered the survivor in the place of the parent).

“(2) BENEFIT AMOUNT.—

“(A) IN GENERAL.—The amount of the death benefit under paragraph (1) in a fiscal year shall equal the amount of the comparable benefit calculated under the Public Safety Officers’ Benefits Program under subpart 1 of part

L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) in such fiscal year, without regard to any reduction attributable to a limitation on appropriations, but subject to subparagraph (B).

“(B) REDUCTION FOR PAYMENTS FOR LOST EMPLOYMENT INCOME.—The amount of the benefit as determined under subparagraph (A) shall be reduced by the total amount of any benefits paid under section 265 with respect to lost employment income.

“(3) LIMITATIONS.—

“(A) IN GENERAL.—No benefit is payable under paragraph (1) with respect to the death of an eligible individual if—

“(i) a disability benefit is paid with respect to such individual under the Public Safety Officers’ Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.); or

“(ii) a death benefit is paid or payable with respect to such individual under the Public Safety Officers’ Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.).

“(B) EXCEPTION IN THE CASE OF A LIMITATION ON APPROPRIATIONS FOR DISABILITY BENEFITS UNDER PSOB.—In the event that disability benefits available to an eligible individual under the Public Safety Officers’ Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) are reduced because of a limitation on appropriations, and such reduction would affect the amount that would be payable under subparagraph (A) without regard to this subparagraph, benefits shall be available under paragraph (1) to the extent necessary to ensure that the survivor or survivors of such individual receives a total amount equal to the amount described in paragraph (2).

“(b) ELECTION IN CASE OF DEPENDENTS.—

“(1) IN GENERAL.—In the case of an eligible individual whose death is determined to have resulted from a covered injury or injuries, if the individual had one or more dependents under the age of 18, the legal guardian of the dependents may, in lieu of the death benefit under subsection (a), elect to receive on behalf of the aggregate of such dependents payments in accordance with this subsection. An election under the preceding sentence is effective in lieu of a request under subsection (a) by an individual who is not the legal guardian of such dependents.

“(2) AMOUNT OF PAYMENTS.—Payments under paragraph (1) with respect to an eligible individual described in such paragraph shall be made as if such individual were an eligible individual to whom compensation would be paid under subsection (a) of section 265, with the rate augmented in accordance with subsection (b)(2) of such section and with such individual considered to be an eligible individual described in subsection (c)(3)(B) of such section.

“(3) LIMITATIONS.—

“(A) AGE OF DEPENDENTS.—No payments may be made under paragraph (1) once the youngest of the dependents involved reaches the age of 18.

“(B) BENEFITS SECONDARY TO OTHER COVERAGE.—

“(i) IN GENERAL.—Any payment under paragraph (1) shall be secondary to the obligation of the United States or any third party (including any State or local governmental entity, private insurance carrier, or employer), under any other law or contractual agreement, to pay compensation for loss of employment income or to provide disability benefits, retirement benefits, life insurance benefits on behalf of dependents under the age of 18, or death benefits.

“(ii) RELATION TO OTHER OBLIGATIONS.—Payments under paragraph (1) shall not be made to with respect to an eligible individual to the extent that the total of amounts paid with respect to the individual under such paragraph and under the other obligations referred to in clause (i) is an amount that exceeds the rate of payment that applies under paragraph (2). If under any such other obligation a lump-sum payment is made, such payment shall, for purposes of this subparagraph, be deemed to be received over multiple years rather than received in a single year. The Secretary may, in the discretion of the Secretary, determine how to apportion such payment over multiple years.

“(c) BENEFIT IN ADDITION TO MEDICAL BENEFITS.—A benefit under subsection (a) or (b) shall be in addition to any amounts received by an eligible individual under section 264.

“SEC. 267. ADMINISTRATION.

42 USC 239f.

“(a) ADMINISTRATION BY AGREEMENT WITH OTHER AGENCY OR AGENCIES.—The Secretary may administer any or all of the provisions of this part through Memorandum of Agreement with the head of any appropriate Federal agency.

“(b) REGULATIONS.—The head of the agency administering this part or provisions thereof (including any agency head administering such Act or provisions through a Memorandum of Agreement under subsection (a)) may promulgate such implementing regulations as may be found necessary and appropriate. Initial implementing regulations may be interim final regulations.

“SEC. 268. AUTHORIZATION OF APPROPRIATIONS.

42 USC 239g.

“For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2003 through 2007, to remain available until expended, including administrative costs and costs of provision and payment of benefits. The Secretary’s payment of any benefit under section 264, 265, or 266 shall be subject to the availability of appropriations under this section.

“SEC. 269. RELATIONSHIP TO OTHER LAWS.

42 USC 239h.

“Except as explicitly provided herein, nothing in this part shall be construed to override or limit any rights an individual may have to seek compensation, benefits, or redress under any other provision of Federal or State law.”

SEC. 3. AMENDMENTS TO PROVISION REGARDING TORT LIABILITY FOR ADMINISTRATION OF SMALLPOX COUNTER-MEASURES.

(a) **AMENDMENT TO ACCIDENTAL VACCINIA INOCULATION PROVISION.**—Section 224(p)(2)(C)(ii)(II) of such Act (42 U.S.C. 233(p)(2)(C)(ii)(II)) is amended by striking “resides or has resided with” and inserting “has resided with, or has had contact with,”.

(b) **DEEMING ACTS AND OMISSIONS TO BE WITHIN SCOPE OF EMPLOYMENT.**—Section 224(p)(2) of such Act (42 U.S.C. 233(p)(2)) is amended by adding at the end the following new subparagraph:

“(D) ACTS AND OMISSIONS DEEMED TO BE WITHIN SCOPE OF EMPLOYMENT.—

“(i) **IN GENERAL.**—In the case of a claim arising out of alleged transmission of vaccinia from an individual described in clause (ii), acts or omissions by such individual shall be deemed to have been taken within the scope of such individual’s office or employment for purposes of—

“(I) subsection (a); and

“(II) section 1346(b) and chapter 171 of title 28, United States Code.

“(ii) **INDIVIDUALS TO WHOM DEEMING APPLIES.**—An individual is described by this clause if—

“(I) vaccinia vaccine was administered to such individual as provided by subparagraph (B); and

“(II) such individual was within a category of individuals covered by a declaration under subparagraph (A)(i).”.

(c) **EXHAUSTION; EXCLUSIVITY; OFFSET.**—Section 224(p)(3) of such Act (42 U.S.C. 233(p)(3)) is amended to read as follows:

“(3) **EXHAUSTION; EXCLUSIVITY; OFFSET.**—

“(A) **EXHAUSTION.**—

“(i) **IN GENERAL.**—A person may not bring a claim under this subsection unless such person has exhausted such remedies as are available under part C of this title, except that if the Secretary fails to make a final determination on a request for benefits or compensation filed in accordance with the requirements of such part within 240 days after such request was filed, the individual may seek any remedy that may be available under this section.

“(ii) **TOLLING OF STATUTE OF LIMITATIONS.**—The time limit for filing a claim under this subsection, or for filing an action based on such claim, shall be tolled during the pendency of a request for benefits or compensation under part C of this title.

“(iii) **CONSTRUCTION.**—This subsection shall not be construed as superseding or otherwise affecting the application of a requirement, under chapter 171 of title 28, United States Code, to exhaust administrative remedies.

“(B) **EXCLUSIVITY.**—The remedy provided by subsection (a) shall be exclusive of any other civil action or proceeding for any claim or suit this subsection encompasses, except for a proceeding under part C of this title.

“(C) **OFFSET.**—The value of all compensation and benefits provided under part C of this title for an incident

or series of incidents shall be offset against the amount of an award, compromise, or settlement of money damages in a claim or suit under this subsection based on the same incident or series of incidents.”.

(d) REQUIREMENT TO COOPERATE WITH UNITED STATES.—Section 224(p)(5) of such Act (42 U.S.C. 233(p)(5)) is amended in the caption by striking “DEFENDANT” and inserting “COVERED PERSON”.

(e) AMENDMENT TO DEFINITION OF COVERED COUNTERMEASURE.—Section 224(p)(7)(A)(i)(II) of such Act (42 U.S.C. 233(p)(7)(A)(i)(II)) is amended to read as follows:

“(II) used to control or treat the adverse effects of vaccinia inoculation or of administration of another covered countermeasure; and”.

(f) AMENDMENT TO DEFINITION OF COVERED PERSON.—Section 224(p)(7)(B) of such Act (42 U.S.C. 233(p)(7)(B)) is amended—

(1) by striking “includes any person” and inserting “means a person”;

(2) in clause (ii)—

(A) by striking “auspices” and inserting “auspices—”,

(B) by redesignating “such countermeasure” and all that follows as clause (I) and indenting accordingly; and

(C) by adding at the end the following:

“(II) a determination was made as to whether, or under what circumstances, an individual should receive a covered countermeasure;

“(III) the immediate site of administration on the body of a covered countermeasure was monitored, managed, or cared for; or

“(IV) an evaluation was made of whether the administration of a countermeasure was effective;”;

(3) in clause (iii) by striking “or”;

(4) by striking clause (iv) and inserting the following:

“(iv) a State, a political subdivision of a State, or an agency or official of a State or of such a political subdivision, if such State, subdivision, agency, or official has established requirements, provided policy guidance, supplied technical or scientific advice or assistance, or otherwise supervised or administered a program with respect to administration of such countermeasures;

“(v) in the case of a claim arising out of alleged transmission of vaccinia from an individual—

“(I) the individual who allegedly transmitted the vaccinia, if vaccinia vaccine was administered to such individual as provided by paragraph (2)(B) and such individual was within a category of individuals covered by a declaration under paragraph (2)(A)(i); or

“(II) an entity that employs an individual described by clause (I) or where such individual has privileges or is otherwise authorized to provide health care;

“(vi) an official, agent, or employee of a person described in clause (i), (ii), (iii), or (iv);

“(vii) a contractor of, or a volunteer working for, a person described in clause (i), (ii), or (iv), if the contractor or volunteer performs a function for which a person described in clause (i), (ii), or (iv) is a covered person; or

“(viii) an individual who has privileges or is otherwise authorized to provide health care under the auspices of an entity described in clause (ii) or (v)(II).”.

(g) AMENDMENT TO DEFINITION OF QUALIFIED PERSON.—Section 224(p)(7)(C) of such Act (42 U.S.C. 233(p)(7)(C)) is amended—

(1) by designating “is authorized to” and all that follows as clause (i) and indenting accordingly;

(2) by striking “individual who” and inserting “individual who—”; and

(3) by striking the period and inserting “; or

“(ii) is otherwise authorized by the Secretary to administer such countermeasure.”.

(h) DEFINITION OF “ARISING OUT OF ADMINISTRATION OF A COVERED COUNTERMEASURE”.—Section 224(p)(7) of such Act (42 U.S.C. 233(p)(7)) is amended by adding at the end the following new subparagraph:

“(D) ARISING OUT OF ADMINISTRATION OF A COVERED COUNTERMEASURE.—The term ‘arising out of administration of a covered countermeasure’, when used with respect to a claim or liability, includes a claim or liability arising out of—

“(i) determining whether, or under what conditions, an individual should receive a covered countermeasure;

“(ii) obtaining informed consent of an individual to the administration of a covered countermeasure;

“(iii) monitoring, management, or care of an immediate site of administration on the body of a covered countermeasure, or evaluation of whether the administration of the countermeasure has been effective; or

“(iv) transmission of vaccinia virus by an individual to whom vaccinia vaccine was administered as provided by paragraph (2)(B).”.

(i) TECHNICAL CORRECTION.—Section 224(p)(2)(A)(ii) of such Act (42 U.S.C. 233(p)(2)(A)(ii)) is amended by striking “paragraph (8)(A)” and inserting “paragraph (7)(A)”.

(j) EFFECTIVE DATE.—This section shall take effect as of 42 USC 233 note.
November 25, 2002.

Approved April 30, 2003.

LEGISLATIVE HISTORY—H.R. 1770:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 11, considered and passed House and Senate.



Public Law 108–21
108th Congress

An Act

Apr. 30, 2003
[S. 151]

To prevent child abduction and the sexual exploitation of children, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Prosecutorial
Remedies and
Other Tools to
end the
Exploitation of
Children Today
Act of 2003.
18 USC 1 note.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today Act of 2003” or “PROTECT Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Severability.

TITLE I—SANCTIONS AND OFFENSES

Sec. 101. Supervised release term for sex offenders.
Sec. 102. First degree murder for child abuse and child torture murders.
Sec. 103. Sexual abuse penalties.
Sec. 104. Stronger penalties against kidnapping.
Sec. 105. Penalties against sex tourism.
Sec. 106. Two strikes you’re out.
Sec. 107. Attempt liability for international parental kidnapping.
Sec. 108. Pilot program for national criminal history background checks and feasibility study.

TITLE II—INVESTIGATIONS AND PROSECUTIONS

Sec. 201. Interceptions of communications in investigations of sex offenses.
Sec. 202. No statute of limitations for child abduction and sex crimes.
Sec. 203. No pretrial release for those who rape or kidnap children.
Sec. 204. Suzanne’s law.

TITLE III—PUBLIC OUTREACH

Subtitle A—AMBER Alert

Sec. 301. National coordination of AMBER alert communications network.
Sec. 302. Minimum standards for issuance and dissemination of alerts through AMBER alert communications network.
Sec. 303. Grant program for notification and communications systems along highways for recovery of abducted children.
Sec. 304. Grant program for support of AMBER alert communications plans.
Sec. 305. Limitation on liability.

Subtitle B—National Center for Missing and Exploited Children

Sec. 321. Increased support.
Sec. 322. Forensic and investigative support of missing and exploited children.
Sec. 323. Creation of cyber tipline.

Subtitle C—Sex Offender Apprehension Program

Sec. 341. Authorization.

Subtitle D—Missing Children Procedures in Public Buildings

Sec. 361. Short title.

- Sec. 362. Definitions.
Sec. 363. Procedures in public buildings regarding a missing or lost child.

Subtitle E—Child Advocacy Center Grants

- Sec. 381. Information and documentation required by Attorney General under Victims of Child Abuse Act of 1990.

TITLE IV—SENTENCING REFORM

- Sec. 401. Sentencing reform.

TITLE V—OBSCENITY AND PORNOGRAPHY

Subtitle A—Child Obscenity and Pornography Prevention

- Sec. 501. Findings.
Sec. 502. Improvements to prohibition on virtual child pornography.
Sec. 503. Certain activities relating to material constituting or containing child pornography.
Sec. 504. Obscene child pornography.
Sec. 505. Admissibility of evidence.
Sec. 506. Extraterritorial production of child pornography for distribution in the United States.
Sec. 507. Strengthening enhanced penalties for repeat offenders.
Sec. 508. Service provider reporting of child pornography and related information.
Sec. 509. Investigative authority relating to child pornography.
Sec. 510. Civil remedies.
Sec. 511. Recordkeeping requirements.
Sec. 512. Sentencing enhancements for interstate travel to engage in sexual act with a juvenile.
Sec. 513. Miscellaneous provisions.

Subtitle B—Truth in Domain Names

- Sec. 521. Misleading domain names on the Internet.

TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Penalties for use of minors in crimes of violence.
Sec. 602. Sense of Congress.
Sec. 603. Communications Decency Act of 1996.
Sec. 604. Internet availability of information concerning registered sex offenders.
Sec. 605. Registration of child pornographers in the national sex offender registry.
Sec. 606. Grants to States for costs of compliance with new sex offender registry requirements.
Sec. 607. Safe ID Act.
Sec. 608. Illicit Drug Anti-Proliferation Act.
Sec. 609. Definition of vehicle.
Sec. 610. Authorization of John Doe DNA indictments.
Sec. 611. Transitional housing assistance grants for child victims of domestic violence, stalking, or sexual assault.

SEC. 2. SEVERABILITY.

18 USC 1 note.

If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons not similarly situated or to other circumstances, shall not be affected by such invalidation.

TITLE I—SANCTIONS AND OFFENSES

SEC. 101. SUPERVISED RELEASE TERM FOR SEX OFFENDERS.

Section 3583 of title 18, United States Code, is amended—

(1) in subsection (e)(3), by inserting “on any such revocation” after “required to serve”;

(2) in subsection (h), by striking “that is less than the maximum term of imprisonment authorized under subsection (e)(3)”; and

(3) by adding at the end the following:

“(k) Notwithstanding subsection (b), the authorized term of supervised release for any offense under section 1201 involving a minor victim, and for any offense under section 1591, 2241, 2242, 2244(a)(1), 2244(a)(2), 2251, 2251A, 2252, 2252A, 2260, 2421, 2422, 2423, or 2425, is any term of years or life.”.

SEC. 102. FIRST DEGREE MURDER FOR CHILD ABUSE AND CHILD TORTURE MURDERS.

Section 1111 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting “child abuse,” after “sexual abuse,”; and

(B) by inserting “or perpetrated as part of a pattern or practice of assault or torture against a child or children,” after “robbery,”; and

(2) by inserting at the end the following:

“(c) For purposes of this section—

“(1) the term ‘assault’ has the same meaning as given that term in section 113;

“(2) the term ‘child’ means a person who has not attained the age of 18 years and is—

“(A) under the perpetrator’s care or control; or

“(B) at least six years younger than the perpetrator;

“(3) the term ‘child abuse’ means intentionally or knowingly causing death or serious bodily injury to a child;

“(4) the term ‘pattern or practice of assault or torture’ means assault or torture engaged in on at least two occasions;

“(5) the term ‘serious bodily injury’ has the meaning set forth in section 1365; and

“(6) the term ‘torture’ means conduct, whether or not committed under the color of law, that otherwise satisfies the definition set forth in section 2340(1).”.

SEC. 103. SEXUAL ABUSE PENALTIES.

(a) MAXIMUM PENALTY INCREASES.—(1) Chapter 110 of title 18, United States Code, is amended—

(A) in section 2251(d)—

(i) by striking “20” and inserting “30”; and

(ii) by striking “30” the first place it appears and inserting “50”;

(B) in section 2252(b)(1)—

(i) by striking “15” and inserting “20”; and

(ii) by striking “30” and inserting “40”;

(C) in section 2252(b)(2)—

(i) by striking “5” and inserting “10”; and

(ii) by striking “10” and inserting “20”;

(D) in section 2252A(b)(1)—

(i) by striking “15” and inserting “20”; and

(ii) by striking “30” and inserting “40”; and

(E) in section 2252A(b)(2)—

(i) by striking “5” and inserting “10”; and

(ii) by striking “10” and inserting “20”.

(2) Chapter 117 of title 18, United States Code, is amended—

(A) in section 2422(a), by striking “10” and inserting “20”;

(B) in section 2422(b), by striking “15” and inserting “30”;

and

(C) in section 2423(a), by striking “15” and inserting “30”.

(3) Section 1591(b)(2) of title 18, United States Code, is amended by striking “20” and inserting “40”.

(b) MINIMUM PENALTY INCREASES.—(1) Chapter 110 of title 18, United States Code, is amended—

(A) in section 2251(d)—

(i) by striking “or imprisoned not less than 10” and inserting “and imprisoned not less than 15”;

(ii) by striking “and both,”;

(iii) by striking “15” and inserting “25”; and

(iv) by striking “30” the second place it appears and inserting “35”;

(B) in section 2251A (a) and (b), by striking “20” and inserting “30”;

(C) in section 2252(b)(1)—

(i) by striking “or imprisoned” and inserting “and imprisoned not less than 5 years and”;

(ii) by striking “or both,”; and

(iii) by striking “5” and inserting “15”;

(D) in section 2252(b)(2), by striking “2” and inserting “10”;

(E) in section 2252A(b)(1)—

(i) by striking “or imprisoned” and inserting “and imprisoned not less than 5 years and”;

(ii) by striking “or both,”; and

(iii) by striking “5” and inserting “15”; and

(F) in section 2252A(b)(2), by striking “2” and inserting “10”.

(2) Chapter 117 of title 18, United States Code, is amended—

(A) in section 2422(b)—

(i) by striking “, imprisoned” and inserting “and imprisoned not less than 5 years and”; and

(ii) by striking “, or both”; and

(B) in section 2423(a)—

(i) by striking “, imprisoned” and inserting “and imprisoned not less than 5 years and”; and

(ii) by striking “, or both”.

SEC. 104. STRONGER PENALTIES AGAINST KIDNAPPING.

(a) SENTENCING GUIDELINES.—Notwithstanding any other provision of law regarding the amendment of Sentencing Guidelines, the United States Sentencing Commission is directed to amend the Sentencing Guidelines, to take effect on the date that is 30 days after the date of the enactment of this Act—

Effective date.
28 USC 994 note.

(1) so that the base offense level for kidnapping in section 2A4.1(a) is increased from level 24 to level 32;

(2) so as to delete section 2A4.1(b)(4)(C); and

(3) so that the increase provided by section 2A4.1(b)(5) is 6 levels instead of 3.

(b) MINIMUM MANDATORY SENTENCE.—Section 1201(g) of title 18, United States Code, is amended by striking “shall be subject to paragraph (2)” in paragraph (1) and all that follows through paragraph (2) and inserting “shall include imprisonment for not less than 20 years.”.

SEC. 105. PENALTIES AGAINST SEX TOURISM.

(a) IN GENERAL.—Section 2423 of title 18, United States Code, is amended by striking subsection (b) and inserting the following:

“(b) TRAVEL WITH INTENT TO ENGAGE IN ILLICIT SEXUAL CONDUCT.—A person who travels in interstate commerce or travels into the United States, or a United States citizen or an alien admitted for permanent residence in the United States who travels in foreign commerce, for the purpose of engaging in any illicit sexual conduct with another person shall be fined under this title or imprisoned not more than 30 years, or both.

“(c) ENGAGING IN ILLICIT SEXUAL CONDUCT IN FOREIGN PLACES.—Any United States citizen or alien admitted for permanent residence who travels in foreign commerce, and engages in any illicit sexual conduct with another person shall be fined under this title or imprisoned not more than 30 years, or both.

“(d) ANCILLARY OFFENSES.—Whoever, for the purpose of commercial advantage or private financial gain, arranges, induces, procures, or facilitates the travel of a person knowing that such a person is traveling in interstate commerce or foreign commerce for the purpose of engaging in illicit sexual conduct shall be fined under this title, imprisoned not more than 30 years, or both.

“(e) ATTEMPT AND CONSPIRACY.—Whoever attempts or conspires to violate subsection (a), (b), (c), or (d) shall be punishable in the same manner as a completed violation of that subsection.

“(f) DEFINITION.—As used in this section, the term ‘illicit sexual conduct’ means (1) a sexual act (as defined in section 2246) with a person under 18 years of age that would be in violation of chapter 109A if the sexual act occurred in the special maritime and territorial jurisdiction of the United States; or (2) any commercial sex act (as defined in section 1591) with a person under 18 years of age.

“(g) DEFENSE.—In a prosecution under this section based on illicit sexual conduct as defined in subsection (f)(2), it is a defense, which the defendant must establish by a preponderance of the evidence, that the defendant reasonably believed that the person with whom the defendant engaged in the commercial sex act had attained the age of 18 years.”.

(b) CONFORMING AMENDMENT.—Section 2423(a) of title 18, United States Code, is amended by striking “or attempts to do so,”.

SEC. 106. TWO STRIKES YOU'RE OUT.

(a) IN GENERAL.—Section 3559 of title 18, United States Code, is amended by adding at the end the following new subsection:

“(e) MANDATORY LIFE IMPRISONMENT FOR REPEATED SEX OFFENSES AGAINST CHILDREN.—

“(1) IN GENERAL.—A person who is convicted of a Federal sex offense in which a minor is the victim shall be sentenced to life imprisonment if the person has a prior sex conviction in which a minor was the victim, unless the sentence of death is imposed.

“(2) DEFINITIONS.—For the purposes of this subsection—

“(A) the term ‘Federal sex offense’ means an offense under section 2241 (relating to aggravated sexual abuse), 2242 (relating to sexual abuse), 2244(a)(1) (relating to abusive sexual contact), 2245 (relating to sexual abuse resulting in death), 2251 (relating to sexual exploitation of children), 2251A (relating to selling or buying of children), 2422(b) (relating to coercion and enticement of a

minor into prostitution), or 2423(a) (relating to transportation of minors);

“(B) the term ‘State sex offense’ means an offense under State law that is punishable by more than one year in prison and consists of conduct that would be a Federal sex offense if, to the extent or in the manner specified in the applicable provision of this title—

“(i) the offense involved interstate or foreign commerce, or the use of the mails; or

“(ii) the conduct occurred in any commonwealth, territory, or possession of the United States, within the special maritime and territorial jurisdiction of the United States, in a Federal prison, on any land or building owned by, leased to, or otherwise used by or under the control of the Government of the United States, or in the Indian country (as defined in section 1151);

“(C) the term ‘prior sex conviction’ means a conviction for which the sentence was imposed before the conduct occurred constituting the subsequent Federal sex offense, and which was for a Federal sex offense or a State sex offense;

“(D) the term ‘minor’ means an individual who has not attained the age of 17 years; and

“(E) the term ‘State’ has the meaning given that term in subsection (c)(2).

“(3) NONQUALIFYING FELONIES.—An offense described in section 2422(b) or 2423(a) shall not serve as a basis for sentencing under this subsection if the defendant establishes by clear and convincing evidence that—

“(A) the sexual act or activity was consensual and not for the purpose of commercial or pecuniary gain;

“(B) the sexual act or activity would not be punishable by more than one year in prison under the law of the State in which it occurred; or

“(C) no sexual act or activity occurred.”

(b) CONFORMING AMENDMENT.—Sections 2247(a) and 2426(a) of title 18, United States Code, are each amended by inserting “, unless section 3559(e) applies” before the final period.

SEC. 107. ATTEMPT LIABILITY FOR INTERNATIONAL PARENTAL KIDNAPPING.

Section 1204 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting “, or attempts to do so,” before “or retains”; and

(2) in subsection (c)—

(A) in paragraph (1), by inserting “or the Uniform Child Custody Jurisdiction and Enforcement Act” before “and was”; and

(B) in paragraph (2), by inserting “or” after the semicolon.

SEC. 108. PILOT PROGRAM FOR NATIONAL CRIMINAL HISTORY BACKGROUND CHECKS AND FEASIBILITY STUDY.

(a) ESTABLISHMENT OF PILOT PROGRAM.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Attorney General shall establish a pilot program for volunteer groups to obtain national

42 USC 5119a
note.

Deadlines.

and State criminal history background checks through a 10-fingerprint check to be conducted utilizing State criminal records and the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation.

(2) STATE PILOT PROGRAM.—

(A) IN GENERAL.—The Attorney General shall designate 3 States as participants in an 18-month State pilot program.

(B) VOLUNTEER ORGANIZATION REQUESTS.—A volunteer organization in one of the 3 States participating in the State pilot program under this paragraph that is part of the Boys and Girls Clubs of America, the National Mentoring Partnerships, or the National Council of Youth Sports may submit a request for a 10-fingerprint check from the participating State. A volunteer organization in a participating State may not submit background check requests under paragraph (3).

(C) STATE CHECK.—The participating State under this paragraph after receiving a request under subparagraph (B) shall conduct a State background check and submit a request that a Federal check be performed through the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation, to the Attorney General, in a manner to be determined by the Attorney General.

(D) INFORMATION PROVIDED.—Under procedures established by the Attorney General, any criminal history record information resulting from the State and Federal check under subparagraph (C) shall be provided to the State or National Center for Missing and Exploited Children consistent with the National Child Protection Act.

(E) COSTS.—A State may collect a fee to perform a criminal background check under this paragraph which may not exceed the actual costs to the State to perform such a check.

(F) TIMING.—For any background check performed under this paragraph, the State shall provide the State criminal record information to the Attorney General within 7 days after receiving the request from the organization, unless the Attorney General determines during the feasibility study that such a check cannot reasonably be performed within that time period. The Attorney General shall provide the criminal history records information to the National Center for Missing and Exploited Children within 7 business days after receiving the request from the State.

(3) CHILD SAFETY PILOT PROGRAM.—

(A) IN GENERAL.—The Attorney General shall establish an 18-month Child Safety Pilot Program that shall provide for the processing of 100,000 10-fingerprint check requests from organizations described in subparagraph (B) conducted through the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation.

(B) ELIGIBLE ORGANIZATIONS.—An organization described in this subparagraph is an organization in a State not designated under paragraph (2) that has received a request allotment pursuant to subparagraph (C).

(C) REQUEST ALLOTMENTS.—The following organizations may allot requests as follows:

- (i) 33,334 for the Boys and Girls Clubs of America.
- (ii) 33,333 for the National Mentoring Partnership.
- (iii) 33,333 for the National Council of Youth Sports.

(D) PROCEDURES.—The Attorney General shall notify the organizations described in subparagraph (C) of a process by which the organizations may provide fingerprint cards to the Attorney General.

Notification.

(E) VOLUNTEER INFORMATION REQUIRED.—An organization authorized to request a background check under this paragraph shall—

- (i) forward to the Attorney General the volunteer's fingerprints; and
- (ii) obtain a statement completed and signed by the volunteer that—

(I) sets out the provider or volunteer's name, address, date of birth appearing on a valid identification document as defined in section 1028 of title 18, United States Code, and a photocopy of the valid identifying document;

(II) states whether the volunteer has a criminal record, and, if so, sets out the particulars of such record;

(III) notifies the volunteer that the Attorney General may perform a criminal history background check and that the volunteer's signature to the statement constitutes an acknowledgment that such a check may be conducted;

(IV) notifies the volunteer that prior to and after the completion of the background check, the organization may choose to deny the provider access to children; and

(V) notifies the volunteer of his right to correct an erroneous record held by the Attorney General.

(F) TIMING.—For any background checks performed under this paragraph, the Attorney General shall provide the criminal history records information to the National Center for Missing and Exploited Children within 14 business days after receiving the request from the organization.

(G) DETERMINATIONS OF FITNESS.—

(i) IN GENERAL.—Consistent with the privacy protections delineated in the National Child Protection Act (42 U.S.C. 5119), the National Center for Missing and Exploited Children may make a determination whether the criminal history record information received in response to the criminal history background checks conducted under this paragraph indicates that the provider or volunteer has a criminal history record that renders the provider or volunteer unfit to provide care to children based upon criteria established jointly by, the National Center for Missing and Exploited Children, the Boys and Girls Clubs of America, the National Mentoring Partnership, and the National Council of Youth Sports.

(ii) CHILD SAFETY PILOT PROGRAM.—The National Center for Missing and Exploited Children shall convey that determination to the organizations making requests under this paragraph.

(4) FEES COLLECTED BY ATTORNEY GENERAL.—The Attorney General may collect a fee which may not exceed \$18 to cover the cost to the Federal Bureau of Investigation to conduct the background check under paragraph (2) or (3).

(b) RIGHTS OF VOLUNTEERS.—Each volunteer who is the subject of a criminal history background check under this section is entitled to contact the Attorney General to initiate procedures to—

(1) obtain a copy of their criminal history record report; and

(2) challenge the accuracy and completeness of the criminal history record information in the report.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary to the National Center for Missing and Exploited Children for fiscal years 2004 and 2005 to carry out the requirements of this section.

(2) STATE PROGRAM.—There is authorized to be appropriated such sums as may be necessary to the Attorney General for the States designated in subsection (a)(1) for fiscal years 2004 and 2005 to establish and enhance fingerprint technology infrastructure of the participating State.

(d) FEASIBILITY STUDY FOR A SYSTEM OF BACKGROUND CHECKS FOR EMPLOYEES AND VOLUNTEERS.—

(1) STUDY REQUIRED.—The Attorney General shall conduct a feasibility study within 180 days after the date of the enactment of this Act. The study shall examine, to the extent discernible, the following:

(A) The current state of fingerprint capture and processing at the State and local level, including the current available infrastructure, State system capacities, and the time for each State to process a civil or volunteer print from the time of capture to submission to the Federal Bureau of Investigation (FBI).

(B) The intent of the States concerning participation in a nationwide system of criminal background checks to provide information to qualified entities.

(C) The number of volunteers, employees, and other individuals that would require a fingerprint-based criminal background check.

(D) The impact on the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation in terms of capacity and impact on other users of the system, including the effect on Federal Bureau of Investigation work practices and staffing levels.

(E) The current fees charged by the Federal Bureau of Investigation, States and local agencies, and private companies to process fingerprints and conduct background checks.

(F) The existence of “model” or best practice programs which could easily be expanded and duplicated in other States.

(G) The extent to which private companies are currently performing background checks and the possibility

Deadline.

of using private companies in the future to perform any of the background check process, including, but not limited to, the capture and transmission of fingerprints and fitness determinations.

(H) The cost of development and operation of the technology and the infrastructure necessary to establish a nationwide fingerprint-based and other criminal background check system.

(I) The extent of State participation in the procedures for background checks authorized in the National Child Protection Act (Public Law 103–209), as amended by the Volunteers for Children Act (sections 221 and 222 of Public Law 105–251).

(J) The extent to which States currently provide access to nationwide criminal history background checks to organizations that serve children.

(K) The extent to which States currently permit volunteers to appeal adverse fitness determinations, and whether similar procedures are required at the Federal level.

(L) The implementation of the 2 pilot programs created in subsection (a).

(M) Any privacy concerns that may arise from nationwide criminal background checks.

(N) Any other information deemed relevant by the Department of Justice.

(2) INTERIM REPORT.—Based on the findings of the feasibility study under paragraph (1), the Attorney General shall, not later than 180 days after the date of the enactment of this Act, submit to Congress an interim report, which may include recommendations for a pilot project to develop or improve programs to collect fingerprints and perform background checks on individuals that seek to volunteer with organizations that work with children, the elderly, or the disabled.

(3) FINAL REPORT.—Based on the findings of the pilot project, the Attorney General shall, not later than 60 days after completion of the pilot project under this section, submit to Congress a final report, including recommendations, which may include a proposal for grants to the States to develop or improve programs to collect fingerprints and perform background checks on individuals that seek to volunteer with organizations that work with children, the elderly, or the disabled, and which may include recommendations for amendments to the National Child Protection Act and the Volunteers for Children Act so that qualified entities can promptly and affordably conduct nationwide criminal history background checks on their employees and volunteers.

Deadline.

TITLE II—INVESTIGATIONS AND PROSECUTIONS

SEC. 201. INTERCEPTIONS OF COMMUNICATIONS IN INVESTIGATIONS OF SEX OFFENSES.

Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (a), by inserting after “chapter 37 (relating to espionage),” the following: “chapter 55 (relating to kidnapping),”; and

(2) in paragraph (c)—

(A) by inserting “section 1591 (sex trafficking of children by force, fraud, or coercion),” after “section 1511 (obstruction of State or local law enforcement),”; and

(B) by inserting “section 2251A (selling or buying of children), section 2252A (relating to material constituting or containing child pornography), section 1466A (relating to child obscenity), section 2260 (production of sexually explicit depictions of a minor for importation into the United States), sections 2421, 2422, 2423, and 2425 (relating to transportation for illegal sexual activity and related crimes),” after “sections 2251 and 2252 (sexual exploitation of children).”.

SEC. 202. NO STATUTE OF LIMITATIONS FOR CHILD ABDUCTION AND SEX CRIMES.

Section 3283 of title 18, United States Code, is amended to read as follows:

“§ 3283. Offenses against children

“No statute of limitations that would otherwise preclude prosecution for an offense involving the sexual or physical abuse, or kidnapping, of a child under the age of 18 years shall preclude such prosecution during the life of the child.”.

SEC. 203. NO PRETRIAL RELEASE FOR THOSE WHO RAPE OR KIDNAP CHILDREN.

Section 3142(e) of title 18, United States Code, is amended—

(1) by striking “1901 et seq.), or” and inserting “1901 et seq.),”; and

(2) by striking “of title 18 of the United States Code” and inserting “of this title, or an offense involving a minor victim under section 1201, 1591, 2241, 2242, 2244(a)(1), 2245, 2251, 2251A, 2252(a)(1), 2252(a)(2), 2252(a)(3), 2252A(a)(1), 2252A(a)(2), 2252A(a)(3), 2252A(a)(4), 2260, 2421, 2422, 2423, or 2425 of this title”.

SEC. 204. SUZANNE’S LAW.

Section 3701(a) of the Crime Control Act of 1990 (42 U.S.C. 5779(a)) is amended by striking “age of 18” and inserting “age of 21”.

TITLE III—PUBLIC OUTREACH

Subtitle A—AMBER Alert

42 USC 5791.

SEC. 301. NATIONAL COORDINATION OF AMBER ALERT COMMUNICATIONS NETWORK.

(a) **COORDINATION WITHIN DEPARTMENT OF JUSTICE.**—The Attorney General shall assign an officer of the Department of Justice to act as the national coordinator of the AMBER Alert communications network regarding abducted children. The officer so designated shall be known as the AMBER Alert Coordinator of the Department of Justice.

(b) DUTIES.—In acting as the national coordinator of the AMBER Alert communications network, the Coordinator shall—

(1) seek to eliminate gaps in the network, including gaps in areas of interstate travel;

(2) work with States to encourage the development of additional elements (known as local AMBER plans) in the network;

(3) work with States to ensure appropriate regional coordination of various elements of the network; and

(4) act as the nationwide point of contact for—

(A) the development of the network; and

(B) regional coordination of alerts on abducted children through the network.

(c) CONSULTATION WITH FEDERAL BUREAU OF INVESTIGATION.—In carrying out duties under subsection (b), the Coordinator shall notify and consult with the Director of the Federal Bureau of Investigation concerning each child abduction for which an alert is issued through the AMBER Alert communications network.

(d) COOPERATION.—The Coordinator shall cooperate with the Secretary of Transportation and the Federal Communications Commission in carrying out activities under this section.

(e) REPORT.—Not later than March 1, 2005, the Coordinator shall submit to Congress a report on the activities of the Coordinator and the effectiveness and status of the AMBER plans of each State that has implemented such a plan. The Coordinator shall prepare the report in consultation with the Secretary of Transportation.

Deadline.

SEC. 302. MINIMUM STANDARDS FOR ISSUANCE AND DISSEMINATION OF ALERTS THROUGH AMBER ALERT COMMUNICATIONS NETWORK.

42 USC 5791a.

(a) ESTABLISHMENT OF MINIMUM STANDARDS.—Subject to subsection (b), the AMBER Alert Coordinator of the Department of Justice shall establish minimum standards for—

(1) the issuance of alerts through the AMBER Alert communications network; and

(2) the extent of the dissemination of alerts issued through the network.

(b) LIMITATIONS.—(1) The minimum standards established under subsection (a) shall be adoptable on a voluntary basis only.

(2) The minimum standards shall, to the maximum extent practicable (as determined by the Coordinator in consultation with State and local law enforcement agencies), provide that appropriate information relating to the special needs of an abducted child (including health care needs) are disseminated to the appropriate law enforcement, public health, and other public officials.

(3) The minimum standards shall, to the maximum extent practicable (as determined by the Coordinator in consultation with State and local law enforcement agencies), provide that the dissemination of an alert through the AMBER Alert communications network be limited to the geographic areas most likely to facilitate the recovery of the abducted child concerned.

(4) In carrying out activities under subsection (a), the Coordinator may not interfere with the current system of voluntary coordination between local broadcasters and State and local law enforcement agencies for purposes of the AMBER Alert communications network.

(c) COOPERATION.—(1) The Coordinator shall cooperate with the Secretary of Transportation and the Federal Communications Commission in carrying out activities under this section.

(2) The Coordinator shall also cooperate with local broadcasters and State and local law enforcement agencies in establishing minimum standards under this section.

42 USC 5791b.

SEC. 303. GRANT PROGRAM FOR NOTIFICATION AND COMMUNICATIONS SYSTEMS ALONG HIGHWAYS FOR RECOVERY OF ABDUCTED CHILDREN.

(a) PROGRAM REQUIRED.—The Secretary of Transportation shall carry out a program to provide grants to States for the development or enhancement of notification or communications systems along highways for alerts and other information for the recovery of abducted children.

(b) DEVELOPMENT GRANTS.—

(1) IN GENERAL.—The Secretary may make a grant to a State under this subsection for the development of a State program for the use of changeable message signs or other motorist information systems to notify motorists about abductions of children. The State program shall provide for the planning, coordination, and design of systems, protocols, and message sets that support the coordination and communication necessary to notify motorists about abductions of children.

(2) ELIGIBLE ACTIVITIES.—A grant under this subsection may be used by a State for the following purposes:

(A) To develop general policies and procedures to guide the use of changeable message signs or other motorist information systems to notify motorists about abductions of children.

(B) To develop guidance or policies on the content and format of alert messages to be conveyed on changeable message signs or other traveler information systems.

(C) To coordinate State, regional, and local plans for the use of changeable message signs or other transportation related issues.

(D) To plan secure and reliable communications systems and protocols among public safety and transportation agencies or modify existing communications systems to support the notification of motorists about abductions of children.

(E) To plan and design improved systems for communicating with motorists, including the capability for issuing wide area alerts to motorists.

(F) To plan systems and protocols to facilitate the efficient issuance of child abduction notification and other key information to motorists during off-hours.

(G) To provide training and guidance to transportation authorities to facilitate appropriate use of changeable message signs and other traveler information systems for the notification of motorists about abductions of children.

(c) IMPLEMENTATION GRANTS.—

(1) IN GENERAL.—The Secretary may make a grant to a State under this subsection for the implementation of a program for the use of changeable message signs or other motorist information systems to notify motorists about abductions of

children. A State shall be eligible for a grant under this subsection if the Secretary determines that the State has developed a State program in accordance with subsection (b).

(2) ELIGIBLE ACTIVITIES.—A grant under this subsection may be used by a State to support the implementation of systems that use changeable message signs or other motorist information systems to notify motorists about abductions of children. Such support may include the purchase and installation of changeable message signs or other motorist information systems to notify motorists about abductions of children.

(d) FEDERAL SHARE.—The Federal share of the cost of any activities funded by a grant under this section may not exceed 80 percent.

(e) DISTRIBUTION OF GRANT AMOUNTS.—The Secretary shall, to the maximum extent practicable, distribute grants under this section equally among the States that apply for a grant under this section within the time period prescribed by the Secretary.

(f) ADMINISTRATION.—The Secretary shall prescribe requirements, including application requirements, for the receipt of grants under this section.

(g) DEFINITION.—In this section, the term “State” means any of the 50 States, the District of Columbia, or Puerto Rico.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$20,000,000 for fiscal year 2004. Such amounts shall remain available until expended.

(i) STUDY OF STATE PROGRAMS.—

(1) STUDY.—The Secretary shall conduct a study to examine State barriers to the adoption and implementation of State programs for the use of communications systems along highways for alerts and other information for the recovery of abducted children.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study, together with any recommendations the Secretary determines appropriate.

Deadline.

SEC. 304. GRANT PROGRAM FOR SUPPORT OF AMBER ALERT COMMUNICATIONS PLANS.

42 USC 5791c.

(a) PROGRAM REQUIRED.—The Attorney General shall carry out a program to provide grants to States for the development or enhancement of programs and activities for the support of AMBER Alert communications plans.

(b) ACTIVITIES.—Activities funded by grants under the program under subsection (a) may include—

(1) the development and implementation of education and training programs, and associated materials, relating to AMBER Alert communications plans;

(2) the development and implementation of law enforcement programs, and associated equipment, relating to AMBER Alert communications plans;

(3) the development and implementation of new technologies to improve AMBER Alert communications; and

(4) such other activities as the Attorney General considers appropriate for supporting the AMBER Alert communications program.

(c) **FEDERAL SHARE.**—The Federal share of the cost of any activities funded by a grant under the program under subsection (a) may not exceed 50 percent.

(d) **DISTRIBUTION OF GRANT AMOUNTS ON GEOGRAPHIC BASIS.**—The Attorney General shall, to the maximum extent practicable, ensure the distribution of grants under the program under subsection (a) on an equitable basis throughout the various regions of the United States.

(e) **ADMINISTRATION.**—The Attorney General shall prescribe requirements, including application requirements, for grants under the program under subsection (a).

(f) **AUTHORIZATION OF APPROPRIATIONS.**—(1) There is authorized to be appropriated for the Department of Justice \$5,000,000 for fiscal year 2004 to carry out this section and, in addition, \$5,000,000 for fiscal year 2004 to carry out subsection (b)(3).

(2) Amounts appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended.

42 USC 5791d.

SEC. 305. LIMITATION ON LIABILITY.

(a) Except as provided in subsection (b), the National Center for Missing and Exploited Children, including any of its officers, employees, or agents, shall not be liable for damages in any civil action for defamation, libel, slander, or harm to reputation arising out of any action or communication by the National Center for Missing and Exploited Children, its officers, employees, or agents, in connection with any clearinghouse, hotline or complaint intake or forwarding program or in connection with activity that is wholly or partially funded by the United States and undertaken in cooperation with, or at the direction of a Federal law enforcement agency.

(b) The limitation in subsection (a) does not apply in any action in which the plaintiff proves that the National Center for Missing and Exploited Children, its officers, employees, or agents acted with actual malice, or provided information or took action for a purpose unrelated to an activity mandated by Federal law. For purposes of this subsection, the prevention, or detection of crime, and the safety, recovery, or protection of missing or exploited children shall be deemed, per se, to be an activity mandated by Federal law.

Subtitle B—National Center for Missing and Exploited Children

SEC. 321. INCREASED SUPPORT.

(a) **IN GENERAL.**—Section 408(a) of the Missing Children's Assistance Act (42 U.S.C. 5777(a)) is amended by striking “fiscal years 2000 through 2003” and inserting “fiscal years 2004 through 2005.”

(b) **ANNUAL GRANT TO NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN.**—Section 404(b)(2) of the Missing Children's Assistance Act (42 U.S.C. 5773(b)(2)) is amended by striking “\$10,000,000 for each of fiscal years 2000, 2001, 2002, and 2003” and inserting “\$20,000,000 for each of the fiscal years 2004 through 2005”.

SEC. 322. FORENSIC AND INVESTIGATIVE SUPPORT OF MISSING AND EXPLOITED CHILDREN.

Section 3056 of title 18, United States Code, is amended by adding at the end the following:

“(f) Under the direction of the Secretary of Homeland Security, officers and agents of the Secret Service are authorized, at the request of any State or local law enforcement agency, or at the request of the National Center for Missing and Exploited Children, to provide forensic and investigative assistance in support of any investigation involving missing or exploited children.”.

SEC. 323. CREATION OF CYBER TIPLINE.

Section 404(b)(1) of the Missing Children’s Assistance Act (42 U.S.C. 5773(b)(1)) is amended—

- (1) in subparagraph (F), by striking “and” at the end;
- (2) in subparagraph (G), by striking the period at the end and inserting “; and”; and

- (3) by adding at the end the following:

“(H) coordinate the operation of a cyber tipline to provide online users an effective means of reporting Internet-related child sexual exploitation in the areas of—

- “(i) distribution of child pornography;
 - “(ii) online enticement of children for sexual acts;
- and
- “(iii) child prostitution.”.

Subtitle C—Sex Offender Apprehension Program

SEC. 341. AUTHORIZATION.

Section 1701(d) of part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(d)) is amended—

- (1) by redesignating paragraphs (10) and (11) as (11) and (12), respectively; and
- (2) by inserting after paragraph (9) the following:

“(10) assist a State in enforcing a law throughout the State which requires that a convicted sex offender register his or her address with a State or local law enforcement agency and be subject to criminal prosecution for failure to comply;”.

Subtitle D—Missing Children Procedures in Public Buildings

Code Adam Act of 2003.

SEC. 361. SHORT TITLE.

This subtitle may be cited as the “Code Adam Act of 2003”.

42 USC 5601 note.

SEC. 362. DEFINITIONS.

42 USC 5792.

In this subtitle, the following definitions apply:

- (1) **CHILD.**—The term “child” means an individual who is 17 years of age or younger.
- (2) **CODE ADAM ALERT.**—The term “Code Adam alert” means a set of procedures used in public buildings to alert employees and other users of the building that a child is missing.

(3) **DESIGNATED AUTHORITY.**—The term “designated authority” means—

(A) with respect to a public building owned or leased for use by an Executive agency—

(i) except as otherwise provided in this paragraph, the Administrator of General Services;

(ii) in the case of the John F. Kennedy Center for the Performing Arts, the Board of Trustees of the John F. Kennedy Center for the Performing Arts;

(iii) in the case of buildings under the jurisdiction, custody, and control of the Smithsonian Institution, the Board of Regents of the Smithsonian Institution; or

(iv) in the case of another public building for which an Executive agency has, by specific or general statutory authority, jurisdiction, custody, and control over the building, the head of that agency;

(B) with respect to the Supreme Court Building, the Marshal of the Supreme Court; with respect to the Thurgood Marshall Federal Judiciary Building, the Director of the Administrative Office of United States Courts; and with respect to all other public buildings owned or leased for use by an establishment in the judicial branch of government, the General Services Administration in consultation with the United States Marshals Service; and

(C) with respect to a public building owned or leased for use by an establishment in the legislative branch of government, the Capitol Police Board.

(4) **EXECUTIVE AGENCY.**—The term “Executive agency” has the same meaning such term has under section 105 of title 5, United States Code.

(5) **FEDERAL AGENCY.**—The term “Federal agency” means any Executive agency or any establishment in the legislative or judicial branches of the Government.

(6) **PUBLIC BUILDING.**—The term “public building” means any building (or portion thereof) owned or leased for use by a Federal agency.

42 USC 5792a.

SEC. 363. PROCEDURES IN PUBLIC BUILDINGS REGARDING A MISSING OR LOST CHILD.

Deadline.

(a) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, the designated authority for a public building shall establish procedures for locating a child that is missing in the building.

(b) **NOTIFICATION AND SEARCH PROCEDURES.**—Procedures established under this section shall provide, at a minimum, for the following:

(1) Notifying security personnel that a child is missing.

(2) Obtaining a detailed description of the child, including name, age, eye and hair color, height, weight, clothing, and shoes.

(3) Issuing a Code Adam alert and providing a description of the child, using a fast and effective means of communication.

(4) Establishing a central point of contact.

(5) Monitoring all points of egress from the building while a Code Adam alert is in effect.

(6) Conducting a thorough search of the building.

- (7) Contacting local law enforcement.
- (8) Documenting the incident.

Subtitle E—Child Advocacy Center Grants

SEC. 381. INFORMATION AND DOCUMENTATION REQUIRED BY ATTORNEY GENERAL UNDER VICTIMS OF CHILD ABUSE ACT OF 1990.

(a) REGIONAL CHILDREN’S ADVOCACY CENTERS.—Section 213 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001b) is amended—

(1) in subsection (c)(4)—

(A) by striking “and” at the end of subparagraph (B)(ii);

(B) in subparagraph (B)(iii), by striking “Board” and inserting “board”; and

(C) by redesignating subparagraphs (C) and (D) as clauses (iv) and (v), respectively, of subparagraph (B), and by realigning such clauses so as to have the same indentation as the preceding clauses of subparagraph (B); and

(2) in subsection (e), by striking “Board” in each of paragraphs (1)(B)(ii), (2)(A), and (3), and inserting “board”.

(b) AUTHORIZATION OF APPROPRIATIONS.—The text of section 214B of such Act (42 U.S.C. 13004) is amended to read as follows:

“(a) SECTIONS 213 AND 214.—There are authorized to be appropriated to carry out sections 213 and 214, \$15,000,000 for each of fiscal years 2004 and 2005.

“(b) SECTION 214A.—There are authorized to be appropriated to carry out section 214A, \$5,000,000 for each of fiscal years 2004 and 2005.”.

TITLE IV—SENTENCING REFORM

SEC. 401. SENTENCING REFORM.

(a) ENFORCEMENT OF SENTENCING GUIDELINES FOR CHILD ABDUCTION AND SEX OFFENSES.—Section 3553(b) of title 18, United States Code is amended—

(1) by striking “The court” and inserting the following:

“(1) IN GENERAL.—Except as provided in paragraph (2), the court”; and

(2) by adding at the end the following:

“(2) CHILD CRIMES AND SEXUAL OFFENSES.—

“(A) SENTENCING.—In sentencing a defendant convicted of an offense under section 1201 involving a minor victim, an offense under section 1591, or an offense under chapter 71, 109A, 110, or 117, the court shall impose a sentence of the kind, and within the range, referred to in subsection (a)(4) unless—

“(i) the court finds that there exists an aggravating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the guidelines that should result in a sentence greater than that described;

“(ii) the court finds that there exists a mitigating circumstance of a kind or to a degree, that—

“(I) has been affirmatively and specifically identified as a permissible ground of downward departure in the sentencing guidelines or policy statements issued under section 994(a) of title 28, taking account of any amendments to such sentencing guidelines or policy statements by Congress;

“(II) has not been taken into consideration by the Sentencing Commission in formulating the guidelines; and

“(III) should result in a sentence different from that described; or

“(iii) the court finds, on motion of the Government, that the defendant has provided substantial assistance in the investigation or prosecution of another person who has committed an offense and that this assistance established a mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the guidelines that should result in a sentence lower than that described.

In determining whether a circumstance was adequately taken into consideration, the court shall consider only the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission, together with any amendments thereto by act of Congress. In the absence of an applicable sentencing guideline, the court shall impose an appropriate sentence, having due regard for the purposes set forth in subsection (a)(2). In the absence of an applicable sentencing guideline in the case of an offense other than a petty offense, the court shall also have due regard for the relationship of the sentence imposed to sentences prescribed by guidelines applicable to similar offenses and offenders, and to the applicable policy statements of the Sentencing Commission, together with any amendments to such guidelines or policy statements by act of Congress.”.

28 USC 994 note.

(b) CONFORMING AMENDMENTS TO GUIDELINES MANUAL.—The Federal Sentencing Guidelines are amended—

(1) in section 5K2.0—

(A) by striking “Under” and inserting the following:

“(a) DOWNWARD DEPARTURES IN CRIMINAL CASES OTHER THAN CHILD CRIMES AND SEXUAL OFFENSES.—Under”; and

(B) by adding at the end the following:

“(b) DOWNWARD DEPARTURES IN CHILD CRIMES AND SEXUAL OFFENSES.—

“Under 18 U.S.C. § 3553(b)(2), the sentencing court may impose a sentence below the range established by the applicable guidelines only if the court finds that there exists a mitigating circumstance of a kind, or to a degree, that—

“(1) has been affirmatively and specifically identified as a permissible ground of downward departure in the sentencing guidelines or policy statements issued under section 994(a) of title 28, United States Code, taking account of any amendments to such sentencing guidelines or policy statements by act of Congress;

“(2) has not adequately been taken into consideration by the Sentencing Commission in formulating the guidelines; and

“(3) should result in a sentence different from that described.

The grounds enumerated in this Part K of chapter 5 are the sole grounds that have been affirmatively and specifically identified as a permissible ground of downward departure in these sentencing guidelines and policy statements. Thus, notwithstanding any other reference to authority to depart downward elsewhere in this Sentencing Manual, a ground of downward departure has not been affirmatively and specifically identified as a permissible ground of downward departure within the meaning of section 3553(b)(2) unless it is expressly enumerated in this Part K as a ground upon which a downward departure may be granted.”

(2) At the end of part K of chapter 5, add the following:

“§ 5K2.22 Specific Offender Characteristics as Grounds for Downward Departure in child crimes and sexual offenses (Policy Statement)

“In sentencing a defendant convicted of an offense under section 1201 involving a minor victim, an offense under section 1591, or an offense under chapter 71, 109A, 110, or 117 of title 18, United States Code, age may be a reason to impose a sentence below the applicable guideline range only if and to the extent permitted by § 5H1.1.

“An extraordinary physical impairment may be a reason to impose a sentence below the applicable guideline range only if and to the extent permitted by § 5H1.4. Drug, alcohol, or gambling dependence or abuse is not a reason for imposing a sentence below the guidelines.

(3) Section 5K2.20 is amended by striking “A” and inserting “Except where a defendant is convicted of an offense under section 1201 involving a minor victim, an offense under section 1591, or an offense under chapter 71, 109A, 110, or 117 of title 18, United States Code, a”.

(4) Section 5H1.6 is amended by inserting after the first sentence the following: “In sentencing a defendant convicted of an offense under section 1201 involving a minor victim, an offense under section 1591, or an offense under chapter 71, 109A, 110, or 117 of title 18, United States Code, family ties and responsibilities and community ties are not relevant in determining whether a sentence should be below the applicable guideline range.”

(5) Section 5K2.13 is amended by—

(A) striking “or” before “(3)”; and

(B) replacing “public” with “public; or (4) the defendant has been convicted of an offense under chapter 71, 109A, 110, or 117 of title 18, United States Code.”

(c) STATEMENT OF REASONS FOR IMPOSING A SENTENCE.—Section 3553(c) of title 18, United States Code, is amended—

(1) by striking “described.” and inserting “described, which reasons must also be stated with specificity in the written order of judgment and commitment, except to the extent that the court relies upon statements received in camera in accordance with Federal Rule of Criminal Procedure 32. In the event that the court relies upon statements received in camera in accordance with Federal Rule of Criminal Procedure 32 the court shall state that such statements were so received and that it relied upon the content of such statements.”;

(2) by inserting “, together with the order of judgment and commitment,” after “the court’s statement of reasons”; and

(3) by inserting “and to the Sentencing Commission,” after “to the Probation System”.

(d) REVIEW OF A SENTENCE.—

(1) REVIEW OF DEPARTURES.—Section 3742(e)(3) of title 18, United States Code, is amended to read as follows:

“(3) is outside the applicable guideline range, and

“(A) the district court failed to provide the written statement of reasons required by section 3553(c);

“(B) the sentence departs from the applicable guideline range based on a factor that—

“(i) does not advance the objectives set forth in section 3553(a)(2); or

“(ii) is not authorized under section 3553(b); or

“(iii) is not justified by the facts of the case; or

“(C) the sentence departs to an unreasonable degree from the applicable guidelines range, having regard for the factors to be considered in imposing a sentence, as set forth in section 3553(a) of this title and the reasons for the imposition of the particular sentence, as stated by the district court pursuant to the provisions of section 3553(c); or”.

(2) STANDARD OF REVIEW.—The last paragraph of section 3742(e) of title 18, United States Code, is amended by striking “shall give due deference to the district court’s application of the guidelines to the facts” and inserting “, except with respect to determinations under subsection (3)(A) or (3)(B), shall give due deference to the district court’s application of the guidelines to the facts. With respect to determinations under subsection (3)(A) or (3)(B), the court of appeals shall review de novo the district court’s application of the guidelines to the facts”.

(3) DECISION AND DISPOSITION.—

(A) The first paragraph of section 3742(f) of title 18, United States Code, is amended by striking “the sentence”;

(B) Section 3742(f)(1) of title 18, United States Code, is amended by inserting “the sentence” before “was imposed”;

(C) Section 3742(f)(2) of title 18, United States Code, is amended to read as follows:

“(2) the sentence is outside the applicable guideline range and the district court failed to provide the required statement of reasons in the order of judgment and commitment, or the departure is based on an impermissible factor, or is to an unreasonable degree, or the sentence was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable, it shall state specific reasons for its conclusions and—

“(A) if it determines that the sentence is too high and the appeal has been filed under subsection (a), it shall set aside the sentence and remand the case for further sentencing proceedings with such instructions as the court considers appropriate, subject to subsection (g);

“(B) if it determines that the sentence is too low and the appeal has been filed under subsection (b), it shall set aside the sentence and remand the case for further sentencing proceedings with such instructions as the court considers appropriate, subject to subsection (g);” and

(D) Section 3742(f)(3) of title 18, United States Code, is amended by inserting “the sentence” before “is not described”.

(e) IMPOSITION OF SENTENCE UPON REMAND.—Section 3742 of title 18, United States Code, is amended by redesignating subsections (g) and (h) as subsections (h) and (i) and by inserting the following after subsection (f):

“(g) SENTENCING UPON REMAND.—A district court to which a case is remanded pursuant to subsection (f)(1) or (f)(2) shall resentence a defendant in accordance with section 3553 and with such instructions as may have been given by the court of appeals, except that—

“(1) In determining the range referred to in subsection 3553(a)(4), the court shall apply the guidelines issued by the Sentencing Commission pursuant to section 994(a)(1) of title 28, United States Code, and that were in effect on the date of the previous sentencing of the defendant prior to the appeal, together with any amendments thereto by any act of Congress that was in effect on such date; and

“(2) The court shall not impose a sentence outside the applicable guidelines range except upon a ground that—

“(A) was specifically and affirmatively included in the written statement of reasons required by section 3553(c) in connection with the previous sentencing of the defendant prior to the appeal; and

“(B) was held by the court of appeals, in remanding the case, to be a permissible ground of departure.”

(f) DEFINITIONS.—Section 3742 of title 18, United States Code, as amended by subsection (e), is further amended by adding at the end the following:

“(j) DEFINITIONS.—For purposes of this section—

“(1) a factor is a ‘permissible’ ground of departure if it—

“(A) advances the objectives set forth in section 3553(a)(2); and

“(B) is authorized under section 3553(b); and

“(C) is justified by the facts of the case; and

“(2) a factor is an ‘impermissible’ ground of departure if it is not a permissible factor within the meaning of subsection (j)(1).”

(g) REFORM OF GUIDELINES GOVERNING ACCEPTANCE OF RESPONSIBILITY.—Subject to subsection (j), the Guidelines Manual promulgated by the Sentencing Commission pursuant to section 994(a) of title 28, United States Code, is amended—

(1) in section 3E1.1(b)—

(A) by inserting “upon motion of the government stating that” immediately before “the defendant has assisted authorities”; and

(B) by striking “taking one or more” and all that follows through and including “additional level” and insert “timely notifying authorities of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the government and the court to allocate their resources efficiently, decrease the offense level by 1 additional level”;

(2) in the Application Notes to the Commentary to section 3E1.1, by amending Application Note 6—

(A) by striking “one or both of”; and

28 USC 994 note.

(B) by adding the following new sentence at the end: “Because the Government is in the best position to determine whether the defendant has assisted authorities in a manner that avoids preparing for trial, an adjustment under subsection (b) may only be granted upon a formal motion by the Government at the time of sentencing.”; and

(3) in the Background to section 3E1.1, by striking “one or more of”.

(h) IMPROVED DATA COLLECTION.—Section 994(w) of title 28, United States Code, is amended to read as follows:

Deadline.
Reports.

“(w)(1) The Chief Judge of each district court shall ensure that, within 30 days following entry of judgment in every criminal case, the sentencing court submits to the Commission a written report of the sentence, the offense for which it is imposed, the age, race, sex of the offender, and information regarding factors made relevant by the guidelines. The report shall also include—

“(A) the judgment and commitment order;

“(B) the statement of reasons for the sentence imposed (which shall include the reason for any departure from the otherwise applicable guideline range);

“(C) any plea agreement;

“(D) the indictment or other charging document;

“(E) the presentence report; and

“(F) any other information as the Commission finds appropriate.

“(2) The Commission shall, upon request, make available to the House and Senate Committees on the Judiciary, the written reports and all underlying records accompanying those reports described in this section, as well as other records received from courts.

“(3) The Commission shall submit to Congress at least annually an analysis of these documents, any recommendations for legislation that the Commission concludes is warranted by that analysis, and an accounting of those districts that the Commission believes have not submitted the appropriate information and documents required by this section.

“(4) The Commission shall make available to the Attorney General, upon request, such data files as the Commission may assemble or maintain in electronic form that include any information submitted under paragraph (1). Such data files shall be made available in electronic form and shall include all data fields requested, including the identity of the sentencing judge.”.

28 USC 994 note.

(i) SENTENCING GUIDELINES AMENDMENTS.—(1) Subject to subsection (j), the Guidelines Manual promulgated by the Sentencing Commission pursuant to section 994(a) of title 28, United States Code, is amended as follows:

(A) Application Note 4(b)(i) to section 4B1.5 is amended to read as follows:

“(i) IN GENERAL.—For purposes of subsection (b), the defendant engaged in a pattern of activity involving prohibited sexual conduct if on at least two separate occasions, the defendant engaged in prohibited sexual conduct with a minor.”.

(B) Section 2G2.4(b) is amended by adding at the end the following:

“(4) If the offense involved material that portrays sadistic or masochistic conduct or other depictions of violence, increase by 4 levels.

“(5) If the offense involved—

“(A) at least 10 images, but fewer than 150, increase by 2 levels;

“(B) at least 150 images, but fewer than 300, increase by 3 levels;

“(C) at least 300 images, but fewer than 600, increase by 4 levels; and

“(D) 600 or more images, increase by 5 levels.”.

(C) Section 2G2.2(b) is amended by adding at the end the following:

“(6) If the offense involved—

“(A) at least 10 images, but fewer than 150, increase by 2 levels;

“(B) at least 150 images, but fewer than 300, increase by 3 levels;

“(C) at least 300 images, but fewer than 600, increase by 4 levels; and

“(D) 600 or more images, increase by 5 levels.”.

(2) The Sentencing Commission shall amend the Sentencing Guidelines to ensure that the Guidelines adequately reflect the seriousness of the offenses under sections 2243(b), 2244(a)(4), and 2244(b) of title 18, United States Code.

(j) CONFORMING AMENDMENTS.—

28 USC 994 note.

(1) Upon enactment of this Act, the Sentencing Commission shall forthwith distribute to all courts of the United States and to the United States Probation System the amendments made by subsections (b), (g), and (i) of this section to the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission. These amendments shall take effect upon the date of enactment of this Act, in accordance with paragraph (5).

(2) On or before May 1, 2005, the Sentencing Commission shall not promulgate any amendment to the sentencing guidelines, policy statements, or official commentary of the Sentencing Commission that is inconsistent with any amendment made by subsection (b) or that adds any new grounds of downward departure to Part K of chapter 5.

28 USC 994 note.

(3) With respect to cases covered by the amendments made by subsection (i) of this section, the Sentencing Commission may make further amendments to the sentencing guidelines, policy statements, or official commentary of the Sentencing Commission, except that the Commission shall not promulgate any amendments that, with respect to such cases, would result in sentencing ranges that are lower than those that would have applied under such subsection.

28 USC 994 note.

(4) At no time may the Commission promulgate any amendment that would alter or repeal the amendments made by subsection (g) of this section.

28 USC 994 note.

(5) Section 3553(a) of title 18, United States Code, is amended—

(A) by amending paragraph (4)(A) to read as follows:

“(A) the applicable category of offense committed by the applicable category of defendant as set forth in the guidelines—

“(i) issued by the Sentencing Commission pursuant to section 994(a)(1) of title 28, United States Code, subject to any amendments made to such guidelines by act of Congress (regardless of whether such amendments have yet to be incorporated by the Sentencing Commission into amendments issued under section 994(p) of title 28); and

“(ii) that, except as provided in section 3742(g), are in effect on the date the defendant is sentenced; or”;

(B) in paragraph (4)(B), by inserting “, taking into account any amendments made to such guidelines or policy statements by act of Congress (regardless of whether such amendments have yet to be incorporated by the Sentencing Commission into amendments issued under section 994(p) of title 28)” after “Code”;

(C) by amending paragraph (5) to read as follows: “(5) any pertinent policy statement—

“(A) issued by the Sentencing Commission pursuant to section 994(a)(2) of title 28, United States Code, subject to any amendments made to such policy statement by act of Congress (regardless of whether such amendments have yet to be incorporated by the Sentencing Commission into amendments issued under section 994(p) of title 28); and

“(B) that, except as provided in section 3742(g), is in effect on the date the defendant is sentenced.”.

(k) COMPLIANCE WITH STATUTE.—Section 994(a) of title 28, United States Code, is amended by striking “consistent with all pertinent provisions of this title and title 18, United States Code,” and inserting “consistent with all pertinent provisions of any Federal statute”.

(l) REPORT BY ATTORNEY GENERAL.—

(1) DEFINED TERM.—For purposes of this section, the term “report described in paragraph (3)” means a report, submitted by the Attorney General, which states in detail the policies and procedures that the Department of Justice has adopted subsequent to the enactment of this Act—

(A) to ensure that Department of Justice attorneys oppose sentencing adjustments, including downward departures, that are not supported by the facts and the law;

(B) to ensure that Department of Justice attorneys in such cases make a sufficient record so as to permit the possibility of an appeal;

(C) to delineate objective criteria, specified by the Attorney General, as to which such cases may warrant consideration of an appeal, either because of the nature or magnitude of the sentencing error, its prevalence in the district, or its prevalence with respect to a particular judge;

(D) to ensure that Department of Justice attorneys promptly notify the designated Department of Justice component in Washington concerning such adverse sentencing decisions; and

(E) to ensure the vigorous pursuit of appropriate and meritorious appeals of such adverse decisions.

(2) REPORT REQUIRED.—

(A) IN GENERAL.—Not later than 15 days after a district court's grant of a downward departure in any case, other than a case involving a downward departure for substantial assistance to authorities pursuant to section 5K1.1 of the United States Sentencing Guidelines, the Attorney General shall submit a report to the Committees on the Judiciary of the House of Representatives and the Senate containing the information described under subparagraph (B). Deadline.

(B) CONTENTS.—The report submitted pursuant to subparagraph (A) shall set forth—

- (i) the case;
- (ii) the facts involved;
- (iii) the identity of the district court judge;
- (iv) the district court's stated reasons, whether or not the court provided the United States with advance notice of its intention to depart; and
- (v) the position of the parties with respect to the downward departure, whether or not the United States has filed, or intends to file, a motion for reconsideration.

(C) APPEAL OF THE DEPARTURE.—Not later than 5 days after a decision by the Solicitor General regarding the authorization of an appeal of the departure, the Attorney General shall submit a report to the Committees on the Judiciary of the House of Representatives and the Senate that describes the decision of the Solicitor General and the basis for such decision. Deadline.

(3) EFFECTIVE DATE.—Paragraph (2) shall take effect on the day that is 91 days after the date of enactment of this Act, except that such paragraph shall not take effect if not more than 90 days after the date of enactment of this Act the Attorney General has submitted to the Judiciary Committees of the House of Representatives and the Senate the report described in paragraph (3).

(m) REFORM OF EXISTING PERMISSIBLE GROUNDS OF DOWNWARD DEPARTURES.—Not later than 180 days after the enactment of this Act, the United States Sentencing Commission shall— 28 USC 994 note.
Deadline.

(1) review the grounds of downward departure that are authorized by the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission; and

(2) promulgate, pursuant to section 994 of title 28, United States Code—

(A) appropriate amendments to the sentencing guidelines, policy statements, and official commentary to ensure that the incidence of downward departures are substantially reduced;

(B) a policy statement authorizing a downward departure of not more than 4 levels if the Government files a motion for such departure pursuant to an early disposition program authorized by the Attorney General and the United States Attorney; and

(C) any other conforming amendments to the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission necessitated by this Act, including a revision of paragraph 4(b) of part A of chapter 1 and a revision of section 5K2.0.

(n) COMPOSITION OF SENTENCING COMMISSION.—

(1) IN GENERAL.—Section 991(a) of title 28, United States Code, is amended by striking “At least three” and inserting “Not more than 3”.

28 USC 991 note.

(2) APPLICABILITY.—The amendment made under paragraph (1) shall not apply to any person who is serving, or who has been nominated to serve, as a member of the Sentencing Commission on the date of enactment of this Act.

TITLE V—OBSCENITY AND PORNOGRAPHY

Subtitle A—Child Obscenity and Pornography Prevention

18 USC 2251
note.

SEC. 501. FINDINGS.

Congress finds the following:

(1) Obscenity and child pornography are not entitled to protection under the First Amendment under *Miller v. California*, 413 U.S. 15 (1973) (obscurity), or *New York v. Ferber*, 458 U.S. 747 (1982) (child pornography) and thus may be prohibited.

(2) The Government has a compelling state interest in protecting children from those who sexually exploit them, including both child molesters and child pornographers. “The prevention of sexual exploitation and abuse of children constitutes a government objective of surpassing importance,” *New York v. Ferber*, 458 U.S. 747, 757 (1982), and this interest extends to stamping out the vice of child pornography at all levels in the distribution chain. *Osborne v. Ohio*, 495 U.S. 103, 110 (1990).

(3) The Government thus has a compelling interest in ensuring that the criminal prohibitions against child pornography remain enforceable and effective. “The most expeditious if not the only practical method of law enforcement may be to dry up the market for this material by imposing severe criminal penalties on persons selling, advertising, or otherwise promoting the product.” *Ferber*, 458 U.S. at 760.

(4) In 1982, when the Supreme Court decided *Ferber*, the technology did not exist to—

(A) computer generate depictions of children that are indistinguishable from depictions of real children;

(B) use parts of images of real children to create a composite image that is unidentifiable as a particular child and in a way that prevents even an expert from concluding that parts of images of real children were used; or

(C) disguise pictures of real children being abused by making the image look computer-generated.

(5) Evidence submitted to the Congress, including from the National Center for Missing and Exploited Children, demonstrates that technology already exists to disguise depictions of real children to make them unidentifiable and to make depictions of real children appear computer-generated. The technology will soon exist, if it does not already, to computer generate realistic images of children.

(6) The vast majority of child pornography prosecutions today involve images contained on computer hard drives, computer disks, and/or related media.

(7) There is no substantial evidence that any of the child pornography images being trafficked today were made other than by the abuse of real children. Nevertheless, technological advances since *Ferber* have led many criminal defendants to suggest that the images of child pornography they possess are not those of real children, insisting that the government prove beyond a reasonable doubt that the images are not computer-generated. Such challenges increased significantly after the decision in *Ashcroft v. Free Speech Coalition*, 535 U.S. 234 (2002).

(8) Child pornography circulating on the Internet has, by definition, been digitally uploaded or scanned into computers and has been transferred over the Internet, often in different file formats, from trafficker to trafficker. An image seized from a collector of child pornography is rarely a first-generation product, and the retransmission of images can alter the image so as to make it difficult for even an expert conclusively to opine that a particular image depicts a real child. If the original image has been scanned from a paper version into a digital format, this task can be even harder since proper forensic assessment may depend on the quality of the image scanned and the tools used to scan it.

(9) The impact of the *Free Speech Coalition* decision on the Government's ability to prosecute child pornography offenders is already evident. The Ninth Circuit has seen a significant adverse effect on prosecutions since the 1999 Ninth Circuit Court of Appeals decision in *Free Speech Coalition*. After that decision, prosecutions generally have been brought in the Ninth Circuit only in the most clear-cut cases in which the government can specifically identify the child in the depiction or otherwise identify the origin of the image. This is a fraction of meritorious child pornography cases. The National Center for Missing and Exploited Children testified that, in light of the Supreme Court's affirmation of the Ninth Circuit decision, prosecutors in various parts of the country have expressed concern about the continued viability of previously indicted cases as well as declined potentially meritorious prosecutions.

(10) Since the Supreme Court's decision in *Free Speech Coalition*, defendants in child pornography cases have almost universally raised the contention that the images in question could be virtual, thereby requiring the government, in nearly every child pornography prosecution, to find proof that the child is real. Some of these defense efforts have already been successful. In addition, the number of prosecutions being brought has been significantly and adversely affected as the resources required to be dedicated to each child pornography case now are significantly higher than ever before.

(11) Leading experts agree that, to the extent that the technology exists to computer generate realistic images of child pornography, the cost in terms of time, money, and expertise is—and for the foreseeable future will remain—prohibitively expensive. As a result, for the foreseeable future, it will be more cost-effective to produce child pornography using real

children. It will not, however, be difficult or expensive to use readily available technology to disguise those depictions of real children to make them unidentifiable or to make them appear computer-generated.

(12) Child pornography results from the abuse of real children by sex offenders; the production of child pornography is a byproduct of, and not the primary reason for, the sexual abuse of children. There is no evidence that the future development of easy and inexpensive means of computer generating realistic images of children would stop or even reduce the sexual abuse of real children or the practice of visually recording that abuse.

(13) In the absence of congressional action, the difficulties in enforcing the child pornography laws will continue to grow increasingly worse. The mere prospect that the technology exists to create composite or computer-generated depictions that are indistinguishable from depictions of real children will allow defendants who possess images of real children to escape prosecution; for it threatens to create a reasonable doubt in every case of computer images even when a real child was abused. This threatens to render child pornography laws that protect real children unenforceable. Moreover, imposing an additional requirement that the Government prove beyond a reasonable doubt that the defendant knew that the image was in fact a real child—as some courts have done—threatens to result in the de facto legalization of the possession, receipt, and distribution of child pornography for all except the original producers of the material.

(14) To avoid this grave threat to the Government's unquestioned compelling interest in effective enforcement of the child pornography laws that protect real children, a statute must be adopted that prohibits a narrowly-defined subcategory of images.

(15) The Supreme Court's 1982 *Ferber v. New York* decision holding that child pornography was not protected drove child pornography off the shelves of adult bookstores. Congressional action is necessary now to ensure that open and notorious trafficking in such materials does not reappear, and even increase, on the Internet.

SEC. 502. IMPROVEMENTS TO PROHIBITION ON VIRTUAL CHILD PORNOGRAPHY.

(a) Section 2256(8) of title 18, United States Code, is amended—

(1) so that subparagraph (B) reads as follows:

“(B) such visual depiction is a digital image, computer image, or computer-generated image that is, or is indistinguishable from, that of a minor engaging in sexually explicit conduct; or”;

(2) by striking “; or” at the end of subparagraph (C) and inserting a period; and

(3) by striking subparagraph (D).

(b) Section 2256(2) of title 18, United States Code, is amended to read as follows:

“(2)(A) Except as provided in subparagraph (B), ‘sexually explicit conduct’ means actual or simulated—

“(i) sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex;

“(ii) bestiality;

“(iii) masturbation;

“(iv) sadistic or masochistic abuse; or

“(v) lascivious exhibition of the genitals or pubic area of any person;

“(B) For purposes of subsection 8(B) of this section, ‘sexually explicit conduct’ means—

“(i) graphic sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex, or lascivious simulated sexual intercourse where the genitals, breast, or pubic area of any person is exhibited;

“(ii) graphic or lascivious simulated;

“(I) bestiality;

“(II) masturbation; or

“(III) sadistic or masochistic abuse; or

“(iii) graphic or simulated lascivious exhibition of the genitals or pubic area of any person;”.

(c) Section 2256 is amended by inserting at the end the following new paragraphs:

“(10) ‘graphic’, when used with respect to a depiction of sexually explicit conduct, means that a viewer can observe any part of the genitals or pubic area of any depicted person or animal during any part of the time that the sexually explicit conduct is being depicted; and

“(11) the term ‘indistinguishable’ used with respect to a depiction, means virtually indistinguishable, in that the depiction is such that an ordinary person viewing the depiction would conclude that the depiction is of an actual minor engaged in sexually explicit conduct. This definition does not apply to depictions that are drawings, cartoons, sculptures, or paintings depicting minors or adults.”.

(d) Section 2252A(c) of title 18, United States Code, is amended to read as follows:

“(c) It shall be an affirmative defense to a charge of violating paragraph (1), (2), (3)(A), (4), or (5) of subsection (a) that—

“(1)(A) the alleged child pornography was produced using an actual person or persons engaging in sexually explicit conduct; and

“(B) each such person was an adult at the time the material was produced; or

“(2) the alleged child pornography was not produced using any actual minor or minors.

No affirmative defense under subsection (c)(2) shall be available in any prosecution that involves child pornography as described in section 2256(8)(C). A defendant may not assert an affirmative defense to a charge of violating paragraph (1), (2), (3)(A), (4), or (5) of subsection (a) unless, within the time provided for filing pretrial motions or at such time prior to trial as the judge may direct, but in no event later than 10 days before the commencement of the trial, the defendant provides the court and the United States with notice of the intent to assert such defense and the substance of any expert or other specialized testimony or evidence upon which the defendant intends to rely. If the defendant fails to comply

Deadline.

with this subsection, the court shall, absent a finding of extraordinary circumstances that prevented timely compliance, prohibit the defendant from asserting such defense to a charge of violating paragraph (1), (2), (3)(A), (4), or (5) of subsection (a) or presenting any evidence for which the defendant has failed to provide proper and timely notice.”.

SEC. 503. CERTAIN ACTIVITIES RELATING TO MATERIAL CONSTITUTING OR CONTAINING CHILD PORNOGRAPHY.

Section 2252A of title 18, United States Code, is amended—
(1) in subsection (a)—

(A) by striking paragraph (3) and inserting the following:

“(3) knowingly—

“(A) reproduces any child pornography for distribution through the mails, or in interstate or foreign commerce by any means, including by computer; or

“(B) advertises, promotes, presents, distributes, or solicits through the mails, or in interstate or foreign commerce by any means, including by computer, any material or purported material in a manner that reflects the belief, or that is intended to cause another to believe, that the material or purported material is, or contains—

“(i) an obscene visual depiction of a minor engaging in sexually explicit conduct; or

“(ii) a visual depiction of an actual minor engaging in sexually explicit conduct;”;

(B) in paragraph (4), by striking “or” at the end;

(C) in paragraph (5), by striking the comma at the end and inserting “; or”; and

(D) by adding after paragraph (5) the following:

“(6) knowingly distributes, offers, sends, or provides to a minor any visual depiction, including any photograph, film, video, picture, or computer generated image or picture, whether made or produced by electronic, mechanical, or other means, where such visual depiction is, or appears to be, of a minor engaging in sexually explicit conduct—

“(A) that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer;

“(B) that was produced using materials that have been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

“(C) which distribution, offer, sending, or provision is accomplished using the mails or by transmitting or causing to be transmitted any wire communication in interstate or foreign commerce, including by computer,

for purposes of inducing or persuading a minor to participate in any activity that is illegal.”; and

(2) in subsection (b)(1), by striking “paragraphs (1), (2), (3), or (4)” and inserting “paragraph (1), (2), (3), (4), or (6)”.

SEC. 504. OBSCENE CHILD PORNOGRAPHY.

(a) IN GENERAL.—Chapter 71 of title 18, United States Code, is amended by inserting after section 1466 the following:

“§ 1466A. Obscene visual representations of the sexual abuse of children

“(a) IN GENERAL.—Any person who, in a circumstance described in subsection (d), knowingly produces, distributes, receives, or possesses with intent to distribute, a visual depiction of any kind, including a drawing, cartoon, sculpture, or painting, that—

“(1)(A) depicts a minor engaging in sexually explicit conduct; and

“(B) is obscene; or

“(2)(A) depicts an image that is, or appears to be, of a minor engaging in graphic bestiality, sadistic or masochistic abuse, or sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex; and

“(B) lacks serious literary, artistic, political, or scientific value;

or attempts or conspires to do so, shall be subject to the penalties provided in section 2252A(b)(1), including the penalties provided for cases involving a prior conviction.

“(b) ADDITIONAL OFFENSES.—Any person who, in a circumstance described in subsection (d), knowingly possesses a visual depiction of any kind, including a drawing, cartoon, sculpture, or painting, that—

“(1)(A) depicts a minor engaging in sexually explicit conduct; and

“(B) is obscene; or

“(2)(A) depicts an image that is, or appears to be, of a minor engaging in graphic bestiality, sadistic or masochistic abuse, or sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex; and

“(B) lacks serious literary, artistic, political, or scientific value;

or attempts or conspires to do so, shall be subject to the penalties provided in section 2252A(b)(2), including the penalties provided for cases involving a prior conviction.

“(c) NONREQUIRED ELEMENT OF OFFENSE.—It is not a required element of any offense under this section that the minor depicted actually exist.

“(d) CIRCUMSTANCES.—The circumstance referred to in subsections (a) and (b) is that—

“(1) any communication involved in or made in furtherance of the offense is communicated or transported by the mail, or in interstate or foreign commerce by any means, including by computer, or any means or instrumentality of interstate or foreign commerce is otherwise used in committing or in furtherance of the commission of the offense;

“(2) any communication involved in or made in furtherance of the offense contemplates the transmission or transportation of a visual depiction by the mail, or in interstate or foreign commerce by any means, including by computer;

“(3) any person travels or is transported in interstate or foreign commerce in the course of the commission or in furtherance of the commission of the offense;

“(4) any visual depiction involved in the offense has been mailed, or has been shipped or transported in interstate or foreign commerce by any means, including by computer, or

was produced using materials that have been mailed, or that have been shipped or transported in interstate or foreign commerce by any means, including by computer; or

“(5) the offense is committed in the special maritime and territorial jurisdiction of the United States or in any territory or possession of the United States.

“(e) AFFIRMATIVE DEFENSE.—It shall be an affirmative defense to a charge of violating subsection (b) that the defendant—

“(1) possessed less than 3 such visual depictions; and

“(2) promptly and in good faith, and without retaining or allowing any person, other than a law enforcement agency, to access any such visual depiction—

“(A) took reasonable steps to destroy each such visual depiction; or

“(B) reported the matter to a law enforcement agency and afforded that agency access to each such visual depiction.

“(f) DEFINITIONS.—For purposes of this section—

“(1) the term ‘visual depiction’ includes undeveloped film and videotape, and data stored on a computer disk or by electronic means which is capable of conversion into a visual image, and also includes any photograph, film, video, picture, digital image or picture, computer image or picture, or computer generated image or picture, whether made or produced by electronic, mechanical, or other means;

“(2) the term ‘sexually explicit conduct’ has the meaning given the term in section 2256(2)(A) or 2256(2)(B); and

“(3) the term ‘graphic’, when used with respect to a depiction of sexually explicit conduct, means that a viewer can observe any part of the genitals or pubic area of any depicted person or animal during any part of the time that the sexually explicit conduct is being depicted.”

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1466 the following new item:

“1466A. Obscene visual representations of the sexual abuse of children.”

18 USC 1466A
note.

(c) SENTENCING GUIDELINES.—

(1) CATEGORY.—Except as provided in paragraph (2), the applicable category of offense to be used in determining the sentencing range referred to in section 3553(a)(4) of title 18, United States Code, with respect to any person convicted under section 1466A of such title, shall be the category of offenses described in section 2G2.2 of the Sentencing Guidelines.

28 USC 994 note.

(2) RANGES.—The Sentencing Commission may promulgate guidelines specifically governing offenses under section 1466A of title 18, United States Code, if such guidelines do not result in sentencing ranges that are lower than those that would have applied under paragraph (1).

SEC. 505. ADMISSIBILITY OF EVIDENCE.

Section 2252A of title 18, United States Code, is amended by adding at the end the following:

“(e) ADMISSIBILITY OF EVIDENCE.—On motion of the government, in any prosecution under this chapter or section 1466A, except for good cause shown, the name, address, social security number, or other nonphysical identifying information, other than the age or approximate age, of any minor who is depicted in any

child pornography shall not be admissible and may be redacted from any otherwise admissible evidence, and the jury shall be instructed, upon request of the United States, that it can draw no inference from the absence of such evidence in deciding whether the child pornography depicts an actual minor.”.

SEC. 506. EXTRATERRITORIAL PRODUCTION OF CHILD PORNOGRAPHY FOR DISTRIBUTION IN THE UNITED STATES.

Section 2251 of title 18, United States Code, is amended—

(1) by striking “subsection (d)” each place that term appears and inserting “subsection (e)”;

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following:

“(c)(1) Any person who, in a circumstance described in paragraph (2), employs, uses, persuades, induces, entices, or coerces any minor to engage in, or who has a minor assist any other person to engage in, any sexually explicit conduct outside of the United States, its territories or possessions, for the purpose of producing any visual depiction of such conduct, shall be punished as provided under subsection (e).

“(2) The circumstance referred to in paragraph (1) is that—

“(A) the person intends such visual depiction to be transported to the United States, its territories or possessions, by any means, including by computer or mail; or

“(B) the person transports such visual depiction to the United States, its territories or possessions, by any means, including by computer or mail.”.

SEC. 507. STRENGTHENING ENHANCED PENALTIES FOR REPEAT OFFENDERS.

Sections 2251(e) (as redesignated by section 506(2)), 2252(b), and 2252A(b) of title 18, United States Code, are each amended—

(1) by inserting “chapter 71,” immediately before each occurrence of “chapter 109A,”; and

(2) by inserting “or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice),” immediately before each occurrence of “or under the laws”.

SEC. 508. SERVICE PROVIDER REPORTING OF CHILD PORNOGRAPHY AND RELATED INFORMATION.

(a) Section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032) is amended—

(1) in subsection (b)(1)—

(A) by inserting “2252B,” after “2252A,”; and

(B) by inserting “or a violation of section 1466A of that title,” after “of that title,”;

(2) in subsection (c), by inserting “or pursuant to” after “to comply with”;

(3) by amending subsection (f)(1)(D) to read as follows:

“(D) where the report discloses a violation of State criminal law, to an appropriate official of a State or subdivision of a State for the purpose of enforcing such State law.”;

(4) by redesignating paragraph (3) of subsection (b) as paragraph (4); and

(5) by inserting after paragraph (2) of subsection (b) the following new paragraph:

“(3) In addition to forwarding such reports to those agencies designated in subsection (b)(2), the National Center for Missing and Exploited Children is authorized to forward any such report to an appropriate official of a state or subdivision of a state for the purpose of enforcing state criminal law.”.

(b) Section 2702 of title 18, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (6), by striking subparagraph (B);

(B) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8) respectively;

(C) by striking “or” at the end of paragraph (5); and

(D) by inserting after paragraph (5) the following new paragraph:

“(6) to the National Center for Missing and Exploited Children, in connection with a report submitted thereto under section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032);”; and

(2) in subsection (c)—

(A) by striking “or” at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6);

and

(C) by adding after paragraph (4) the following new paragraph:

“(5) to the National Center for Missing and Exploited Children, in connection with a report submitted thereto under section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032); or”.

SEC. 509. INVESTIGATIVE AUTHORITY RELATING TO CHILD PORNOGRAPHY.

Section 3486(a)(1)(C)(i) of title 18, United States Code, is amended by striking “the name, address” and all that follows through “subscriber or customer utilized” and inserting “the information specified in section 2703(c)(2)”.

SEC. 510. CIVIL REMEDIES.

Section 2252A of title 18, United States Code, as amended by this Act, is amended by adding at the end the following:

“(f) CIVIL REMEDIES.—

“(1) IN GENERAL.—Any person aggrieved by reason of the conduct prohibited under subsection (a) or (b) or section 1466A may commence a civil action for the relief set forth in paragraph (2).

“(2) RELIEF.—In any action commenced in accordance with paragraph (1), the court may award appropriate relief, including—

“(A) temporary, preliminary, or permanent injunctive relief;

“(B) compensatory and punitive damages; and

“(C) the costs of the civil action and reasonable fees for attorneys and expert witnesses.”.

SEC. 511. RECORDKEEPING REQUIREMENTS.

(a) IN GENERAL.—Section 2257 of title 18, United States Code, is amended—

(1) in subsection (d)(2), by striking “of this section” and inserting “of this chapter or chapter 71,”;

(2) in subsection (h)(3), by inserting “, computer generated image, digital image, or picture,” after “video tape”; and

(3) in subsection (i)—

(A) by striking “not more than 2 years” and inserting “not more than 5 years”; and

(B) by striking “5 years” and inserting “10 years”.

(b) **REPORT.**—Not later than 1 year after enactment of this Act, the Attorney General shall submit to Congress a report detailing the number of times since January 1993 that the Department of Justice has inspected the records of any producer of materials regulated pursuant to section 2257 of title 18, United States Code, and section 75 of title 28 of the Code of Federal Regulations. The Attorney General shall indicate the number of violations prosecuted as a result of those inspections.

Deadline.
18 USC 2557
note.

SEC. 512. SENTENCING ENHANCEMENTS FOR INTERSTATE TRAVEL TO ENGAGE IN SEXUAL ACT WITH A JUVENILE.

28 USC 994 note.

Pursuant to its authority under section 994(p) of title 28, United States Code, and in accordance with this section, the United States Sentencing Commission shall review and, as appropriate, amend the Federal Sentencing Guidelines and policy statements to ensure that guideline penalties are adequate in cases that involve interstate travel with the intent to engage in a sexual act with a juvenile in violation of section 2423 of title 18, United States Code, to deter and punish such conduct.

SEC. 513. MISCELLANEOUS PROVISIONS.

(a) **APPOINTMENT OF TRIAL ATTORNEYS.**—

(1) **IN GENERAL.**—Not later than 6 months after the date of enactment of this Act, the Attorney General shall appoint 25 additional trial attorneys to the Child Exploitation and Obscenity Section of the Criminal Division of the Department of Justice or to appropriate United States Attorney’s Offices, and those trial attorneys shall have as their primary focus, the investigation and prosecution of Federal child pornography and obscenity laws.

Deadline.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Department of Justice such sums as may be necessary to carry out this subsection.

(b) **REPORT TO CONGRESSIONAL COMMITTEES.**—

(1) **IN GENERAL.**—Not later than 9 months after the date of enactment of this Act, and every 2 years thereafter, the Attorney General shall report to the Chairpersons and Ranking Members of the Committees on the Judiciary of the Senate and the House of Representatives on the Federal enforcement actions under chapter 110 or section 1466A of title 18, United States Code.

18 USC 1466A
note.
Deadline.

(2) **CONTENTS.**—The report required under paragraph (1) shall include—

(A) an evaluation of the prosecutions brought under chapter 110 or section 1466A of title 18, United States Code;

(B) an outcome-based measurement of performance; and

(C) an analysis of the technology being used by the child pornography industry.

(c) **SENTENCING GUIDELINES.**—Pursuant to its authority under section 994(p) of title 28, United States Code, and in accordance

28 USC 994 note.

with this section, the United States Sentencing Commission shall review and, as appropriate, amend the Federal Sentencing Guidelines and policy statements to ensure that the guidelines are adequate to deter and punish conduct that involves a violation of paragraph (3)(B) or (6) of section 2252A(a) of title 18, United States Code, as created by this Act. With respect to the guidelines for section 2252A(a)(3)(B), the Commission shall consider the relative culpability of promoting, presenting, describing, or distributing material in violation of that section as compared with solicitation of such material.

Subtitle B—Truth in Domain Names

SEC. 521. MISLEADING DOMAIN NAMES ON THE INTERNET.

(a) IN GENERAL.—Chapter 110 of title 18, United States Code, is amended by inserting after section 2252A the following:

“§ 2252B. Misleading domain names on the Internet

“(a) Whoever knowingly uses a misleading domain name on the Internet with the intent to deceive a person into viewing material constituting obscenity shall be fined under this title or imprisoned not more than 2 years, or both.

“(b) Whoever knowingly uses a misleading domain name on the Internet with the intent to deceive a minor into viewing material that is harmful to minors on the Internet shall be fined under this title or imprisoned not more than 4 years, or both.

“(c) For the purposes of this section, a domain name that includes a word or words to indicate the sexual content of the site, such as ‘sex’ or ‘porn’, is not misleading.

“(d) For the purposes of this section, the term ‘material that is harmful to minors’ means any communication, consisting of nudity, sex, or excretion, that, taken as a whole and with reference to its context—

“(1) predominantly appeals to a prurient interest of minors;

“(2) is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable material for minors; and

“(3) lacks serious literary, artistic, political, or scientific value for minors.

“(e) For the purposes of subsection (d), the term ‘sex’ means acts of masturbation, sexual intercourse, or physical contact with a person’s genitals, or the condition of human male or female genitals when in a state of sexual stimulation or arousal.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 110 of title 18, United States Code, is amended by inserting after the item relating to section 2252A the following new item:

“2252B. Misleading domain names on the Internet.”.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. PENALTIES FOR USE OF MINORS IN CRIMES OF VIOLENCE.

Chapter 1 of title 18, United States Code, is amended by adding at the end the following:

“§ 25. Use of minors in crimes of violence

“(a) DEFINITIONS.—In this section, the following definitions shall apply:

“(1) CRIME OF VIOLENCE.—The term ‘crime of violence’ has the meaning set forth in section 16.

“(2) MINOR.—The term ‘minor’ means a person who has not reached 18 years of age.

“(3) USES.—The term ‘uses’ means employs, hires, persuades, induces, entices, or coerces.

“(b) PENALTIES.—Any person who is 18 years of age or older, who intentionally uses a minor to commit a crime of violence for which such person may be prosecuted in a court of the United States, or to assist in avoiding detection or apprehension for such an offense, shall—

“(1) for the first conviction, be subject to twice the maximum term of imprisonment and twice the maximum fine that would otherwise be authorized for the offense; and

“(2) for each subsequent conviction, be subject to 3 times the maximum term of imprisonment and 3 times the maximum fine that would otherwise be authorized for the offense.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 18, United States Code, is amended by adding at the end the following:

“25. Use of minors in crimes of violence.”.

SEC. 602. SENSE OF CONGRESS.

(a) FOCUS OF INVESTIGATION AND PROSECUTION.—It is the sense of Congress that the Child Exploitation and Obscenity Section of the Criminal Division of the Department of Justice should focus its investigative and prosecutorial efforts on major producers, distributors, and sellers of obscene material and child pornography that use misleading methods to market their material to children.

(b) VOLUNTARY LIMITATION ON WEBSITE FRONT PAGES.—It is the sense of Congress that the online commercial adult entertainment industry should voluntarily refrain from placing obscenity, child pornography, or material that is harmful to minors on the front pages of their websites to protect juveniles from material that may negatively impact their social, moral, and psychological development.

SEC. 603. COMMUNICATIONS DECENCY ACT OF 1996.

Section 223 of the Communications Act of 1934 (47 U.S.C. 223) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking “, lewd, lascivious, filthy, or indecent” and inserting “or child pornography”; and

(B) in subparagraph (B), by striking “indecent” and inserting “child pornography”; and

(2) in subsection (d)(1), by striking “, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs” and inserting “is obscene or child pornography”.

SEC. 604. INTERNET AVAILABILITY OF INFORMATION CONCERNING REGISTERED SEX OFFENDERS.

(a) **IN GENERAL.**—Section 170101(e)(2) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(e)(2)) is amended by adding at the end the following: “The release of information under this paragraph shall include the maintenance of an Internet site containing such information that is available to the public and instructions on the process for correcting information that a person alleges to be erroneous.”.

42 USC 14071
note.

(b) **COMPLIANCE DATE.**—Each State shall implement the amendment made by this section within 3 years after the date of enactment of this Act, except that the Attorney General may grant an additional 2 years to a State that is making a good faith effort to implement the amendment made by this section.

42 USC 14071
note.

(c) **NATIONAL INTERNET SITE.**—The Crimes Against Children Section of the Criminal Division of the Department of Justice shall create a national Internet site that links all State Internet sites established pursuant to this section.

SEC. 605. REGISTRATION OF CHILD PORNOGRAPHERS IN THE NATIONAL SEX OFFENDER REGISTRY.

(a) **JACOB WETTERLING CRIMES AGAINST CHILDREN AND SEXUALLY VIOLENT OFFENDER REGISTRATION PROGRAM.**—Section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071) is amended—

(1) by striking the section heading and inserting the following:

“SEC. 170101. JACOB WETTERLING CRIMES AGAINST CHILDREN AND SEXUALLY VIOLENT OFFENDER REGISTRATION PROGRAM.”;

and

(2) in subsection (a)(3)—

(A) in clause (vii), by striking “or” at the end;

(B) by redesignating clause (viii) as clause (ix); and

(C) by inserting after clause (vii) the following:

“(viii) production or distribution of child pornography, as described in section 2251, 2252, or 2252A of title 18, United States Code; or”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Department of Justice, for each of fiscal years 2004 through 2007, such sums as may be necessary to carry out the amendments made by this section.

SEC. 606. GRANTS TO STATES FOR COSTS OF COMPLIANCE WITH NEW SEX OFFENDER REGISTRY REQUIREMENTS.

Section 170101(i)(3) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(i)(3)) is amended to read as follows:

“(3) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for each of the fiscal years 2004 through 2007 such sums as may be necessary to carry out the provisions of section 1701(d)(10) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(d)(10)), as added by the PROTECT Act.”.

SEC. 607. SAFE ID ACT.

(a) **SHORT TITLE.**—This section may be cited as the “Secure Authentication Feature and Enhanced Identification Defense Act of 2003” or “SAFE ID Act”.

(b) **FRAUD AND FALSE STATEMENTS.**—

(1) **OFFENSES.**—Section 1028(a) of title 18, United States Code, is amended—

(A) in paragraph (1), by inserting “, authentication feature,” after “an identification document”;

(B) in paragraph (2)—

(i) by inserting “, authentication feature,” after “an identification document”; and

(ii) by inserting “or feature” after “such document”;

(C) in paragraph (3), by inserting “, authentication features,” after “possessor”;

(D) in paragraph (4)—

(i) by inserting “, authentication feature,” after “possessor”; and

(ii) by inserting “or feature” after “such document”;

(E) in paragraph (5), by inserting “or authentication feature” after “implement” each place that term appears;

(F) in paragraph (6)—

(i) by inserting “or authentication feature” before “that is or appears”;

(ii) by inserting “or authentication feature” before “of the United States”;

(iii) by inserting “or feature” after “such document”; and

(iv) by striking “or” at the end;

(G) in paragraph (7), by inserting “or” after the semicolon; and

(H) by inserting after paragraph (7) the following:

“(8) knowingly traffics in false authentication features for use in false identification documents, document-making implements, or means of identification;”.

(2) **PENALTIES.**—Section 1028(b) of title 18, United States Code, is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting “, authentication feature,” before “or false”; and

(II) in clause (i), by inserting “or authentication feature” after “document”; and

(ii) in subparagraph (B), by inserting “, authentication features,” before “or false”; and

(B) in paragraph (2)(A), by inserting “, authentication feature,” before “or a false”.

(3) **CIRCUMSTANCES.**—Section 1028(c)(1) of title 18, United States Code, is amended by inserting “, authentication feature,” before “or false” each place that term appears.

(4) **DEFINITIONS.**—Section 1028(d) of title 18, United States Code, is amended—

(A) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), and (8) as paragraphs (2), (3), (4), (7), (8), (9), (10), and (11), respectively;

(B) by inserting before paragraph (2), as redesignated, the following:

Secure
Authentication
Feature and
Enhanced
Identification
Defense Act of
2003.
18 USC 1001
note.

“(1) the term ‘authentication feature’ means any hologram, watermark, certification, symbol, code, image, sequence of numbers or letters, or other feature that either individually or in combination with another feature is used by the issuing authority on an identification document, document-making implement, or means of identification to determine if the document is counterfeit, altered, or otherwise falsified;”;

(C) in paragraph (4)(A), as redesignated, by inserting “or was issued under the authority of a governmental entity but was subsequently altered for purposes of deceit” after “entity”;

(D) by inserting after paragraph (4), as redesignated, the following:

“(5) the term ‘false authentication feature’ means an authentication feature that—

“(A) is genuine in origin, but, without the authorization of the issuing authority, has been tampered with or altered for purposes of deceit;

“(B) is genuine, but has been distributed, or is intended for distribution, without the authorization of the issuing authority and not in connection with a lawfully made identification document, document-making implement, or means of identification to which such authentication feature is intended to be affixed or embedded by the respective issuing authority; or

“(C) appears to be genuine, but is not;

“(6) the term ‘issuing authority’—

“(A) means any governmental entity or agency that is authorized to issue identification documents, means of identification, or authentication features; and

“(B) includes the United States Government, a State, a political subdivision of a State, a foreign government, a political subdivision of a foreign government, or an international government or quasi-governmental organization;”;

(E) in paragraph (10), as redesignated, by striking “and” at the end;

(F) in paragraph (11), as redesignated, by striking the period at the end and inserting “; and”; and

(G) by adding at the end the following:

“(12) the term ‘traffic’ means—

“(A) to transport, transfer, or otherwise dispose of, to another, as consideration for anything of value; or

“(B) to make or obtain control of with intent to so transport, transfer, or otherwise dispose of.”.

(5) ADDITIONAL PENALTIES.—Section 1028 of title 18, United States Code, is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following:

“(h) FORFEITURE; DISPOSITION.—In the circumstance in which any person is convicted of a violation of subsection (a), the court shall order, in addition to the penalty prescribed, the forfeiture and destruction or other disposition of all illicit authentication features, identification documents, document-making implements, or means of identification.”.

(6) TECHNICAL AND CONFORMING AMENDMENT.—Section 1028 of title 18, United States Code, is amended in the heading

by inserting “, AUTHENTICATION FEATURES,” after “DOCUMENTS”.

SEC. 608. ILLICIT DRUG ANTI-PROLIFERATION ACT.

(a) **SHORT TITLE.**—This section may be cited as the “Illicit Drug Anti-Proliferation Act of 2003”.

Illicit Drug Anti-Proliferation Act of 2003.
21 USC 801 note.

(b) **OFFENSES.**—

(1) **IN GENERAL.**—Section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a)) is amended—

(A) in paragraph (1), by striking “open or maintain any place” and inserting “open, lease, rent, use, or maintain any place, whether permanently or temporarily,”; and

(B) by striking paragraph (2) and inserting the following:

“(2) manage or control any place, whether permanently or temporarily, either as an owner, lessee, agent, employee, occupant, or mortgagee, and knowingly and intentionally rent, lease, profit from, or make available for use, with or without compensation, the place for the purpose of unlawfully manufacturing, storing, distributing, or using a controlled substance.”.

(2) **TECHNICAL AMENDMENT.**—The heading to section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended to read as follows:

“SEC. 416. MAINTAINING DRUG-INVOLVED PREMISES.”.

(3) **CONFORMING AMENDMENT.**—The table of contents to title II of the Comprehensive Drug Abuse and Prevention Act of 1970 is amended by striking the item relating to section 416 and inserting the following:

“Sec. 416. Maintaining drug-involved premises.”.

(c) **CIVIL PENALTY AND EQUITABLE RELIEF FOR MAINTAINING DRUG-INVOLVED PREMISES.**—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following:

“(d)(1) Any person who violates subsection (a) shall be subject to a civil penalty of not more than the greater of—

“(A) \$250,000; or

“(B) 2 times the gross receipts, either known or estimated, that were derived from each violation that is attributable to the person.

“(2) If a civil penalty is calculated under paragraph (1)(B), and there is more than 1 defendant, the court may apportion the penalty between multiple violators, but each violator shall be jointly and severally liable for the civil penalty under this subsection.

“(e) Any person who violates subsection (a) shall be subject to declaratory and injunctive remedies as set forth in section 403(f).”.

(d) **DECLARATORY AND INJUNCTIVE REMEDIES.**—Section 403(f)(1) of the Controlled Substances Act (21 U.S.C. 843(f)(1)) is amended by striking “this section or section 402” and inserting “this section, section 402, or 416”.

(e) **SENTENCING COMMISSION GUIDELINES.**—The United States Sentencing Commission shall—

28 USC 994 note.

(1) review the Federal sentencing guidelines with respect to offenses involving gamma hydroxybutyric acid (GHB);

(2) consider amending the Federal sentencing guidelines to provide for increased penalties such that those penalties reflect the seriousness of offenses involving GHB and the need to deter them; and

(3) take any other action the Commission considers necessary to carry out this section.

(f) **AUTHORIZATION OF APPROPRIATIONS FOR A DEMAND REDUCTION COORDINATOR.**—There is authorized to be appropriated \$5,900,000 to the Drug Enforcement Administration of the Department of Justice for the hiring of a special agent in each State to serve as a Demand Reduction Coordinator.

(g) **AUTHORIZATION OF APPROPRIATIONS FOR DRUG EDUCATION.**—There is authorized to be appropriated such sums as necessary to the Drug Enforcement Administration of the Department of Justice to educate youth, parents, and other interested adults about club drugs.

SEC. 609. DEFINITION OF VEHICLE.

Section 1993(c) of title 18, United States Code, is amended—

(1) in paragraph (7), by striking “and” at the end;

(2) in paragraph (8), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(9) the term ‘vehicle’ means any carriage or other contrivance used, or capable of being used, as a means of transportation on land, water, or through the air.”.

SEC. 610. AUTHORIZATION OF JOHN DOE DNA INDICTMENTS.

(a) **LIMITATION.**—Section 3282 of title 18, United States Code, is amended—

(1) by striking “Except” and inserting the following:

“(a) **IN GENERAL.**—Except”; and

(2) by adding at the end the following:

“(b) **DNA PROFILE INDICTMENT.**—

“(1) **IN GENERAL.**—In any indictment for an offense under chapter 109A for which the identity of the accused is unknown, it shall be sufficient to describe the accused as an individual whose name is unknown, but who has a particular DNA profile.

“(2) **EXCEPTION.**—Any indictment described under paragraph (1), which is found not later than 5 years after the offense under chapter 109A is committed, shall not be subject to—

“(A) the limitations period described under subsection

(a); and

“(B) the provisions of chapter 208 until the individual is arrested or served with a summons in connection with the charges contained in the indictment.

“(3) **DEFINED TERM.**—For purposes of this subsection, the term ‘DNA profile’ means a set of DNA identification characteristics.”.

(b) **RULES OF CRIMINAL PROCEDURE.**—Rule 7(c)(1) of the Federal Rules of Criminal Procedure is amended by adding at the end the following: “For purposes of an indictment referred to in section 3282 of title 18, United States Code, for which the identity of the defendant is unknown, it shall be sufficient for the indictment to describe the defendant as an individual whose name is unknown, but who has a particular DNA profile, as that term is defined in that section 3282.”.

SEC. 611. TRANSITIONAL HOUSING ASSISTANCE GRANTS FOR CHILD VICTIMS OF DOMESTIC VIOLENCE, STALKING, OR SEXUAL ASSAULT.

Subtitle B of the Violence Against Women Act of 1994 (42 U.S.C. 13701 note; 108 Stat. 1925) is amended by adding at the end the following:

“CHAPTER 11—TRANSITIONAL HOUSING ASSISTANCE GRANTS FOR CHILD VICTIMS OF DOMESTIC VIOLENCE, STALKING, OR SEXUAL ASSAULT

“SEC. 40299. TRANSITIONAL HOUSING ASSISTANCE GRANTS FOR CHILD VICTIMS OF DOMESTIC VIOLENCE, STALKING, OR SEXUAL ASSAULT. 42 USC 13975.

“(a) **IN GENERAL.**—The Attorney General, acting in consultation with the Director of the Violence Against Women Office of the Department of Justice, shall award grants under this section to States, units of local government, Indian tribes, and other organizations (referred to in this section as the ‘recipient’) to carry out programs to provide assistance to minors, adults, and their dependents—

“(1) who are homeless, or in need of transitional housing or other housing assistance, as a result of fleeing a situation of domestic violence; and

“(2) for whom emergency shelter services or other crisis intervention services are unavailable or insufficient.

“(b) **GRANTS.**—Grants awarded under this section may be used for programs that provide—

“(1) short-term housing assistance, including rental or utilities payments assistance and assistance with related expenses such as payment of security deposits and other costs incidental to relocation to transitional housing for persons described in subsection (a); and

“(2) support services designed to enable a minor, an adult, or a dependent of such minor or adult, who is fleeing a situation of domestic violence to—

“(A) locate and secure permanent housing; and

“(B) integrate into a community by providing that minor, adult, or dependent with services, such as transportation, counseling, child care services, case management, employment counseling, and other assistance.

“(c) **DURATION.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), a minor, an adult, or a dependent, who receives assistance under this section shall receive that assistance for not more than 18 months.

“(2) **WAIVER.**—The recipient of a grant under this section may waive the restriction under paragraph (1) for not more than an additional 6 month period with respect to any minor, adult, or dependent, who—

“(A) has made a good-faith effort to acquire permanent housing; and

“(B) has been unable to acquire permanent housing.

“(d) **APPLICATION.**—

“(1) **IN GENERAL.**—Each eligible entity desiring a grant under this section shall submit an application to the Attorney General at such time, in such manner, and accompanied by

such information as the Attorney General may reasonably require.

“(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

“(A) describe the activities for which assistance under this section is sought; and

“(B) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this section.

“(3) APPLICATION.—Nothing in this subsection shall be construed to require—

“(A) victims to participate in the criminal justice system in order to receive services; or

“(B) domestic violence advocates to breach client confidentiality.

“(e) REPORT TO THE ATTORNEY GENERAL.—

“(1) IN GENERAL.—A recipient of a grant under this section shall annually prepare and submit to the Attorney General a report describing—

“(A) the number of minors, adults, and dependents assisted under this section; and

“(B) the types of housing assistance and support services provided under this section.

“(2) CONTENTS.—Each report prepared and submitted pursuant to paragraph (1) shall include information regarding—

“(A) the amount of housing assistance provided to each minor, adult, or dependent, assisted under this section and the reason for that assistance;

“(B) the number of months each minor, adult, or dependent, received assistance under this section;

“(C) the number of minors, adults, and dependents who—

“(i) were eligible to receive assistance under this section; and

“(ii) were not provided with assistance under this section solely due to a lack of available housing; and

“(D) the type of support services provided to each minor, adult, or dependent, assisted under this section.

“(f) REPORT TO CONGRESS.—

“(1) REPORTING REQUIREMENT.—The Attorney General, with the Director of the Violence Against Women Office, shall annually prepare and submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report that contains a compilation of the information contained in the report submitted under subsection (e).

“(2) AVAILABILITY OF REPORT.—In order to coordinate efforts to assist the victims of domestic violence, the Attorney General, in coordination with the Director of the Violence Against Women Office, shall transmit a copy of the report submitted under paragraph (1) to—

“(A) the Office of Community Planning and Development at the United States Department of Housing and Urban Development; and

“(B) the Office of Women’s Health at the United States Department of Health and Human Services.

“(g) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$30,000,000 for each of the fiscal years 2004 through 2008.

“(2) LIMITATIONS.—Of the amount made available to carry out this section in any fiscal year, not more than 3 percent may be used by the Attorney General for salaries and administrative expenses.

“(3) MINIMUM AMOUNT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), unless all eligible applications submitted by any States, units of local government, Indian tribes, or organizations within a State for a grant under this section have been funded, that State, together with the grantees within the State (other than Indian tribes), shall be allocated in each fiscal year, not less than 0.75 percent of the total amount appropriated in the fiscal year for grants pursuant to this section.

“(B) EXCEPTION.—The United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated not less than 0.25 percent of the total amount appropriated in the fiscal year for grants pursuant to this section.”.

Approved April 30, 2003.

LEGISLATIVE HISTORY—S. 151 (H.R. 1104):

HOUSE REPORTS: No. 108–47, Pt. 1 accompanying H.R. 1104 (Comm. on the Judiciary) and 108–66 (Comm. of Conference).

SENATE REPORTS: No. 108–2 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Feb. 24, considered and passed Senate.

Mar. 27, considered and passed House, amended, in lieu of H.R. 1104.

Apr. 10, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Apr. 30, Presidential remarks and statement.



Public Law 108–22
108th Congress

An Act

May 14, 2003
[S. 162]

To provide for the use and distribution of certain funds awarded to the Gila River Pima-Maricopa Indian Community, and for other purposes.

Gila River Indian
Community
Judgment Fund
Distribution Act
of 2003.
Arizona.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Gila River Indian Community Judgment Fund Distribution Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.

TITLE I—GILA RIVER JUDGMENT FUND DISTRIBUTION

- Sec. 101. Distribution of judgment funds.
- Sec. 102. Responsibility of Secretary; applicable law.

**TITLE II—CONDITIONS RELATING TO COMMUNITY JUDGMENT FUND
PLANS**

- Sec. 201. Plan for use and distribution of judgment funds awarded in Docket No. 228.
- Sec. 202. Plan for use and distribution of judgment funds awarded in Docket No. 236–N.

TITLE III—EXPERT ASSISTANCE LOANS

- Sec. 301. Waiver of repayment of expert assistance loans to Gila River Indian Community.

SEC. 2. FINDINGS.

Congress finds that—

(1) on August 8, 1951, the Gila River Indian Community filed a complaint before the Indian Claims Commission in *Gila River Pima-Maricopa Indian Community v. United States*, Docket No. 236, for the failure of the United States to carry out its obligation to protect the use by the Community of water from the Gila River and the Salt River in the State of Arizona;

(2) except for Docket Nos. 236–C and 236–D, which remain undistributed, all 14 original dockets under Docket No. 236 have been resolved and distributed;

(3) in *Gila River Pima-Maricopa Indian Community v. United States*, 29 Ind. Cl. Comm. 144 (1972), the Indian Claims Commission held that the United States, as trustee, was liable to the Community with respect to the claims made in Docket No. 236–C;

(4) in *Gila River Pima-Maricopa Indian Community v. United States*, 684 F.2d 852 (1982), the United States Claims Court held that the United States, as trustee, was liable to the Community with respect to the claims made in Docket No. 236-D;

(5) with the approval of the Community under Community Resolution GR-98-98, the Community entered into a settlement with the United States on April 27, 1999, for claims made under Docket Nos. 236-C and 236-D for an aggregate total of \$7,000,000;

(6) on May 3, 1999, the United States Court of Federal Claims ordered that a final judgment be entered in consolidated Docket Nos. 236-C and 236-D for \$7,000,000 in favor of the Community and against the United States;

(7)(A) on October 6, 1999, the Department of the Treasury certified the payment of \$7,000,000, less attorney fees, to be deposited in a trust account on behalf of the Community; and

(B) that payment was deposited in a trust account managed by the Office of Trust Funds Management of the Department of the Interior; and

(8) in accordance with the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.), the Secretary is required to submit an Indian judgment fund use or distribution plan to Congress for approval.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADULT.—The term “adult” means an individual who—

(A) is 18 years of age or older as of the date on which the payment roll is approved by the Community; or

(B) will reach 18 years of age not later than 30 days after the date on which the payment roll is approved by the Community.

(2) COMMUNITY.—The term “Community” means the Gila River Indian Community.

(3) COMMUNITY-OWNED FUNDS.—The term “Community-owned funds” means—

(A) funds held in trust by the Secretary as of the date of enactment of this Act that may be made available to make payments under section 101; or

(B) revenues held by the Community that—

(i) are derived from trust resources; and

(ii) qualify for an exemption under section 7 or 8 of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1407, 1408).

(4) IIM ACCOUNT.—The term “IIM account” means an individual Indian money account.

(5) JUDGMENT FUNDS.—The term “judgment funds” means the aggregate amount awarded to the Community by the Court of Federal Claims in Docket Nos. 236-C and 236-D.

(6) LEGALLY INCOMPETENT INDIVIDUAL.—The term “legally incompetent individual” means an individual who has been determined to be incapable of managing his or her own affairs by a court of competent jurisdiction.

(7) MINOR.—The term “minor” means an individual who is not an adult.

(8) **PAYMENT ROLL.**—The term “payment roll” means the list of eligible, enrolled members of the Community who are eligible to receive a payment under section 101(a), as prepared by the Community under section 101(b).

(9) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

TITLE I—GILA RIVER JUDGMENT FUND DISTRIBUTION

SEC. 101. DISTRIBUTION OF JUDGMENT FUNDS.

(a) **PER CAPITA PAYMENTS.**—Notwithstanding the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.) or any other provision of law (including any regulation promulgated or plan developed under such a law), the amounts paid in satisfaction of an award granted to the Gila River Indian Community in Docket Nos. 236–C and 236–D before the United States Court of Federal Claims, less attorney fees and litigation expenses and including all accrued interest, shall be distributed in the form of per capita payments (in amounts as equal as practicable) to all eligible enrolled members of the Community.

(b) **PREPARATION OF PAYMENT ROLL.**—

(1) **IN GENERAL.**—The Community shall prepare a payment roll of eligible, enrolled members of the Community that are eligible to receive payments under this section in accordance with the criteria described in paragraph (2).

(2) **CRITERIA.**—

(A) **INDIVIDUALS ELIGIBLE TO RECEIVE PAYMENTS.**—Subject to subparagraph (B), the following individuals shall be eligible to be listed on the payment roll and eligible to receive a per capita payment under subsection (a):

(i) All enrolled Community members who are eligible to be listed on the per capita payment roll that was approved by the Secretary for the distribution of the funds awarded to the Community in Docket No. 236–N (including any individual who was inadvertently omitted from that roll).

(ii) All enrolled Community members who are living on the date of enactment of this Act.

(iii) All enrolled Community members who died—
(I) after the effective date of the payment plan for Docket No. 236–N; but

(II) on or before the date of enactment of this Act.

(B) **INDIVIDUALS INELIGIBLE TO RECEIVE PAYMENTS.**—The following individuals shall be ineligible to be listed on the payment roll and ineligible to receive a per capita payment under subsection (a):

(i) Any individual who, before the date on which the Community approves the payment roll, relinquished membership in the Community.

(ii) Any minor who relinquishes membership in the Community, or whose parent or legal guardian relinquishes membership on behalf of the minor, before the date on which the minor reaches 18 years of age.

(iii) Any individual who is disenrolled by the Community for just cause (such as dual enrollment or failure to meet the eligibility requirements for enrollment).

(iv) Any individual who is determined or certified by the Secretary to be eligible to receive a per capita payment of funds relating to a judgment—

(I) awarded to another community, Indian tribe, or tribal entity; and

(II) appropriated on or before the date of enactment of this Act.

(v) Any individual who is not enrolled as a member of the Community on or before the date that is 90 days after the date of enactment of this Act.

(c) NOTICE TO SECRETARY.—On approval by the Community of the payment roll, the Community shall submit to the Secretary a notice that indicates the total number of individuals eligible to share in the per capita distribution under subsection (a), as expressed in subdivisions that reflect—

(1) the number of shares that are attributable to eligible living adult Community members; and

(2) the number of shares that are attributable to deceased individuals, legally incompetent individuals, and minors.

(d) INFORMATION PROVIDED TO SECRETARY.—The Community shall provide to the Secretary enrollment information necessary to allow the Secretary to establish—

(1) estate accounts for deceased individuals described in subsection (c)(2); and

(2) IIM accounts for legally incompetent individuals and minors described in subsection (c)(2).

(e) DISBURSEMENT OF FUNDS.—

(1) IN GENERAL.—Not later than 30 days after the date on which the payment roll is approved by the Community and the Community has reconciled the number of shares that belong in each payment subdivision described in subsection (c), the Secretary shall disburse to the Community the funds necessary to make the per capita distribution under subsection (a) to eligible living adult members of the Community described in subsection (c)(1).

Deadline.

(2) ADMINISTRATION AND DISTRIBUTION.—On disbursement of the funds under paragraph (1), the Community shall bear sole responsibility for administration and distribution of the funds.

(f) SHARES OF DECEASED INDIVIDUALS.—

(1) IN GENERAL.—The Secretary, in accordance with regulations promulgated by the Secretary and in effect as of the date of enactment of this Act, shall distribute to the appropriate heirs and legatees of deceased individuals described in subsection (c)(2) the per capita shares of those deceased individuals.

Regulations.

(2) ABSENCE OF HEIRS AND LEGATEES.—If the Secretary and the Community make a final determination that a deceased individual described in subsection (c)(2) has no heirs or legatees, the per capita share of the deceased individual and the interest earned on that share shall—

(A) revert to the Community; and

(B) be deposited into the general fund of the Community.

Regulations.

(g) SHARES OF LEGALLY INCOMPETENT INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall deposit the shares of legally incompetent individuals described in subsection (c)(2) in supervised IIM accounts.

(2) ADMINISTRATION.—The IIM accounts described in paragraph (1) shall be administered in accordance with regulations and procedures established by the Secretary and in effect as of the date of enactment of this Act.

(h) SHARES OF MINORS.—

(1) IN GENERAL.—The Secretary shall deposit the shares of minors described in subsection (c)(2) in supervised IIM accounts.

(2) ADMINISTRATION.—

(A) IN GENERAL.—The Secretary shall hold the per capita share of a minor described in subsection (c)(2) in trust until such date as the minor reaches 18 years of age.

(B) NONAPPLICABLE LAW.—Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held by the Secretary under this Act.

(C) DISBURSEMENT.—No judgment funds, nor any interest earned on judgment funds, shall be disbursed from the account of a minor described in subsection (c)(2) until such date as the minor reaches 18 years of age.

(i) PAYMENT OF ELIGIBLE INDIVIDUALS NOT LISTED ON PAYMENT ROLL.—

(1) IN GENERAL.—An individual who is not listed on the payment roll, but is eligible to receive a payment under this Act, as determined by the Community, may be paid from any remaining judgment funds after the date on which—

(A) the Community makes the per capita distribution under subsection (a); and

(B) all appropriate IIM accounts are established under subsections (g) and (h).

(2) INSUFFICIENT FUNDS.—If insufficient judgment funds remain to cover the cost of a payment described in paragraph (1), the Community may use Community-owned funds to make the payment.

(3) MINORS, LEGALLY INCOMPETENT INDIVIDUALS, AND DECEASED INDIVIDUALS.—In a case in which a payment described in paragraph (2) is to be made to a minor, a legally incompetent individual, or a deceased individual, the Secretary—

(A) is authorized to accept and deposit funds from the payment in an IIM account or estate account established for the minor, legally incompetent individual, or deceased individual; and

(B) shall invest those funds in accordance with applicable law.

(j) USE OF RESIDUAL FUNDS.—On request by the governing body of the Community to the Secretary, and after passage by the governing body of the Community of a tribal council resolution affirming the intention of the governing body to have judgment funds disbursed to, and deposited in the general fund of, the Community, any judgment funds remaining after the date on which

the Community completes the per capita distribution under subsection (a) and makes any appropriate payments under subsection (i) shall be disbursed to, and deposited in the general fund of, the Community.

(k) REVERSION OF PER CAPITA SHARES TO TRIBAL OWNERSHIP.—

(1) IN GENERAL.—In accordance with the first section of Public Law 87–283 (25 U.S.C. 164), the share for an individual eligible to receive a per capita share under subsection (a) that is held in trust by the Secretary, and any interest earned on that share, shall be restored to Community ownership if, for any reason—

(A) subject to subsection (i), the share cannot be paid to the individual entitled to receive the share; and

(B) the share remains unclaimed for the 6-year period beginning on the date on which the individual became eligible to receive the share.

(2) REQUEST BY COMMUNITY.—In accordance with subsection (j), the Community may request that unclaimed funds described in paragraph (1)(B) be disbursed to, and deposited in the general fund of, the Community.

SEC. 102. RESPONSIBILITY OF SECRETARY; APPLICABLE LAW.

(a) RESPONSIBILITY FOR FUNDS.—After the date on which funds are disbursed to the Community under section 101(e)(1), the United States and the Secretary shall have no trust responsibility for the investment, supervision, administration, or expenditure of the funds disbursed.

(b) DECEASED AND LEGALLY INCOMPETENT INDIVIDUALS.—Funds subject to subsections (f) and (g) of section 101 shall continue to be held in trust by the Secretary until the date on which those funds are disbursed under this Act.

(c) APPLICABILITY OF OTHER LAW.—Except as otherwise provided in this Act, all funds distributed under this Act shall be subject to sections 7 and 8 of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1407, 1408).

TITLE II—CONDITIONS RELATING TO COMMUNITY JUDGMENT FUND PLANS

SEC. 201. PLAN FOR USE AND DISTRIBUTION OF JUDGMENT FUNDS AWARDED IN DOCKET NO. 228.

(a) DEFINITION OF PLAN.—In this section, the term “plan” means the plan for the use and distribution of judgment funds awarded to the Community in Docket No. 228 of the United States Claims Court (52 Fed. Reg. 6887 (March 5, 1987)), as modified in accordance with Public Law 99–493 (100 Stat. 1241).

(b) CONDITIONS.—Notwithstanding any other provision of law, the Community shall modify the plan to include the following conditions with respect to funds distributed under the plan:

(1) APPLICABILITY OF OTHER LAW RELATING TO MINORS.—Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held, as of the date of enactment of this Act, by the Secretary.

(2) **SHARE OF MINORS IN TRUST.**—The Secretary shall hold a per capita share of a minor described in paragraph (1) in trust until such date as the minor reaches 18 years of age.

(3) **DISBURSAL OF FUNDS FOR MINORS.**—No judgment funds, nor any interest earned on judgment funds, shall be disbursed from the account of a minor described in paragraph (1) until such date as the minor reaches 18 years of age.

(4) **USE OF REMAINING JUDGMENT FUNDS.**—On request by the governing body of the Community, as manifested by the appropriate tribal council resolution, any judgment funds remaining after the date of completion of the per capita distribution under section 101(a) shall be disbursed to, and deposited in the general fund of, the Community.

SEC. 202. PLAN FOR USE AND DISTRIBUTION OF JUDGMENT FUNDS AWARDED IN DOCKET NO. 236-N.

(a) **DEFINITION OF PLAN.**—In this section, the term “plan” means the plan for the use and distribution of judgment funds awarded to the Community in Docket No. 236-N of the United States Court of Federal Claims (59 Fed. Reg. 31092 (June 16, 1994)).

(b) **CONDITIONS.**—

(1) **PER CAPITA ASPECT.**—Notwithstanding any other provision of law, the Community shall modify the last sentence of the paragraph under the heading “Per Capita Aspect” in the plan to read as follows: “Upon request from the Community, any residual principal and interest funds remaining after the Community has declared the per capita distribution complete shall be disbursed to, and deposited in the general fund of, the Community.”.

(2) **GENERAL PROVISIONS.**—Notwithstanding any other provision of law, the Community shall—

(A) modify the third sentence of the first paragraph under the heading “General Provisions” of the plan to strike the word “minors”; and

(B) insert between the first and second paragraphs under that heading the following:

“Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held, as of the date of enactment of the Gila River Indian Community Judgment Fund Distribution Act of 2003, by the Secretary. The Secretary shall hold a per capita share of a minor in trust until such date as the minor reaches 18 years of age. No judgment funds, or any interest earned on judgment funds, shall be disbursed from the account of a minor until such date as the minor reaches 18 years of age.”.

TITLE III—EXPERT ASSISTANCE LOANS

SEC. 301. WAIVER OF REPAYMENT OF EXPERT ASSISTANCE LOANS TO GILA RIVER INDIAN COMMUNITY.

Notwithstanding any other provision of law—

(1) the balance of all outstanding expert assistance loans made to the Community under Public Law 88-168 (77 Stat. 301) and relating to Gila River Indian Community v. United

States (United States Court of Federal Claims Docket Nos. 228 and 236 and associated subdockets) are canceled; and

(2) the Secretary shall take such action as is necessary—

(A) to document the cancellation of loans under paragraph (1); and

(B) to release the Community from any liability associated with those loans.

Approved May 14, 2003.

LEGISLATIVE HISTORY—S. 162:

SENATE REPORTS: No. 108–17 (Comm. on Indian Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 13, considered and passed Senate.

Apr. 29, considered and passed House.



Public Law 108–23
108th Congress

An Act

May 19, 2003
[H.R. 289]

To expand the boundaries of the Ottawa National Wildlife Refuge Complex and the Detroit River International Wildlife Refuge.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Ottawa National
Wildlife Refuge
Complex
Expansion and
Detroit River
International
Wildlife Refuge
Expansion Act.
Michigan.
Ohio.
16 USC 668dd
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Ottawa National Wildlife Refuge Complex Expansion and Detroit River International Wildlife Refuge Expansion Act”.

SEC. 2. FINDINGS.

Congress finds that—

(1) the western basin of Lake Erie, as part of the Great Lakes ecosystem—

(A) is the largest freshwater ecosystem in the world; and

(B) is vitally important to the economic and environmental future of the United States;

(2) over the 30-year period preceding the date of enactment of this Act, the citizens and governmental institutions of the United States and Canada have devoted increasing attention and resources to the restoration of the water quality and fisheries of the Great Lakes, including the western basin;

(3) that increased awareness has been accompanied by a gradual shift toward a holistic ecosystem approach that highlights a growing recognition that shoreline areas, commonly referred to as nearshore terrestrial ecosystems, are an integral part of the western basin and the Great Lakes ecosystem;

(4) the Great Lakes account for more than 90 percent of the surface freshwater in the United States;

(5) the western basin receives approximately 90 percent of its flow from the Detroit River and only approximately 10 percent from tributaries;

(6) the western basin is an important ecosystem that includes a number of distinct islands, channels, rivers, and shoals that support dense populations of fish, wildlife, and aquatic plants;

(7) coastal wetland of Lake Erie supports the largest diversity of plant and wildlife species in the Great Lakes;

(8) because Lake Erie is located at a more southern latitude than other Great Lakes, the moderate climate of Lake Erie is appropriate for many species that are not found in or along the northern Great Lakes;

(9) more than 300 species of plants, including 37 significant species, have been identified in the aquatic and wetland habitats of the western basin;

(10) the shallow western basin of Lake Erie, extending from the Lower Detroit River to Sandusky Bay, is home to the greatest concentration of marshes in Lake Erie, including—

- (A) Mouille, Metzger, and Magee marshes;
- (B) the Maumee Bay wetland complex;
- (C) the wetland complexes flanking Locust Point; and
- (D) the wetland in Sandusky Bay;

(11) the larger islands of the United States in western Lake Erie have wetland in small embayments;

(12) the wetland in the western basin comprises some of the most important waterfowl habitat in the Great Lakes;

(13) waterfowl, wading birds, shore birds, gulls and terns, raptors, and perching birds use the wetland in the western basin for migration, nesting, and feeding;

(14) hundreds of thousands of diving ducks stop to rest in the Lake Erie area during autumn migration from Canada to points east and south;

(15) the wetland of the western basin provides a major stopover for ducks, such as migrating bufflehead, common goldeneye, common mergansers, and ruddy duck;

(16) the international importance of Lake Erie is indicated in the United States by congressional designation of the Ottawa and Cedar Point National Wildlife Refuges;

(17)(A) Lake Erie has an international reputation for walleye, perch, and bass fishing, recreational boating, birding, photography, and duck hunting; and

(B) on an economic basis, tourism in the Lake Erie area accounts for an estimated \$1,500,000,000 in retail sales and more than 50,000 jobs;

(18)(A) many of the 417,000 boats that are registered in the State of Ohio are used in the western basin, in part to fish for the estimated 10,000,000 walleye that migrate from the lake to spawn; and

(B) that internationally renowned walleye fishery drives much of the \$2,000,000,000 sport fishing industry in the State of Ohio;

(19) coastal wetland in the western basin has been subjected to intense pressure for 150 years;

(20) prior to 1850, the western basin was part of an extensive coastal marsh and swamp system consisting of approximately 122,000 hectares that comprised a portion of the Great Black Swamp;

(21) by 1951, only 12,407 wetland hectares remained in the western basin;

(22) 50 percent of that acreage was destroyed between 1972 and 1987, leaving only approximately 5,000 hectares in existence today;

(23) along the Michigan shoreline, coastal wetland was reduced by 62 percent between 1916 and the early 1970s;

(24) the development of the city of Monroe, Michigan, has had a particularly significant impact on the coastal wetland at the mouth of the Raisin River;

(25) only approximately 100 hectares remain physically unaltered today in an area in which, 70 years ago, marshes were 10 times more extensive;

(26) in addition to the actual loss of coastal wetland acreage along the shores of Lake Erie, the quality of much remaining dike wetland has been degraded by numerous stressors, especially excessive loadings of sediments and nutrients, contaminants, shoreline modification, exotic species, and the diking of wetland; and

(27) protective peninsula beach systems, such as the former Bay Point and Woodtick, at the border of Ohio and Michigan near the mouth of the Ottawa River and Maumee Bay, have been eroded over the years, exacerbating erosion along the shorelines and negatively affecting breeding and spawning grounds.

SEC. 3. DEFINITIONS.

In this Act:

(1) **INTERNATIONAL REFUGE.**—The term “International Refuge” means the Detroit River International Wildlife Refuge established by section 5(a) of the Detroit River International Wildlife Refuge Establishment Act (16 U.S.C. 668dd note; 115 Stat. 894).

(2) **REFUGE COMPLEX.**—The term “Refuge Complex” means the Ottawa National Wildlife Refuge Complex and the lands and waters in the complex, as described in the document entitled “The Comprehensive Conservation Plan for the Ottawa National Wildlife Refuge Complex” and dated September 22, 2000, including—

(A) the Ottawa National Wildlife Refuge, established by the Secretary in accordance with the Migratory Bird Conservation Act (16 U.S.C. 715 et seq.);

(B) the West Sister Island National Wildlife Refuge established by Executive Order No. 7937, dated August 2, 1937; and

(C) the Cedar Point National Wildlife Refuge established by the Secretary in accordance with the Migratory Bird Conservation Act (16 U.S.C. 715 et seq.).

(3) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(4) **WESTERN BASIN.**—

(A) **IN GENERAL.**—The term “western basin” means the western basin of Lake Erie, consisting of the land and water in the watersheds of Lake Erie extending from the watershed of the Lower Detroit River in the State of Michigan to and including Sandusky Bay and the watershed of Sandusky Bay in the State of Ohio.

(B) **INCLUSION.**—The term “western basin” includes the Bass Island archipelago in the State of Ohio.

SEC. 4. EXPANSION OF BOUNDARIES.

(a) **REFUGE COMPLEX BOUNDARIES.**—

(1) **EXPANSION.**—The boundaries of the Refuge Complex are expanded to include land and water in the State of Ohio from the eastern boundary of Maumee Bay State Park to the eastern boundary of the Darby Unit (including the Bass Island archipelago), as depicted on the map entitled “Ottawa National

Wildlife Refuge Complex Expansion and Detroit River International Wildlife Refuge Expansion Act” and dated September 6, 2002.

(2) AVAILABILITY OF MAP.—The map referred to in paragraph (1) shall be available for inspection in appropriate offices of the United States Fish and Wildlife Service.

(b) BOUNDARY REVISIONS.—The Secretary may make such revisions of the boundaries of the Refuge Complex as the Secretary determines to be appropriate to facilitate the acquisition of property within the Refuge Complex.

(c) ACQUISITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may acquire by donation, purchase with donated or appropriated funds, or exchange the land and water, and interests in land and water (including conservation easements), within the boundaries of the Refuge Complex.

(2) MANNER OF ACQUISITION.—Any and all acquisitions of land or waters under the provisions of this Act shall be made in a voluntary manner and shall not be the result of forced takings.

(d) TRANSFERS FROM OTHER AGENCIES.—Administrative jurisdiction over any Federal property that is located within the boundaries of the Refuge Complex and under the administrative jurisdiction of an agency of the United States other than the Department of the Interior may, with the concurrence of the head of the administering agency, be transferred without consideration to the Secretary for the purpose of this Act.

(e) STUDY OF ASSOCIATED AREA.—

(1) IN GENERAL.—The Secretary, acting through the Director of the United States Fish and Wildlife Service, shall conduct a study of fish and wildlife habitat and aquatic and terrestrial communities in and around the 2 dredge spoil disposal sites that are—

(A) referred to by the Toledo-Lucas County Port Authority as “Port Authority Facility Number Three” and “Grassy Island”, respectively; and

(B) located within Toledo Harbor near the mouth of the Maumee River.

(2) REPORT.—Not later than 18 months after the date of enactment of the Act, the Secretary shall— Deadline.

(A) complete the study under paragraph (1); and

(B) submit to Congress a report on the results of the study.

SEC. 5. EXPANSION OF INTERNATIONAL REFUGE BOUNDARIES.

The southern boundary of the International Refuge is extended south to include additional land and water in the State of Michigan located east of Interstate Route 75, extending from the southern boundary of Sterling State Park to the Ohio State boundary, as depicted on the map referred to in section 4(a)(1).

SEC. 6. ADMINISTRATION.

(a) REFUGE COMPLEX.—

(1) IN GENERAL.—The Secretary shall administer all federally owned land, water, and interests in land and water that are located within the boundaries of the Refuge Complex in accordance with—

(A) the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.); and

(B) this Act.

(2) ADDITIONAL AUTHORITY.—The Secretary may use such additional statutory authority available to the Secretary for the conservation of fish and wildlife, and the provision of opportunities for fish- and wildlife-dependent recreation, as the Secretary determines to be appropriate to carry out this Act.

(b) ADDITIONAL PURPOSES.—In addition to the purposes of the Refuge Complex under other laws, regulations, Executive orders, and comprehensive conservation plans, the Refuge Complex shall be managed—

(1) to strengthen and complement existing resource management, conservation, and education programs and activities at the Refuge Complex in a manner consistent with the primary purposes of the Refuge Complex—

(A) to provide major resting, feeding, and wintering habitats for migratory birds and other wildlife; and

(B) to enhance national resource conservation and management in the western basin;

(2) in partnership with nongovernmental and private organizations and private individuals dedicated to habitat enhancement, to conserve, enhance, and restore the native aquatic and terrestrial community characteristics of the western basin (including associated fish, wildlife, and plant species);

(3) to facilitate partnerships among the United States Fish and Wildlife Service, Canadian national and provincial authorities, State and local governments, local communities in the United States and Canada, conservation organizations, and other non-Federal entities to promote public awareness of the resources of the western basin; and

(4) to advance the collective goals and priorities that—

(A) were established in the report entitled “Great Lakes Strategy 2002—A Plan for the New Millennium”, developed by the United States Policy Committee, comprised of Federal agencies (including the United States Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, the United States Geological Survey, the Forest Service, and the Great Lakes Fishery Commission) and State governments and tribal governments in the Great Lakes basin; and

(B) include the goals of cooperating to protect and restore the chemical, physical, and biological integrity of the Great Lakes basin ecosystem.

(c) PRIORITY USES.—In providing opportunities for compatible fish- and wildlife-dependent recreation, the Secretary, in accordance with paragraphs (3) and (4) of section 4(a) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)), shall ensure that hunting, fishing, wildlife observation and photography, and environmental education and interpretation are the priority public uses of the Refuge Complex.

(d) COOPERATIVE AGREEMENTS REGARDING NON-FEDERAL LAND.—To promote public awareness of the resources of the western basin and encourage public participation in the conservation of

those resources, the Secretary may enter into cooperative agreements with the State of Ohio or Michigan, any political subdivision of the State, or any person for the management, in a manner consistent with this Act, of land that—

- (1) is owned by the State, political subdivision, or person;
- and
- (2) is located within the boundaries of the Refuge Complex.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary—

- (1) to acquire land and water within the Refuge Complex under section 4(c);
- (2) to carry out the study under section 4(e); and
- (3) to develop, operate, and maintain the Refuge Complex.

Approved May 19, 2003.

LEGISLATIVE HISTORY—H.R. 289:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 1, considered and passed House.

May 1, considered and passed Senate.



Public Law 108–24
108th Congress

Joint Resolution

May 27, 2003

[H.J. Res. 51]

Increasing the statutory limit on the public debt.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof \$7,384,000,000,000.

Approved May 27, 2003.

LEGISLATIVE HISTORY—H.J. Res. 51 (H. Con. Res. 95):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 11, considered and passed House pursuant to H. Con. Res. 95.

May 23, considered and passed Senate.



Public Law 108–25
108th Congress

An Act

To provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

May 27, 2003
[H.R. 1298]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Purpose.
- Sec. 5. Authority to consolidate and combine reports.

TITLE I—POLICY PLANNING AND COORDINATION

- Sec. 101. Development of a comprehensive, five-year, global strategy.
- Sec. 102. HIV/AIDS Response Coordinator.

TITLE II—SUPPORT FOR MULTILATERAL FUNDS, PROGRAMS, AND PUBLIC-PRIVATE PARTNERSHIPS

- Sec. 201. Sense of Congress on public-private partnerships.
- Sec. 202. Participation in the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- Sec. 203. Voluntary contributions to international vaccine funds.

TITLE III—BILATERAL EFFORTS

Subtitle A—General Assistance and Programs

- Sec. 301. Assistance to combat HIV/AIDS.
- Sec. 302. Assistance to combat tuberculosis.
- Sec. 303. Assistance to combat malaria.
- Sec. 304. Pilot program for the placement of health care professionals in overseas areas severely affected by HIV/AIDS, tuberculosis, and malaria.
- Sec. 305. Report on treatment activities by relevant executive branch agencies.
- Sec. 306. Strategies to improve injection safety.
- Sec. 307. Study on illegal diversions of prescription drugs.

Subtitle B—Assistance for Children and Families

- Sec. 311. Findings.
- Sec. 312. Policy and requirements.
- Sec. 313. Annual reports on prevention of mother-to-child transmission of the HIV infection.
- Sec. 314. Pilot program of assistance for children and families affected by HIV/AIDS.
- Sec. 315. Pilot program on family survival partnerships.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

- Sec. 401. Authorization of appropriations.

United States
Leadership
Against HIV/
AIDS,
Tuberculosis, and
Malaria Act of
2003.
22 USC 7601
note.

- Sec. 402. Sense of Congress.
- Sec. 403. Allocation of funds.
- Sec. 404. Assistance from the United States private sector to prevent and reduce HIV/AIDS in sub-Saharan Africa.

TITLE V—INTERNATIONAL FINANCIAL INSTITUTIONS

- Sec. 501. Modification of the Enhanced HIPC Initiative.
- Sec. 502. Report on expansion of debt relief to non-HIPC countries.
- Sec. 503. Authorization of appropriations.

26 USC 7601.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) During the last 20 years, HIV/AIDS has assumed pandemic proportions, spreading from the most severely affected regions, sub-Saharan Africa and the Caribbean, to all corners of the world, and leaving an unprecedented path of death and devastation.

(2) According to the Joint United Nations Programme on HIV/AIDS (UNAIDS), more than 65,000,000 individuals worldwide have been infected with HIV since the epidemic began, more than 25,000,000 of these individuals have lost their lives to the disease, and more than 14,000,000 children have been orphaned by the disease. HIV/AIDS is the fourth-highest cause of death in the world.

(3)(A) At the end of 2002, an estimated 42,000,000 individuals were infected with HIV or living with AIDS, of which more than 75 percent live in Africa or the Caribbean. Of these individuals, more than 3,200,000 were children under the age of 15 and more than 19,200,000 were women.

(B) Women are four times more vulnerable to infection than are men and are becoming infected at increasingly high rates, in part because many societies do not provide poor women and young girls with the social, legal, and cultural protections against high risk activities that expose them to HIV/AIDS.

(C) Women and children who are refugees or are internally displaced persons are especially vulnerable to sexual exploitation and violence, thereby increasing the possibility of HIV infection.

(4) As the leading cause of death in sub-Saharan Africa, AIDS has killed more than 19,400,000 individuals (more than 3 times the number of AIDS deaths in the rest of the world) and will claim the lives of one-quarter of the population, mostly adults, in the next decade.

(5) An estimated 2,000,000 individuals in Latin America and the Caribbean and another 7,100,000 individuals in Asia and the Pacific region are infected with HIV or living with AIDS. Infection rates are rising alarmingly in Eastern Europe (especially in the Russian Federation), Central Asia, and China.

(6) HIV/AIDS threatens personal security by affecting the health, lifespan, and productive capacity of the individual and the social cohesion and economic well-being of the family.

(7) HIV/AIDS undermines the economic security of a country and individual businesses in that country by weakening the productivity and longevity of the labor force across a broad array of economic sectors and by reducing the potential for economic growth over the long term.

(8) HIV/AIDS destabilizes communities by striking at the most mobile and educated members of society, many of whom are responsible for security at the local level and governance

at the national and subnational levels as well as many teachers, health care personnel, and other community workers vital to community development and the effort to combat HIV/AIDS. In some countries the overwhelming challenges of the HIV/AIDS epidemic are accelerating the outward migration of critically important health care professionals.

(9) HIV/AIDS weakens the defenses of countries severely affected by the HIV/AIDS crisis through high infection rates among members of their military forces and voluntary peacekeeping personnel. According to UNAIDS, in sub-Saharan Africa, many military forces have infection rates as much as five times that of the civilian population.

(10) HIV/AIDS poses a serious security issue for the international community by—

(A) increasing the potential for political instability and economic devastation, particularly in those countries and regions most severely affected by the disease;

(B) decreasing the capacity to resolve conflicts through the introduction of peacekeeping forces because the environments into which these forces are introduced pose a high risk for the spread of HIV/AIDS; and

(C) increasing the vulnerability of local populations to HIV/AIDS in conflict zones from peacekeeping troops with HIV infection rates significantly higher than civilian populations.

(11) The devastation wrought by the HIV/AIDS pandemic is compounded by the prevalence of tuberculosis and malaria, particularly in developing countries where the poorest and most vulnerable members of society, including women, children, and those individuals living with HIV/AIDS, become infected. According to the World Health Organization (WHO), HIV/AIDS, tuberculosis, and malaria accounted for more than 5,700,000 deaths in 2001 and caused debilitating illnesses in millions more.

(12) Together, HIV/AIDS, tuberculosis, malaria and related diseases are undermining agricultural production throughout Africa. According to the United Nations Food and Agricultural Organization, 7,000,000 agricultural workers throughout 25 African countries have died from AIDS since 1985. Countries with poorly developed agricultural systems, which already face chronic food shortages, are the hardest hit, particularly in sub-Saharan Africa, where high HIV prevalence rates are compounding the risk of starvation for an estimated 14,400,000 people.

(13) Tuberculosis is the cause of death for one out of every three people with AIDS worldwide and is a highly communicable disease. HIV infection is the leading threat to tuberculosis control. Because HIV infection so severely weakens the immune system, individuals with HIV and latent tuberculosis infection have a 100 times greater risk of developing active tuberculosis diseases thereby increasing the risk of spreading tuberculosis to others. Tuberculosis, in turn, accelerates the onset of AIDS in individuals infected with HIV.

(14) Malaria, the most deadly of all tropical parasitic diseases, has been undergoing a dramatic resurgence in recent years due to increasing resistance of the malaria parasite to inexpensive and effective drugs. At the same time, increasing

resistance of mosquitoes to standard insecticides makes control of transmission difficult to achieve. The World Health Organization estimates that between 300,000,000 and 500,000,000 new cases of malaria occur each year, and annual deaths from the disease number between 2,000,000 and 3,000,000. Persons infected with HIV are particularly vulnerable to the malaria parasite. The spread of HIV infection contributes to the difficulties of controlling resurgence of the drug resistant malaria parasite.

(15) HIV/AIDS is first and foremost a health problem. Successful strategies to stem the spread of the HIV/AIDS pandemic will require clinical medical interventions, the strengthening of health care delivery systems and infrastructure, and determined national leadership and increased budgetary allocations for the health sector in countries affected by the epidemic as well as measures to address the social and behavioral causes of the problem and its impact on families, communities, and societal sectors.

(16) Basic interventions to prevent new HIV infections and to bring care and treatment to people living with AIDS, such as voluntary counseling and testing and mother-to-child transmission programs, are achieving meaningful results and are cost-effective. The challenge is to expand these interventions from a pilot program basis to a national basis in a coherent and sustainable manner.

(17) Appropriate treatment of individuals with HIV/AIDS can prolong the lives of such individuals, preserve their families, prevent children from becoming orphans, and increase productivity of such individuals by allowing them to lead active lives and reduce the need for costly hospitalization for treatment of opportunistic infections caused by HIV.

(18) Nongovernmental organizations, including faith-based organizations, with experience in health care and HIV/AIDS counseling, have proven effective in combating the HIV/AIDS pandemic and can be a resource in assisting indigenous organizations in severely affected countries in their efforts to provide treatment and care for individuals infected with HIV/AIDS.

(19) Faith-based organizations are making an important contribution to HIV prevention and AIDS treatment programs around the world. Successful HIV prevention programs in Uganda, Jamaica, and elsewhere have included local churches and faith-based groups in efforts to promote behavior changes to prevent HIV, to reduce stigma associated with HIV infection, to treat those afflicted with the disease, and to care for orphans. The Catholic Church alone currently cares for one in four people being treated for AIDS worldwide. Faith-based organizations possess infrastructure, experience, and knowledge that will be needed to carry out these programs in the future and should be an integral part of United States efforts.

(20)(A) Uganda has experienced the most significant decline in HIV rates of any country in Africa, including a decrease among pregnant women from 20.6 percent in 1991 to 7.9 percent in 2000.

(B) Uganda made this remarkable turnaround because President Yoweri Museveni spoke out early, breaking long-standing cultural taboos, and changed widespread perceptions

about the disease. His leadership stands as a model for ways political leaders in Africa and other developing countries can mobilize their nations, including civic organizations, professional associations, religious institutions, business and labor to combat HIV/AIDS.

(C) Uganda's successful AIDS treatment and prevention program is referred to as the ABC model: "Abstain, Be faithful, use Condoms", in order of priority. Jamaica, Zambia, Ethiopia and Senegal have also successfully used the ABC model. Beginning in 1986, Uganda brought about a fundamental change in sexual behavior by developing a low-cost program with the message: "Stop having multiple partners. Be faithful. Teenagers, wait until you are married before you begin sex."

(D) By 1995, 95 percent of Ugandans were reporting either one or zero sexual partners in the past year, and the proportion of sexually active youth declined significantly from the late 1980s to the mid-1990s. The greatest percentage decline in HIV infections and the greatest degree of behavioral change occurred in those 15 to 19 years old. Uganda's success shows that behavior change, through the use of the ABC model, is a very successful way to prevent the spread of HIV.

(21) The magnitude and scope of the HIV/AIDS crisis demands a comprehensive, long-term, international response focused upon addressing the causes, reducing the spread, and ameliorating the consequences of the HIV/AIDS pandemic, including—

(A) prevention and education, care and treatment, basic and applied research, and training of health care workers, particularly at the community and provincial levels, and other community workers and leaders needed to cope with the range of consequences of the HIV/AIDS crisis;

(B) development of health care infrastructure and delivery systems through cooperative and coordinated public efforts and public and private partnerships;

(C) development and implementation of national and community-based multisector strategies that address the impact of HIV/AIDS on the individual, family, community, and nation and increase the participation of at-risk populations in programs designed to encourage behavioral and social change and reduce the stigma associated with HIV/AIDS; and

(D) coordination of efforts between international organizations such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the World Health Organization (WHO), national governments, and private sector organizations, including faith-based organizations.

(22) The United States has the capacity to lead and enhance the effectiveness of the international community's response by—

(A) providing substantial financial resources, technical expertise, and training, particularly of health care personnel and community workers and leaders;

(B) promoting vaccine and microbicide research and the development of new treatment protocols in the public and commercial pharmaceutical research sectors;

(C) making available pharmaceuticals and diagnostics for HIV/AIDS therapy;

(D) encouraging governments and faith-based and community-based organizations to adopt policies that treat HIV/AIDS as a multisectoral public health problem affecting not only health but other areas such as agriculture, education, the economy, the family and society, and assisting them to develop and implement programs corresponding to these needs;

(E) promoting healthy lifestyles, including abstinence, delaying sexual debut, monogamy, marriage, faithfulness, use of condoms, and avoiding substance abuse; and

(F) encouraging active involvement of the private sector, including businesses, pharmaceutical and biotechnology companies, the medical and scientific communities, charitable foundations, private and voluntary organizations and nongovernmental organizations, faith-based organizations, community-based organizations, and other nonprofit entities.

(23) Prostitution and other sexual victimization are degrading to women and children and it should be the policy of the United States to eradicate such practices. The sex industry, the trafficking of individuals into such industry, and sexual violence are additional causes of and factors in the spread of the HIV/AIDS epidemic. One in nine South Africans is living with AIDS, and sexual assault is rampant, at a victimization rate of one in three women. Meanwhile in Cambodia, as many as 40 percent of prostitutes are infected with HIV and the country has the highest rate of increase of HIV infection in all of Southeast Asia. Victims of coercive sexual encounters do not get to make choices about their sexual activities.

(24) Strong coordination must exist among the various agencies of the United States to ensure effective and efficient use of financial and technical resources within the United States Government with respect to the provision of international HIV/AIDS assistance.

(25) In his address to Congress on January 28, 2003, the President announced the Administration's intention to embark on a five-year emergency plan for AIDS relief, to confront HIV/AIDS with the goals of preventing 7,000,000 new HIV/AIDS infections, treating at least 2,000,000 people with life-extending drugs, and providing humane care for millions of people suffering from HIV/AIDS, and for children orphaned by HIV/AIDS.

(26) In this address to Congress, the President stated the following: "Today, on the continent of Africa, nearly 30,000,000 people have the AIDS virus—including 3,000,000 children under the age of 15. There are whole countries in Africa where more than one-third of the adult population carries the infection. More than 4,000,000 require immediate drug treatment. Yet across that continent, only 50,000 AIDS victims—only 50,000—are receiving the medicine they need."

(27) Furthermore, the President focused on care and treatment of HIV/AIDS in his address to Congress, stating the following: "Because the AIDS diagnosis is considered a death sentence, many do not seek treatment. Almost all who do are turned away. A doctor in rural South Africa describes his frustration. He says, 'We have no medicines. Many hospitals tell people, you've got AIDS, we can't help you. Go home and

die.’ In an age of miraculous medicines, no person should have to hear those words. AIDS can be prevented. Anti-retroviral drugs can extend life for many years * * * Ladies and gentlemen, seldom has history offered a greater opportunity to do so much for so many.”.

(28) Finally, the President stated that “[w]e have confronted, and will continue to confront, HIV/AIDS in our own country”, proposing now that the United States should lead the world in sparing innocent people from a plague of nature, and asking Congress “to commit \$15,000,000,000 over the next five years, including nearly \$10,000,000,000 in new money, to turn the tide against AIDS in the most afflicted nations of Africa and the Caribbean”.

SEC. 3. DEFINITIONS.

22 USC 7602.

In this Act:

(1) AIDS.—The term “AIDS” means the acquired immune deficiency syndrome.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(3) GLOBAL FUND.—The term “Global Fund” means the public-private partnership known as the Global Fund to Fight AIDS, Tuberculosis and Malaria established pursuant to Article 80 of the Swiss Civil Code.

(4) HIV.—The term “HIV” means the human immunodeficiency virus, the pathogen that causes AIDS.

(5) HIV/AIDS.—The term “HIV/AIDS” means, with respect to an individual, an individual who is infected with HIV or living with AIDS.

(6) RELEVANT EXECUTIVE BRANCH AGENCIES.—The term “relevant executive branch agencies” means the Department of State, the United States Agency for International Development, and any other department or agency of the United States that participates in international HIV/AIDS activities pursuant to the authorities of such department or agency or the Foreign Assistance Act of 1961.

SEC. 4. PURPOSE.

22 USC 7603.

The purpose of this Act is to strengthen United States leadership and the effectiveness of the United States response to certain global infectious diseases by—

(1) establishing a comprehensive, integrated five-year, global strategy to fight HIV/AIDS that encompasses a plan for phased expansion of critical programs and improved coordination among relevant executive branch agencies and between the United States and foreign governments and international organizations;

(2) providing increased resources for multilateral efforts to fight HIV/AIDS;

(3) providing increased resources for United States bilateral efforts, particularly for technical assistance and training, to combat HIV/AIDS, tuberculosis, and malaria;

(4) encouraging the expansion of private sector efforts and expanding public-private sector partnerships to combat HIV/AIDS; and

(5) intensifying efforts to support the development of vaccines and treatment for HIV/AIDS, tuberculosis, and malaria.

Deadline.
22 USC 7604.

SEC. 5. AUTHORITY TO CONSOLIDATE AND COMBINE REPORTS.

With respect to the reports required by this Act to be submitted by the President, to ensure an efficient use of resources, the President may, in his discretion and notwithstanding any other provision of this Act, consolidate or combine any of these reports, except for the report required by section 101 of this Act, so long as the required elements of each report are addressed and reported within a 90-day period from the original deadline date for submission of the report specified in this Act. The President may also enter into contracts with organizations with relevant expertise to develop, originate, or contribute to any of the reports required by this Act to be submitted by the President.

TITLE I—POLICY PLANNING AND COORDINATION

SEC. 101. DEVELOPMENT OF A COMPREHENSIVE, FIVE-YEAR, GLOBAL STRATEGY.

President.
22 USC 7611.

(a) STRATEGY.—The President shall establish a comprehensive, integrated, five-year strategy to combat global HIV/AIDS that strengthens the capacity of the United States to be an effective leader of the international campaign against HIV/AIDS. Such strategy shall maintain sufficient flexibility and remain responsive to the ever-changing nature of the HIV/AIDS pandemic and shall—

(1) include specific objectives, multisectoral approaches, and specific strategies to treat individuals infected with HIV/AIDS and to prevent the further spread of HIV infections, with a particular focus on the needs of families with children (including the prevention of mother-to-child transmission), women, young people, and children (such as unaccompanied minor children and orphans);

(2) as part of the strategy, implement a tiered approach to direct delivery of care and treatment through a system based on central facilities augmented by expanding circles of local delivery of care and treatment through local systems and capacity;

(3) assign priorities for relevant executive branch agencies;

(4) provide that the reduction of HIV/AIDS behavioral risks shall be a priority of all prevention efforts in terms of funding, educational messages, and activities by promoting abstinence from sexual activity and substance abuse, encouraging monogamy and faithfulness, promoting the effective use of condoms, and eradicating prostitution, the sex trade, rape, sexual assault and sexual exploitation of women and children;

(5) improve coordination and reduce duplication among relevant executive branch agencies, foreign governments, and international organizations;

(6) project general levels of resources needed to achieve the stated objectives;

(7) expand public-private partnerships and the leveraging of resources;

(8) maximize United States capabilities in the areas of technical assistance and training and research, including vaccine research;

(9) establish priorities for the distribution of resources based on factors such as the size and demographics of the population with HIV/AIDS, tuberculosis, and malaria and the needs of that population and the existing infrastructure or funding levels that may exist to cure, treat, and prevent HIV/AIDS, tuberculosis, and malaria; and

(10) include initiatives describing how the President will maximize the leverage of private sector dollars in reduction and treatment of HIV/AIDS, tuberculosis, and malaria.

(b) REPORT.—

(1) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report setting forth the strategy described in subsection (a).

Deadline.
President.

(2) REPORT CONTENTS.—The report required by paragraph (1) shall include a discussion of the elements described in paragraph (3) and may include a discussion of additional elements relevant to the strategy described in subsection (a). Such discussion may include an explanation as to why a particular element described in paragraph (3) is not relevant to such strategy.

(3) REPORT ELEMENTS.—The elements referred to in paragraph (2) are the following:

(A) The objectives, general and specific, of the strategy.

(B) A description of the criteria for determining success of the strategy.

(C) A description of the manner in which the strategy will address the fundamental elements of prevention and education, care, and treatment (including increasing access to pharmaceuticals and to vaccines), the promotion of abstinence, monogamy, avoidance of substance abuse, and use of condoms, research (including incentives for vaccine development and new protocols), training of health care workers, the development of health care infrastructure and delivery systems, and avoidance of substance abuse.

(D) A description of the manner in which the strategy will promote the development and implementation of national and community-based multisectoral strategies and programs, including those designed to enhance leadership capacity particularly at the community level.

(E) A description of the specific strategies developed to meet the unique needs of women, including the empowerment of women in interpersonal situations, young people and children, including those orphaned by HIV/AIDS and those who are victims of the sex trade, rape, sexual abuse, assault, and exploitation.

(F) A description of the specific strategies developed to encourage men to be responsible in their sexual behavior, child rearing and to respect women including the reduction of sexual violence and coercion.

(G) A description of the specific strategies developed to increase women's access to employment opportunities, income, productive resources, and microfinance programs.

(H) A description of the programs to be undertaken to maximize United States contributions in the areas of technical assistance, training (particularly of health care workers and community-based leaders in affected sectors), and research, including the promotion of research on vaccines and microbicides.

(I) An identification of the relevant executive branch agencies that will be involved and the assignment of priorities to those agencies.

(J) A description of the role of each relevant executive branch agency and the types of programs that the agency will be undertaking.

(K) A description of the mechanisms that will be utilized to coordinate the efforts of the relevant executive branch agencies, to avoid duplication of efforts, to enhance on-site coordination efforts, and to ensure that each agency undertakes programs primarily in those areas where the agency has the greatest expertise, technical capabilities, and potential for success.

(L) A description of the mechanisms that will be utilized to ensure greater coordination between the United States and foreign governments and international organizations including the Global Fund, UNAIDS, international financial institutions, and private sector organizations.

(M) The level of resources that will be needed on an annual basis and the manner in which those resources would generally be allocated among the relevant executive branch agencies.

(N) A description of the mechanisms to be established for monitoring and evaluating programs, promoting successful models, and for terminating unsuccessful programs.

(O) A description of the manner in which private, non-governmental entities will factor into the United States Government-led effort and a description of the type of partnerships that will be created to maximize the capabilities of these private sector entities and to leverage resources.

(P) A description of the ways in which United States leadership will be used to enhance the overall international response to the HIV/AIDS pandemic and particularly to heighten the engagement of the member states of the G–8 and to strengthen key financial and coordination mechanisms such as the Global Fund and UNAIDS.

(Q) A description of the manner in which the United States strategy for combating HIV/AIDS relates to and supports other United States assistance strategies in developing countries.

(R) A description of the programs to be carried out under the strategy that are specifically targeted at women and girls to educate them about the spread of HIV/AIDS.

(S) A description of efforts being made to address the unique needs of families with children with respect to HIV/AIDS, including efforts to preserve the family unit.

(T) An analysis of the emigration of critically important medical and public health personnel, including physicians,

nurses, and supervisors from sub-Saharan African countries that are acutely impacted by HIV/AIDS, including a description of the causes, effects, and the impact on the stability of health infrastructures, as well as a summary of incentives and programs that the United States could provide, in concert with other private and public sector partners and international organizations, to stabilize health institutions by encouraging critical personnel to remain in their home countries.

(U) A description of the specific strategies developed to promote sustainability of HIV/AIDS pharmaceuticals (including antiretrovirals) and the effects of drug resistance on HIV/AIDS patients.

(V) A description of the specific strategies to ensure that the extraordinary benefit of HIV/AIDS pharmaceuticals (especially antiretrovirals) are not diminished through the illegal counterfeiting of pharmaceuticals and black market sales of such pharmaceuticals.

(W) An analysis of the prevalence of Human Papilloma Virus (HPV) in sub-Saharan Africa and the impact that condom usage has upon the spread of HPV in sub-Saharan Africa.

(c) **STUDY; DISTRIBUTION OF RESOURCES.**—

(1) **STUDY.**—Not later than 3 years after the date of the enactment of this Act, the Institute of Medicine shall publish findings comparing the success rates of the various programs and methods used under the strategy described in subsection (a) to reduce, prevent, and treat HIV/AIDS, tuberculosis, and malaria.

Deadline.
Publication.

(2) **DISTRIBUTION OF RESOURCES.**—In prioritizing the distribution of resources under the strategy described in subsection (a), the President shall consider the findings published by the Institute of Medicine under this subsection.

President.

SEC. 102. HIV/AIDS RESPONSE COORDINATOR.

22 USC 7612.

(a) **ESTABLISHMENT OF POSITION.**—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 265(a)) is amended—

22 USC 2651a.

(1) by redesignating subsection (f) as subsection (g); and
(2) by inserting after subsection (e) the following:

“(f) **HIV/AIDS RESPONSE COORDINATOR.**—

“(1) **IN GENERAL.**—There shall be established within the Department of State in the immediate office of the Secretary of State a Coordinator of United States Government Activities to Combat HIV/AIDS Globally, who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary.

President.

“(2) **AUTHORITIES AND DUTIES; DEFINITIONS.**—

“(A) **AUTHORITIES.**—The Coordinator, acting through such nongovernmental organizations (including faith-based and community-based organizations) and relevant executive branch agencies as may be necessary and appropriate to effect the purposes of this section, is authorized—

“(i) to operate internationally to carry out prevention, care, treatment, support, capacity development, and other activities for combatting HIV/AIDS;

“(ii) to transfer and allocate funds to relevant executive branch agencies; and

“(iii) to provide grants to, and enter into contracts with, nongovernmental organizations (including faith-based and community-based organizations) to carry out the purposes of section.

“(B) DUTIES.—

“(i) IN GENERAL.—The Coordinator shall have primary responsibility for the oversight and coordination of all resources and international activities of the United States Government to combat the HIV/AIDS pandemic, including all programs, projects, and activities of the United States Government relating to the HIV/AIDS pandemic under the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 or any amendment made by that Act.

“(ii) SPECIFIC DUTIES.—The duties of the Coordinator shall specifically include the following:

“(I) Ensuring program and policy coordination among the relevant executive branch agencies and nongovernmental organizations, including auditing, monitoring, and evaluation of all such programs.

“(II) Ensuring that each relevant executive branch agency undertakes programs primarily in those areas where the agency has the greatest expertise, technical capabilities, and potential for success.

“(III) Avoiding duplication of effort.

“(IV) Ensuring coordination of relevant executive branch agency activities in the field.

“(V) Pursuing coordination with other countries and international organizations.

“(VI) Resolving policy, program, and funding disputes among the relevant executive branch agencies.

“(VII) Directly approving all activities of the United States (including funding) relating to combatting HIV/AIDS in each of Botswana, Cote d’Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia, and other countries designated by the President, which other designated countries may include those countries in which the United States is implementing HIV/AIDS programs as of the date of the enactment of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003.

“(VIII) Establishing due diligence criteria for all recipients of funds section and all activities subject to the coordination and appropriate monitoring, evaluation, and audits carried out by the Coordinator necessary to assess the measurable outcomes of such activities.

“(C) DEFINITIONS.—In this paragraph:

“(i) AIDS.—The term ‘AIDS’ means acquired immune deficiency syndrome.

“(ii) HIV.—The term ‘HIV’ means the human immunodeficiency virus, the pathogen that causes AIDS.

“(iii) HIV/AIDS.—The term ‘HIV/AIDS’ means, with respect to an individual, an individual who is infected with HIV or living with AIDS.

“(iv) RELEVANT EXECUTIVE BRANCH AGENCIES.—The term ‘relevant executive branch agencies’ means the Department of State, the United States Agency for International Development, the Department of Health and Human Services (including the Public Health Service), and any other department or agency of the United States that participates in international HIV/AIDS activities pursuant to the authorities of such department or agency or this Act.”.

(b) RESOURCES.—Not later than 90 days after the date of enactment of this Act, the President shall specify the necessary financial and personnel resources, from funds appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS assistance, that shall be assigned to and under the direct control of the Coordinator of United States Government Activities to Combat HIV/AIDS Globally to establish and maintain the duties and supporting activities assigned to the Coordinator by this Act and the amendments made by this Act.

Deadline.
President.

(c) ESTABLISHMENT OF SEPARATE ACCOUNT.—There is established in the general fund of the Treasury a separate account which shall be known as the “Activities to Combat HIV/AIDS Globally Fund” and which shall be administered by the Coordinator of United States Government Activities to Combat HIV/AIDS Globally. There shall be deposited into the Fund all amounts appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS assistance, except for amounts appropriated for United States contributions to the Global Fund.

TITLE II—SUPPORT FOR MULTILATERAL FUNDS, PROGRAMS, AND PUBLIC-PRIVATE PARTNERSHIPS

SEC. 201. SENSE OF CONGRESS ON PUBLIC-PRIVATE PARTNERSHIPS. 22 USC 7621.

(a) FINDINGS.—Congress makes the following findings:

(1) Innovative partnerships between governments and organizations in the private sector (including foundations, universities, corporations, faith-based and community-based organizations, and other nongovernmental organizations) have proliferated in recent years, particularly in the area of health.

(2) Public-private sector partnerships multiply local and international capacities to strengthen the delivery of health services in developing countries and to accelerate research for vaccines and other pharmaceutical products that are essential to combat infectious diseases decimating the populations of these countries.

(3) These partnerships maximize the unique capabilities of each sector while combining financial and other resources, scientific knowledge, and expertise toward common goals which neither the public nor the private sector can achieve alone.

(4) Sustaining existing public-private partnerships and building new ones are critical to the success of the international community's efforts to combat HIV/AIDS and other infectious diseases around the globe.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the sustainment and promotion of public-private partnerships should be a priority element of the strategy pursued by the United States to combat the HIV/AIDS pandemic and other global health crises; and

(2) the United States should systematically track the evolution of these partnerships and work with others in the public and private sector to profile and build upon those models that are most effective.

22 USC 7622.

SEC. 202. PARTICIPATION IN THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA.

(a) FINDINGS.—The Congress finds as follows:

(1) The establishment of the Global Fund in January 2002 is consistent with the general principles for an international AIDS trust fund first outlined by the Congress in the Global AIDS and Tuberculosis Relief Act of 2000 (Public Law 106–264).

(2) Section 2, Article 5 of the bylaws of the Global Fund provides for the International Bank for Reconstruction and Development to serve as the initial collection trustee for the Global Fund.

(3) The trustee agreement signed between the Global Fund and the International Bank for Reconstruction and Development narrows the range of duties to include receiving and investing funds from donors, disbursing the funds upon the instruction of the Global Fund, reporting on trust fund resources to donors and the Global Fund, and providing an annual external audit report to the Global Fund.

(b) AUTHORITY FOR UNITED STATES PARTICIPATION.—

(1) UNITED STATES PARTICIPATION.—The United States is hereby authorized to participate in the Global Fund.

(2) PRIVILEGES AND IMMUNITIES.—The Global Fund shall be considered a public international organization for purposes of section 1 of the International Organizations Immunities Act (22 U.S.C. 288).

(c) REPORTS TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter for the duration of the Global Fund, the President shall submit to the appropriate congressional committees a report on the Global Fund, including contributions pledged to, contributions (including donations from the private sector) received by, and projects funded by the Global Fund, and the mechanisms established for transparency and accountability in the grant-making process.

(d) UNITED STATES FINANCIAL PARTICIPATION.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds authorized to be appropriated for bilateral or multilateral HIV/AIDS, tuberculosis, or malaria programs, of the amounts authorized to be appropriated under section 401, there are authorized to be appropriated to the President up to \$1,000,000,000 for the period of fiscal year 2004 beginning on January 1, 2004, and such sums as may be necessary for

Deadline.
President.

the fiscal years 2005–2008, for contributions to the Global Fund.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated under paragraph (1) are authorized to remain available until expended.

(3) REPROGRAMMING OF FISCAL YEAR 2001 FUNDS.—Funds made available for fiscal year 2001 under section 141 of the Global AIDS and Tuberculosis Relief Act of 2000—

(A) are authorized to remain available until expended; and

(B) shall be transferred to, merged with, and made available for the same purposes as, funds made available for fiscal years 2004 through 2008 under paragraph (1).

(4) LIMITATION.—

(A)(i) At any time during fiscal years 2004 through 2008, no United States contribution to the Global Fund may cause the total amount of United States Government contributions to the Global Fund to exceed 33 percent of the total amount of funds contributed to the Global Fund from all sources. Contributions to the Global Fund from the International Bank for Reconstruction and Development and the International Monetary Fund shall not be considered in determining compliance with this paragraph.

(ii) If, at any time during any of the fiscal years 2004 through 2008, the President determines that the Global Fund has provided assistance to a country, the government of which the Secretary of State has determined, for purposes of section 6(j)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)), has repeatedly provided support for acts of international terrorism, then the United States shall withhold from its contribution for the next fiscal year an amount equal to the amount expended by the Fund to the government of each such country.

(iii) If at any time the President determines that the expenses of the Governing, Administrative, and Advisory Bodies (including the Partnership Forum, the Foundation Board, the Secretariat, and the Technical Review Board) of the Global Fund exceed 10 percent of the total expenditures of the Fund for any 2-year period, the United States shall withhold from its contribution for the next fiscal year an amount equal to the average annual amount expended by the Fund for such 2-year period for the expenses of the Governing, Administrative, and Advisory Bodies in excess of 10 percent of the total expenditures of the Fund.

(iv) The President may waive the application of clause (iii) if the President determines that extraordinary circumstances warrant such a waiver. No waiver under this clause may be for any period that exceeds 1 year.

(v) If, at any time during any of the fiscal years 2004 through 2008, the President determines that the salary of any individual employed by the Global Fund exceeds the salary of the Vice President of the United States (as determined under section 104 of title 3, United States Code) for that fiscal year, then the United States shall withhold from its contribution for the next fiscal year an

amount equal to the aggregate amount by which the salary of each such individual exceeds the salary of the Vice President of the United States.

(B)(i) Any amount made available under this subsection that is withheld by reason of subparagraph (A)(i) shall be contributed to the Global Fund as soon as practicable, subject to subparagraph (A)(i), after additional contributions to the Global Fund are made from other sources.

(ii) Any amount made available under this subsection that is withheld by reason of subparagraph (A)(iii) shall be transferred to the Activities to Combat HIV/AIDS Globally Fund and shall remain available under the same terms and conditions as funds appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS assistance.

(iii) Any amount made available under this subsection that is withheld by reason of clause (ii) or (iii) of subparagraph (A) is authorized to be made available to carry out section 104A of the Foreign Assistance Act of 1961 (as added by section 301 of this Act). Amounts made available under the preceding sentence are in addition to amounts appropriated pursuant to the authorization of appropriations under section 401 of this Act for HIV/AIDS assistance.

(C)(i) The President may suspend the application of subparagraph (A) with respect to a fiscal year if the President determines that an international health emergency threatens the national security interests of the United States.

(ii) The President shall notify the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate not less than 5 days before making a determination under clause (i) with respect to the application of subparagraph (A)(i) and shall include in the notification—

(I) a justification as to why increased United States Government contributions to the Global Fund is preferable to increased United States assistance to combat HIV/AIDS, tuberculosis, and malaria on a bilateral basis; and

(II) an explanation as to why other government donors to the Global Fund are unable to provide adequate contributions to the Fund.

(e) INTERAGENCY TECHNICAL REVIEW PANEL.—

(1) ESTABLISHMENT.—The Coordinator of United States Government Activities to Combat HIV/AIDS Globally, established in section 1(f)(1) of the State Department Basic Authorities Act of 1956 (as added by section 102(a) of this Act), shall establish in the executive branch an interagency technical review panel.

(2) DUTIES.—The interagency technical review panel shall serve as a “shadow” panel to the Global Fund by—

(A) periodically reviewing all proposals received by the Global Fund; and

(B) providing guidance to the United States persons who are representatives on the panels, committees, and boards of the Global Fund, on the technical efficacy, suitability, and appropriateness of the proposals, and ensuring

President.
Notification.
Deadline.

that such persons are fully informed of technical inadequacies or other aspects of the proposals that are inconsistent with the purposes of this or any other Act relating to the provision of foreign assistance in the area of AIDS.

(3) **MEMBERSHIP.**—The interagency technical review panel shall consist of qualified medical and development experts who are officers or employees of the Department of Health and Human Services, the Department of State, and the United States Agency for International Development.

(4) **CHAIR.**—The Coordinator referred to in paragraph (1) shall chair the interagency technical review panel.

(f) **MONITORING BY COMPTROLLER GENERAL.**—

(1) **MONITORING.**—The Comptroller General shall monitor and evaluate projects funded by the Global Fund.

(2) **REPORT.**—The Comptroller General shall on a biennial basis shall prepare and submit to the appropriate congressional committees a report that contains the results of the monitoring and evaluation described in paragraph (1) for the preceding 2-year period.

(g) **PROVISION OF INFORMATION TO CONGRESS.**—The Coordinator of United States Government Activities to Combat HIV/AIDS Globally shall make available to the Congress the following documents within 30 days of a request by the Congress for such documents: Deadline.

(1) All financial and accounting statements for the Global Fund and the Activities to Combat HIV/AIDS Globally Fund, including administrative and grantee statements.

(2) Reports provided to the Global Fund and the Activities to Combat HIV/AIDS Globally Fund by organizations contracted to audit recipients of funds.

(3) Project proposals submitted by applicants for funding from the Global Fund and the Activities to Combat HIV/AIDS Globally Fund, but which were not funded.

(4) Progress reports submitted to the Global Fund and the Activities to Combat HIV/AIDS Globally Fund by grantees.

(h) **SENSE OF THE CONGRESS REGARDING ENCOURAGEMENT OF PRIVATE CONTRIBUTIONS TO THE GLOBAL FUND.**—It is the sense of the Congress that the President should—

(1) conduct an outreach campaign that is designed to—

(A) inform the public of the existence of—

(i) the Global Fund; and

(ii) any entity that will accept private contributions intended for use by the Global Fund; and

(B) encourage private contributions to the Global Fund;

and

(2) encourage private contributions intended for use by the Global Fund by—

(A) establishing and operating an Internet website, and publishing information about the website; and

(B) making public service announcements on radio and television.

SEC. 203. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL VACCINE FUNDS.

(a) **VACCINE FUND.**—Section 302(k) of the Foreign Assistance Act of 1961 (22 U.S.C. 2222(k)) is amended—

(1) by striking “\$50,000,000 for each of the fiscal years 2001 and 2002” and inserting “such sums as may be necessary for each of the fiscal years 2004 through 2008”; and

(2) by striking “Global Alliance for Vaccines and Immunizations” and inserting “Vaccine Fund”.

(b) INTERNATIONAL AIDS VACCINE INITIATIVE.—Section 302(l) of the Foreign Assistance Act of 1961 (22 U.S.C. 2222(l)) is amended by striking “\$10,000,000 for each of the fiscal years 2001 and 2002” and inserting “such sums as may be necessary for each of the fiscal years 2004 through 2008”.

(c) SUPPORT FOR THE DEVELOPMENT OF MALARIA VACCINE.—Section 302 of the Foreign Assistance Act of 1961 (22 U.S.C. 2222) is amended by adding at the end the following new subsection:

“(m) In addition to amounts otherwise available under this section, there are authorized to be appropriated to the President such sums as may be necessary for each of the fiscal years 2004 through 2008 to be available for United States contributions to malaria vaccine development programs, including the Malaria Vaccine Initiative of the Program for Appropriate Technologies in Health (PATH).”.

TITLE III—BILATERAL EFFORTS

Subtitle A—General Assistance and Programs

22 USC 7631.

SEC. 301. ASSISTANCE TO COMBAT HIV/AIDS.

(a) AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961.—Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) in section 104(c) (22 U.S.C. 2151b(c)), by striking paragraphs (4) through (7); and

(2) by inserting after section 104 the following new section:

22 USC
2151b–2.

“SEC. 104A. ASSISTANCE TO COMBAT HIV/AIDS.

“(a) FINDING.—Congress recognizes that the alarming spread of HIV/AIDS in countries in sub-Saharan Africa, the Caribbean, and other developing countries is a major global health, national security, development, and humanitarian crisis.

“(b) POLICY.—It is a major objective of the foreign assistance program of the United States to provide assistance for the prevention, treatment, and control of HIV/AIDS. The United States and other developed countries should provide assistance to countries in sub-Saharan Africa, the Caribbean, and other countries and areas to control this crisis through HIV/AIDS prevention, treatment, monitoring, and related activities, particularly activities focused on women and youth, including strategies to protect women and prevent mother-to-child transmission of the HIV infection.

“(c) AUTHORIZATION.—

“(1) IN GENERAL.—Consistent with section 104(c), the President is authorized to furnish assistance, on such terms and conditions as the President may determine, for HIV/AIDS, including to prevent, treat, and monitor HIV/AIDS, and carry out related activities, in countries in sub-Saharan Africa, the Caribbean, and other countries and areas.

“(2) ROLE OF NGOS.—It is the sense of Congress that the President should provide an appropriate level of assistance under paragraph (1) through nongovernmental organizations (including faith-based and community-based organizations) in countries in sub-Saharan Africa, the Caribbean, and other countries and areas affected by the HIV/AIDS pandemic.

“(3) COORDINATION OF ASSISTANCE EFFORTS.—The President shall coordinate the provision of assistance under paragraph (1) with the provision of related assistance by the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Children’s Fund (UNICEF), the World Health Organization (WHO), the United Nations Development Programme (UNDP), the Global Fund to Fight AIDS, Tuberculosis and Malaria and other appropriate international organizations (such as the International Bank for Reconstruction and Development), relevant regional multilateral development institutions, national, state, and local governments of foreign countries, appropriate governmental and nongovernmental organizations, and relevant executive branch agencies.

President.

“(d) ACTIVITIES SUPPORTED.—Assistance provided under subsection (c) shall, to the maximum extent practicable, be used to carry out the following activities:

“(1) PREVENTION.—Prevention of HIV/AIDS through activities including—

“(A) programs and efforts that are designed or intended to impart knowledge with the exclusive purpose of helping individuals avoid behaviors that place them at risk of HIV infection, including integration of such programs into health programs and the inclusion in counseling programs of information on methods of avoiding infection of HIV, including delaying sexual debut, abstinence, fidelity and monogamy, reduction of casual sexual partnering, reducing sexual violence and coercion, including child marriage, widow inheritance, and polygamy, and where appropriate, use of condoms;

“(B) assistance to establish and implement culturally appropriate HIV/AIDS education and prevention programs that focus on helping individuals avoid infection of HIV/AIDS, implemented through nongovernmental organizations, including faith-based and community-based organizations, particularly those organizations that utilize both professionals and volunteers with appropriate skills, experience, and community presence;

“(C) assistance for the purpose of encouraging men to be responsible in their sexual behavior, child rearing, and to respect women;

“(D) assistance for the purpose of providing voluntary testing and counseling (including the incorporation of confidentiality protections with respect to such testing and counseling);

“(E) assistance for the purpose of preventing mother-to-child transmission of the HIV infection, including medications to prevent such transmission and access to infant formula and other alternatives for infant feeding;

“(F) assistance to ensure a safe blood supply and sterile medical equipment;

“(G) assistance to help avoid substance abuse and intravenous drug use that can lead to HIV infection; and

(H) assistance for the purpose of increasing women’s access to employment opportunities, income, productive resources, and microfinance programs, where appropriate.

“(2) TREATMENT.—The treatment and care of individuals with HIV/AIDS, including—

“(A) assistance to establish and implement programs to strengthen and broaden indigenous health care delivery systems and the capacity of such systems to deliver HIV/AIDS pharmaceuticals and otherwise provide for the treatment of individuals with HIV/AIDS, including clinical training for indigenous organizations and health care providers;

“(B) assistance to strengthen and expand hospice and palliative care programs to assist patients debilitated by HIV/AIDS, their families, and the primary caregivers of such patients, including programs that utilize faith-based and community-based organizations; and

“(C) assistance for the purpose of the care and treatment of individuals with HIV/AIDS through the provision of pharmaceuticals, including antiretrovirals and other pharmaceuticals and therapies for the treatment of opportunistic infections, nutritional support, and other treatment modalities.

“(3) PREVENTATIVE INTERVENTION EDUCATION AND TECHNOLOGIES.—(A) With particular emphasis on specific populations that represent a particularly high risk of contracting or spreading HIV/AIDS, including those exploited through the sex trade, victims of rape and sexual assault, individuals already infected with HIV/AIDS, and in cases of occupational exposure of health care workers, assistance with efforts to reduce the risk of HIV/AIDS infection including post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

“(B) Bulk purchases of available test kits, condoms, and, when proven effective, microbicides that are intended to reduce the risk of HIV/AIDS transmission and for appropriate program support for the introduction and distribution of these commodities, as well as education and training on the use of the technologies.

“(4) MONITORING.—The monitoring of programs, projects, and activities carried out pursuant to paragraphs (1) through (3), including—

“(A) monitoring to ensure that adequate controls are established and implemented to provide HIV/AIDS pharmaceuticals and other appropriate medicines to poor individuals with HIV/AIDS;

“(B) appropriate evaluation and surveillance activities;

“(C) monitoring to ensure that appropriate measures are being taken to maintain the sustainability of HIV/AIDS pharmaceuticals (especially antiretrovirals) and ensure that drug resistance is not compromising the benefits of such pharmaceuticals; and

“(D) monitoring to ensure appropriate law enforcement officials are working to ensure that HIV/AIDS pharmaceuticals are not diminished through illegal counterfeiting or black market sales of such pharmaceuticals.

“(5) PHARMACEUTICALS.—

“(A) PROCUREMENT.—The procurement of HIV/AIDS pharmaceuticals, antiviral therapies, and other appropriate medicines, including medicines to treat opportunistic infections.

“(B) MECHANISMS FOR QUALITY CONTROL AND SUSTAINABLE SUPPLY.—Mechanisms to ensure that such HIV/AIDS pharmaceuticals, antiretroviral therapies, and other appropriate medicines are quality-controlled and sustainably supplied.

“(C) DISTRIBUTION.—The distribution of such HIV/AIDS pharmaceuticals, antiviral therapies, and other appropriate medicines (including medicines to treat opportunistic infections) to qualified national, regional, or local organizations for the treatment of individuals with HIV/AIDS in accordance with appropriate HIV/AIDS testing and monitoring requirements and treatment protocols and for the prevention of mother-to-child transmission of the HIV infection.

“(6) RELATED ACTIVITIES.—The conduct of related activities, including—

“(A) the care and support of children who are orphaned by the HIV/AIDS pandemic, including services designed to care for orphaned children in a family environment which rely on extended family members;

“(B) improved infrastructure and institutional capacity to develop and manage education, prevention, and treatment programs, including training and the resources to collect and maintain accurate HIV surveillance data to target programs and measure the effectiveness of interventions; and

“(C) vaccine research and development partnership programs with specific plans of action to develop a safe, effective, accessible, preventive HIV vaccine for use throughout the world.

“(7) COMPREHENSIVE HIV/AIDS PUBLIC-PRIVATE PARTNERSHIPS.—The establishment and operation of public-private partnership entities within countries in sub-Saharan Africa, the Caribbean, and other countries affected by the HIV/AIDS pandemic that are dedicated to supporting the national strategy of such countries regarding the prevention, treatment, and monitoring of HIV/AIDS. Each such public-private partnership should—

“(A) support the development, implementation, and management of comprehensive HIV/AIDS plans in support of the national HIV/AIDS strategy;

“(B) operate at all times in a manner that emphasizes efficiency, accountability, and results-driven programs;

“(C) engage both local and foreign development partners and donors, including businesses, government agencies, academic institutions, nongovernmental organizations, foundations, multilateral development agencies, and faith-based organizations, to assist the country in coordinating

and implementing HIV/AIDS prevention, treatment, and monitoring programs in accordance with its national HIV/AIDS strategy;

“(D) provide technical assistance, consultant services, financial planning, monitoring and evaluation, and research in support of the national HIV/AIDS strategy; and

“(E) establish local human resource capacities for the national HIV/AIDS strategy through the transfer of medical, managerial, leadership, and technical skills.

“(e) ANNUAL REPORT.—

Deadline.
President.

“(1) IN GENERAL.—Not later than January 31 of each year, the President shall submit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report on the implementation of this section for the prior fiscal year.

“(2) REPORT ELEMENTS.—Each report shall include—

“(A) a description of efforts made by each relevant executive branch agency to implement the policies set forth in this section, section 104B, and section 104C;

“(B) a description of the programs established pursuant to such sections; and

“(C) a detailed assessment of the impact of programs established pursuant to such sections, including—

“(i)(I) the effectiveness of such programs in reducing the spread of the HIV infection, particularly in women and girls, in reducing mother-to-child transmission of the HIV infection, and in reducing mortality rates from HIV/AIDS; and

“(II) the number of patients currently receiving treatment for AIDS in each country that receives assistance under this Act.

“(ii) the progress made toward improving health care delivery systems (including the training of adequate numbers of staff) and infrastructure to ensure increased access to care and treatment;

“(iii) with respect to tuberculosis, the increase in the number of people treated and the increase in number of tuberculosis patients cured through each program, project, or activity receiving United States foreign assistance for tuberculosis control purposes; and

“(iv) with respect to malaria, the increase in the number of people treated and the increase in number of malaria patients cured through each program, project, or activity receiving United States foreign assistance for malaria control purposes.

“(f) FUNDING LIMITATION.—Of the funds made available to carry out this section in any fiscal year, not more than 7 percent may be used for the administrative expenses of the United States Agency for International Development in support of activities described in section 104(c), this section, section 104B, and section 104C. Such amount shall be in addition to other amounts otherwise available for such purposes.

“(g) DEFINITIONS.—In this section:

“(1) AIDS.—The term ‘AIDS’ means acquired immune deficiency syndrome.

“(2) HIV.—The term ‘HIV’ means the human immunodeficiency virus, the pathogen that causes AIDS.

“(3) HIV/AIDS.—The term ‘HIV/AIDS’ means, with respect to an individual, an individual who is infected with HIV or living with AIDS.

“(4) RELEVANT EXECUTIVE BRANCH AGENCIES.—The term ‘relevant executive branch agencies’ means the Department of State, the United States Agency for International Development, the Department of Health and Human Services (including its agencies and offices), and any other department or agency of the United States that participates in international HIV/AIDS activities pursuant to the authorities of such department or agency or this Act.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to funds available under section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) for such purpose or under any other provision of that Act, there are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for each of the fiscal years 2004 through 2008 to carry out section 104A of the Foreign Assistance Act of 1961, as added by subsection (a).

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(3) ALLOCATION OF FUNDS.—Of the amount authorized to be appropriated by paragraph (1) for the fiscal years 2004 through 2008, such sums as may be necessary are authorized to be appropriated to carry out section 104A(d)(4) of the Foreign Assistance Act of 1961 (as added by subsection (a)), relating to the procurement and distribution of HIV/AIDS pharmaceuticals.

(c) RELATIONSHIP TO ASSISTANCE PROGRAMS TO ENHANCE NUTRITION.—In recognition of the fact that malnutrition may hasten the progression of HIV to AIDS and may exacerbate the decline among AIDS patients leading to a shorter life span, the Administrator of the United States Agency for International Development shall, as appropriate—

(1) integrate nutrition programs with HIV/AIDS activities, generally;

(2) provide, as a component of an anti-retroviral therapy program, support for food and nutrition to individuals infected with and affected by HIV/AIDS; and

(3) provide support for food and nutrition for children affected by HIV/AIDS and to communities and households caring for children affected by HIV/AIDS.

(d) ELIGIBILITY FOR ASSISTANCE.—An organization that is otherwise eligible to receive assistance under section 104A of the Foreign Assistance Act of 1961 (as added by subsection (a)) or under any other provision of this Act (or any amendment made by this Act) to prevent, treat, or monitor HIV/AIDS shall not be required, as a condition of receiving the assistance, to endorse or utilize a multisectoral approach to combatting HIV/AIDS, or to endorse, utilize, or participate in a prevention method or treatment program to which the organization has a religious or moral objection.

(e) LIMITATION.—No funds made available to carry out this Act, or any amendment made by this Act, may be used to promote

or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

(f) **LIMITATION.**—No funds made available to carry out this Act, or any amendment made by this Act, may be used to provide assistance to any group or organization that does not have a policy explicitly opposing prostitution and sex trafficking.

(g) **SENSE OF CONGRESS RELATING TO FOOD ASSISTANCE FOR INDIVIDUALS LIVING WITH HIV/AIDS.**—

(1) **FINDINGS.**—Congress finds the following:

(A) The United States provides more than 60 percent of all food assistance worldwide.

(B) According to the United Nations World Food Program and other United Nations agencies, food insecurity of individuals infected or living with HIV/AIDS is a major problem in countries with large populations of such individuals, particularly in African countries.

(C) Although the United States is willing to provide food assistance to these countries in need, a few of the countries object to part or all of the assistance because of fears of benign genetic modifications to the foods.

(D) Healthy and nutritious foods for individuals infected or living with HIV/AIDS are an important complement to HIV/AIDS medicines for such individuals.

(E) Individuals infected with HIV have higher nutritional requirements than individuals who are not infected with HIV, particularly with respect to the need for protein. Also, there is evidence to suggest that the full benefit of therapy to treat HIV/AIDS may not be achieved in individuals who are malnourished, particularly in pregnant and lactating women.

(2) **SENSE OF CONGRESS.**—It is therefore the sense of Congress that United States food assistance should be accepted by countries with large populations of individuals infected or living with HIV/AIDS, particularly African countries, in order to help feed such individuals.

SEC. 302. ASSISTANCE TO COMBAT TUBERCULOSIS.

(a) **AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961.**—Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), as amended by section 301 of this Act, is further amended by inserting after section 104A the following new section:

“SEC. 104B. ASSISTANCE TO COMBAT TUBERCULOSIS.

“(a) **FINDINGS.**—Congress makes the following findings:

“(1) Congress recognizes the growing international problem of tuberculosis and the impact its continued existence has on those countries that had previously largely controlled the disease.

“(2) Congress further recognizes that the means exist to control and treat tuberculosis through expanded use of the DOTS (Directly Observed Treatment Short-course) treatment strategy, including DOTS-Plus to address multi-drug resistant

tuberculosis, and adequate investment in newly created mechanisms to increase access to treatment, including the Global Tuberculosis Drug Facility established in 2001 pursuant to the Amsterdam Declaration to Stop TB and the Global Alliance for TB Drug Development.

“(b) POLICY.—It is a major objective of the foreign assistance program of the United States to control tuberculosis, including the detection of at least 70 percent of the cases of infectious tuberculosis, and the cure of at least 85 percent of the cases detected, not later than December 31, 2005, in those countries classified by the World Health Organization as among the highest tuberculosis burden, and not later than December 31, 2010, in all countries in which the United States Agency for International Development has established development programs.

“(c) AUTHORIZATION.—To carry out this section and consistent with section 104(c), the President is authorized to furnish assistance, on such terms and conditions as the President may determine, for the prevention, treatment, control, and elimination of tuberculosis.

“(d) COORDINATION.—In carrying out this section, the President shall coordinate with the World Health Organization, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and other organizations with respect to the development and implementation of a comprehensive tuberculosis control program.

President.

“(e) PRIORITY TO DOTS COVERAGE.—In furnishing assistance under subsection (c), the President shall give priority to activities that increase Directly Observed Treatment Short-course (DOTS) coverage and treatment of multi-drug resistant tuberculosis where needed using DOTS-Plus, including funding for the Global Tuberculosis Drug Facility, the Stop Tuberculosis Partnership, and the Global Alliance for TB Drug Development. In order to meet the requirement of the preceding sentence, the President should ensure that not less than 75 percent of the amount made available to carry out this section for a fiscal year should be expended for antituberculosis drugs, supplies, direct patient services, and training in diagnosis and treatment for Directly Observed Treatment Short-course (DOTS) coverage and treatment of multi-drug resistant tuberculosis using DOTS-Plus, including substantially increased funding for the Global Tuberculosis Drug Facility.

President.

“(f) DEFINITIONS.—In this section:

“(1) DOTS.—The term ‘DOTS’ or ‘Directly Observed Treatment Short-course’ means the World Health Organization-recommended strategy for treating tuberculosis.

“(2) DOTS-PLUS.—The term ‘DOTS-Plus’ means a comprehensive tuberculosis management strategy that is built upon and works as a supplement to the standard DOTS strategy, and which takes into account specific issues (such as use of second line anti-tuberculosis drugs) that need to be addressed in areas where there is high prevalence of multi-drug resistant tuberculosis.

“(3) GLOBAL ALLIANCE FOR TUBERCULOSIS DRUG DEVELOPMENT.—The term ‘Global Alliance for Tuberculosis Drug Development’ means the public-private partnership that brings together leaders in health, science, philanthropy, and private industry to devise new approaches to tuberculosis and to ensure that new medications are available and affordable in high tuberculosis burden countries and other affected countries.

“(4) GLOBAL TUBERCULOSIS DRUG FACILITY.—The term ‘Global Tuberculosis Drug Facility (GDF)’ means the new initiative of the Stop Tuberculosis Partnership to increase access to high-quality tuberculosis drugs to facilitate DOTS expansion.

“(5) STOP TUBERCULOSIS PARTNERSHIP.—The term ‘Stop Tuberculosis Partnership’ means the partnership of the World Health Organization, donors including the United States, high tuberculosis burden countries, multilateral agencies, and non-governmental and technical agencies committed to short- and long-term measures required to control and eventually eliminate tuberculosis as a public health problem in the world.”.

22 USC 7632.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to funds available under section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) for such purpose or under any other provision of that Act, there are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for each of the fiscal years 2004 through 2008 to carry out section 104B of the Foreign Assistance Act of 1961, as added by subsection (a).

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

(3) TRANSFER OF PRIOR YEAR FUNDS.—Unobligated balances of funds made available for fiscal year 2001, 2002, or 2003 under section 104(c)(7) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(7)) (as in effect immediately before the date of enactment of this Act) shall be transferred to, merged with, and made available for the same purposes as funds made available for fiscal years 2004 through 2008 under paragraph (1).

SEC. 303. ASSISTANCE TO COMBAT MALARIA.

(a) AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961.—Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), as amended by sections 301 and 302 of this Act, is further amended by inserting after section 104B the following new section:

22 USC
2151b–4.

“SEC. 104C. ASSISTANCE TO COMBAT MALARIA.

“(a) FINDING.—Congress finds that malaria kills more people annually than any other communicable disease except tuberculosis, that more than 90 percent of all malaria cases are in sub-Saharan Africa, and that children and women are particularly at risk. Congress recognizes that there are cost-effective tools to decrease the spread of malaria and that malaria is a curable disease if promptly diagnosed and adequately treated.

“(b) POLICY.—It is a major objective of the foreign assistance program of the United States to provide assistance for the prevention, control, and cure of malaria.

“(c) AUTHORIZATION.—To carry out this section and consistent with section 104(c), the President is authorized to furnish assistance, on such terms and conditions as the President may determine, for the prevention, treatment, control, and elimination of malaria.

President.

“(d) COORDINATION.—In carrying out this section, the President shall coordinate with the World Health Organization, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, the Department of Health and Human Services (the Centers for Disease Control

and Prevention and the National Institutes of Health), and other organizations with respect to the development and implementation of a comprehensive malaria control program.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—

22 USC 7633.

(1) IN GENERAL.—In addition to funds available under section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) for such purpose or under any other provision of that Act, there are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for fiscal years 2004 through 2008 to carry out section 104C of the Foreign Assistance Act of 1961, as added by subsection (a), including for the development of anti-malarial pharmaceuticals by the Medicines for Malaria Venture.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(3) TRANSFER OF PRIOR YEAR FUNDS.—Unobligated balances of funds made available for fiscal year 2001, 2002, or 2003 under section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) (as in effect immediately before the date of enactment of this Act) and made available for the control of malaria shall be transferred to, merged with, and made available for the same purposes as funds made available for fiscal years 2004 through 2008 under paragraph (1).

(c) CONFORMING AMENDMENT.—Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)), as amended by section 301 of this Act, is further amended by adding after paragraph (3) the following:

“(4) RELATIONSHIP TO OTHER LAWS.—Assistance made available under this subsection and sections 104A, 104B, and 104C, and assistance made available under chapter 4 of part II to carry out the purposes of this subsection and the provisions cited in this paragraph, may be made available notwithstanding any other provision of law that restricts assistance to foreign countries, except for the provisions of this subsection, the provisions of law cited in this paragraph, subsection (f), section 634A of this Act, and provisions of law that limit assistance to organizations that support or participate in a program of coercive abortion or involuntary sterilization included under the Child Survival and Health Programs Fund heading in the Consolidated Appropriations Resolution, 2003 (Public Law 108–7).”.

SEC. 304. PILOT PROGRAM FOR THE PLACEMENT OF HEALTH CARE PROFESSIONALS IN OVERSEAS AREAS SEVERELY AFFECTED BY HIV/AIDS, TUBERCULOSIS, AND MALARIA.

22 USC 7634.

(a) IN GENERAL.—The President should establish a program to demonstrate the feasibility of facilitating the service of United States health care professionals in those areas of sub-Saharan Africa and other parts of the world severely affected by HIV/AIDS, tuberculosis, and malaria.

President.

(b) REQUIREMENTS.—Participants in the program shall—

(1) provide basic health care services for those infected and affected by HIV/AIDS, tuberculosis, and malaria in the area in which they are serving;

(2) provide on-the-job training to medical and other personnel in the area in which they are serving to strengthen the basic health care system of the affected countries;

(3) provide health care educational training for residents of the area in which they are serving;

(4) serve for a period of up to 3 years; and

(5) meet the eligibility requirements in subsection (d).

(c) ELIGIBILITY REQUIREMENTS.—To be eligible to participate in the program, a candidate shall—

(1) be a national of the United States who is a trained health care professional and who meets the educational and licensure requirements necessary to be such a professional such as a physician, nurse, physician assistant, nurse practitioner, pharmacist, other type of health care professional, or other individual determined to be appropriate by the President; or

(2) be a retired commissioned officer of the Public Health Service Corps.

President.

(d) RECRUITMENT.—The President shall ensure that information on the program is widely distributed, including the distribution of information to schools for health professionals, hospitals, clinics, and nongovernmental organizations working in the areas of international health and aid.

(e) PLACEMENT OF PARTICIPANTS.—

(1) IN GENERAL.—To the maximum extent practicable, participants in the program shall serve in the poorest areas of the affected countries, where health care needs are likely to be the greatest. The decision on the placement of a participant should be made in consultation with relevant officials of the affected country at both the national and local level as well as with local community leaders and organizations.

(2) COORDINATION.—Placement of participants in the program shall be coordinated with the United States Agency for International Development in countries in which that Agency is conducting HIV/AIDS, tuberculosis, or malaria programs. Overall coordination of placement of participants in the program shall be made by the Coordinator of United States Government Activities to Combat HIV/AIDS Globally (as described in section 1(f) of the State Department Basic Authorities Act of 1956 (as added by section 102(a) of this Act)).

(f) INCENTIVES.—The President may offer such incentives as the President determines to be necessary to encourage individuals to participate in the program, such as partial payment of principal, interest, and related expenses on government and commercial loans for educational expenses relating to professional health training and, where possible, deferment of repayments on such loans, the provision of retirement benefits that would otherwise be jeopardized by participation in the program, and other incentives.

Deadline.
President.

(g) REPORT.—Not later than 18 months after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report on steps taken to establish the program, including—

(1) the process of recruitment, including the venues for recruitment, the number of candidates recruited, the incentives offered, if any, and the cost of those incentives;

(2) the process, including the criteria used, for the selection of participants;

(3) the number of participants placed, the countries in which they were placed, and why those countries were selected; and

(4) the potential for expansion of the program.

(h) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for each of the fiscal years 2004 through 2008 to carry out the program.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

SEC. 305. REPORT ON TREATMENT ACTIVITIES BY RELEVANT EXECUTIVE BRANCH AGENCIES. 22 USC 7635.

(a) IN GENERAL.—Not later than 15 months after the date of enactment of this Act, the President shall submit to appropriate congressional committees a report on the programs and activities of the relevant executive branch agencies that are directed to the treatment of individuals in foreign countries infected with HIV or living with AIDS. President.
Deadline.

(b) REPORT ELEMENTS.—The report shall include—

(1) a description of the activities of relevant executive branch agencies with respect to—

(A) the treatment of opportunistic infections;

(B) the use of antiretrovirals;

(C) the status of research into successful treatment protocols for individuals in the developing world;

(D) technical assistance and training of local health care workers (in countries affected by the pandemic) to administer antiretrovirals, manage side effects, and monitor patients' viral loads and immune status;

(E) the status of strategies to promote sustainability of HIV/AIDS pharmaceuticals (including antiretrovirals) and the effects of drug resistance on HIV/AIDS patients; and

(F) the status of appropriate law enforcement officials working to ensure that HIV/AIDS pharmaceutical treatment is not diminished through illegal counterfeiting and black market sales of such pharmaceuticals;

(2) information on existing pilot projects, including a discussion of why a given population was selected, the number of people treated, the cost of treatment, the mechanisms established to ensure that treatment is being administered effectively and safely, and plans for scaling up pilot projects (including projected timelines and required resources); and

(3) an explanation of how those activities relate to efforts to prevent the transmission of the HIV infection.

SEC. 306. STRATEGIES TO IMPROVE INJECTION SAFETY.

Section 307 of the Public Health Service Act (42 U.S.C. 242l) is amended by adding at the end the following:

“(d) In carrying out immunization programs and other programs in developing countries for the prevention, treatment, and control of infectious diseases, including HIV/AIDS, tuberculosis, and

malaria, the Director of the Centers for Disease Control and Prevention, in coordination with the Coordinator of United States Government Activities to Combat HIV/AIDS Globally, the National Institutes of Health, national and local government, and other organizations, such as the World Health Organization and the United Nations Children's Fund, shall develop and implement effective strategies to improve injection safety, including eliminating unnecessary injections, promoting sterile injection practices and technologies, strengthening the procedures for proper needle and syringe disposal, and improving the education and information provided to the public and to health professionals.”.

22 USC 7636.

Deadline.
Reports.**SEC. 307. STUDY ON ILLEGAL DIVERSIONS OF PRESCRIPTION DRUGS.**

Not later than 180 days after enactment of this Act, the Secretary of Health and Human Services, in coordination with other agencies, shall submit a report to the Congress that includes the following:

(1) A thorough accounting of evidence indicating illegal diversion into the United States of prescription drugs donated or sold for humanitarian efforts, and an estimate of the extent of such diversion.

(2) Recommendations to increase the administrative and enforcement powers of the United States to identify, monitor, and prevent the illegal diversion into the United States of prescription drugs donated or sold for humanitarian efforts.

(3) Recommendations and guidelines to advise and provide technical assistance to developing countries on how to implement a program that minimizes diversion into the United States of prescription drugs donated or sold for humanitarian efforts.

Subtitle B—Assistance for Children and Families

22 USC 7651.

SEC. 311. FINDINGS.

Congress makes the following findings:

(1) Approximately 2,000 children around the world are infected each day with HIV through mother-to-child transmission. Transmission can occur during pregnancy, labor, and delivery or through breast feeding. Over 90 percent of these cases are in developing nations with little or no access to public health facilities.

(2) Mother-to-child transmission is largely preventable with the proper application of pharmaceuticals, therapies, and other public health interventions.

(3) Certain antiretroviral drugs reduce mother-to-child transmission by nearly 50 percent. Universal availability of this drug could prevent up to 400,000 infections per year and dramatically reduce the number of AIDS-related deaths.

(4) At the United Nations Special Session on HIV/AIDS in June 2001, the United States committed to the specific goals with respect to the prevention of mother-to-child transmission, including the goals of reducing the proportion of infants infected with HIV by 20 percent by the year 2005 and by 50 percent by the year 2010, as specified in the Declaration of Commitment on HIV/AIDS adopted by the United Nations General Assembly at the Special Session.

(5) Several United States Government agencies including the United States Agency for International Development and the Centers for Disease Control are already supporting programs to prevent mother-to-child transmission in resource-poor nations and have the capacity to expand these programs rapidly by working closely with foreign governments and nongovernmental organizations.

(6) Efforts to prevent mother-to-child transmission can provide the basis for a broader response that includes care and treatment of mothers, fathers, and other family members who are infected with HIV or living with AIDS.

(7) HIV/AIDS has devastated the lives of countless children and families across the globe. Since the epidemic began, an estimated 13,200,000 children under the age of 15 have been orphaned by AIDS, that is they have lost their mother or both parents to the disease. The Joint United Nations Program on HIV/AIDS (UNAIDS) estimates that this number will double by the year 2010.

(8) HIV/AIDS also targets young people between the ages of 15 to 24, particularly young women, many of whom carry the burden of caring for family members living with HIV/AIDS. An estimated 10,300,000 young people are now living with HIV/AIDS. One-half of all new infections are occurring among this age group.

SEC. 312. POLICY AND REQUIREMENTS.

22 USC 7652.

(a) **POLICY.**—The United States Government’s response to the global HIV/AIDS pandemic should place high priority on the prevention of mother-to-child transmission, the care and treatment of family members and caregivers, and the care of children orphaned by AIDS. To the maximum extent possible, the United States Government should seek to leverage its funds by seeking matching contributions from the private sector, other national governments, and international organizations.

(b) **REQUIREMENTS.**—The 5-year United States Government strategy required by section 101 of this Act shall—

(1) provide for meeting or exceeding the goal to reduce the rate of mother-to-child transmission of HIV by 20 percent by 2005 and by 50 percent by 2010;

(2) include programs to make available testing and treatment to HIV-positive women and their family members, including drug treatment and therapies to prevent mother-to-child transmission; and

(3) expand programs designed to care for children orphaned by AIDS.

SEC. 313. ANNUAL REPORTS ON PREVENTION OF MOTHER-TO-CHILD TRANSMISSION OF THE HIV INFECTION.

22 USC 7653.

(a) **IN GENERAL.**—Not later than 1 year after the date of the enactment of this Act, and annually thereafter for a period of 5 years, the President shall submit to appropriate congressional committees a report on the activities of relevant executive branch agencies during the reporting period to assist in the prevention of mother-to-child transmission of the HIV infection.

Deadline.
President.

(b) **REPORT ELEMENTS.**—Each report shall include—

(1) a statement of whether or not all relevant executive branch agencies have met the goal described in section 312(b)(1); and

(2) a description of efforts made by the relevant executive branch agencies to expand those activities, including—

(A) information on the number of sites supported for the prevention of mother-to-child transmission of the HIV infection;

(B) the specific activities supported;

(C) the number of women tested and counseled; and

(D) the number of women receiving preventative drug therapies.

(c) **REPORTING PERIOD DEFINED.**—In this section, the term “reporting period” means, in the case of the initial report, the period since the date of enactment of this Act and, in the case of any subsequent report, the period since the date of submission of the most recent report.

22 USC 7654.

SEC. 314. PILOT PROGRAM OF ASSISTANCE FOR CHILDREN AND FAMILIES AFFECTED BY HIV/AIDS.

President.

(a) **IN GENERAL.**—The President, acting through the United States Agency for International Development, should establish a program of assistance that would demonstrate the feasibility of the provision of care and treatment to orphans and other children and young people affected by HIV/AIDS in foreign countries.

(b) **PROGRAM REQUIREMENTS.**—The program should—

(1) build upon and be integrated into programs administered as of the date of enactment of this Act by the relevant executive branch agencies for children affected by HIV/AIDS;

(2) work in conjunction with indigenous community-based programs and activities, particularly those that offer proven services for children;

(3) reduce the stigma of HIV/AIDS to encourage vulnerable children infected with HIV or living with AIDS and their family members and caregivers to avail themselves of voluntary counseling and testing, and related programs, including treatments;

(4) ensure the importance of inheritance rights of women, particularly women in African countries, due to the exponential growth in the number of young widows, orphaned girls, and grandmothers becoming heads of households as a result of the HIV/AIDS pandemic;

(5) provide, in conjunction with other relevant executive branch agencies, the range of services for the care and treatment, including the provision of antiretrovirals and other necessary pharmaceuticals, of children, parents, and caregivers infected with HIV or living with AIDS;

(6) provide nutritional support and food security, and the improvement of overall family health;

(7) work with parents, caregivers, and community-based organizations to provide children with educational opportunities; and

(8) provide appropriate counseling and legal assistance for the appointment of guardians and the handling of other issues relating to the protection of children.

Deadline.
President.

(c) **REPORT.**—Not later than 18 months after the date of enactment of this Act, the President should submit a report on the implementation of this section to the appropriate congressional committees. Such report should include a description of activities undertaken to carry out subsection (b)(4).

(d) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for each of the fiscal years 2004 through 2008 to carry out the program. A significant percentage of the amount appropriated pursuant to the authorization of appropriations under the preceding sentence for a fiscal year should be made available to carry out subsection (b)(4).

(2) **AVAILABILITY OF FUNDS.**—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 315. PILOT PROGRAM ON FAMILY SURVIVAL PARTNERSHIPS.

President.
22 USC 7655.

(a) **PURPOSE.**—The purpose of this section is to authorize the President to establish a program, through a public-private partnership, for the provision of medical care and support services to HIV positive parents and their children identified through existing programs to prevent mother-to-child transmission of HIV in countries with or at risk for severe HIV epidemic with particular attention to resource constrained countries.

(b) **GRANTS.**—

(1) **IN GENERAL.**—The President is authorized to establish a program for the award of grants to eligible administrative organizations to enable such organizations to award subgrants to eligible entities to expand activities to prevent the mother-to-child transmission of HIV by providing medical care and support services to HIV infected parents and their children.

(2) **USE OF FUNDS.**—Amounts provided under a grant awarded under paragraph (1) shall be used—

(A) to award subgrants to eligible entities to enable such entities to carry out activities described in subsection (c);

(B) for administrative support and subgrant management;

(C) for administrative data collection and reporting concerning grant activities;

(D) for the monitoring and evaluation of grant activities;

(E) for training and technical assistance for subgrantees; and

(F) to promote sustainability.

(c) **SUBGRANTS.**—

(1) **IN GENERAL.**—An organization awarded a grant under subsection (b) shall use amounts received under the grant to award subgrants to eligible entities.

(2) **ELIGIBILITY.**—To be eligible to receive a subgrant under paragraph (1), an entity shall—

(A) be a local health organization, an international organization, or a partnership of such organizations; and

(B) demonstrate to the awarding organization that such entity—

(i) is currently administering a proven intervention to prevent mother-to-child transmission of HIV in countries with or at risk for severe HIV epidemic with particular attention to resource constrained countries, as determined by the President;

(ii) has demonstrated support for the proposed program from relevant government entities; and

(iii) is able to provide HIV care, including antiretroviral treatment when medically indicated, to HIV positive women, men, and children with the support of the project funding.

(3) LOCAL HEALTH AND INTERNATIONAL ORGANIZATIONS.—For purposes of paragraph (2)(A)—

(A) the term “local health organization” means a public sector health system, nongovernmental organization, institution of higher education, community-based organization, or nonprofit health system that provides directly, or has a clear link with a provider for the indirect provision of, primary health care services; and

(B) the term “international organization” means—

- (i) a nonprofit international entity;
- (ii) an international charitable institution;
- (iii) a private voluntary international entity; or
- (iv) a multilateral institution.

(4) PRIORITY REQUIREMENT.—In awarding subgrants under this subsection, the organization shall give priority to eligible applicants that are currently administering a program of proven intervention to HIV positive individuals to prevent mother-to-child transmission in countries with or at risk for severe HIV epidemic with particular attention to resource constrained countries, and who are currently administering a program to HIV positive women, men, and children to provide life-long care in family-centered care programs using non-Federal funds.

(5) SELECTION OF SUBGRANT RECIPIENTS.—In awarding subgrants under this subsection, the organization should—

(A) consider applicants from a range of health care settings, program approaches, and geographic locations; and

(B) if appropriate, award not less than 1 grant to an applicant to fund a national system of health care delivery to HIV positive families.

(6) USE OF SUBGRANT FUNDS.—An eligible entity awarded a subgrant under this subsection shall use subgrant funds to expand activities to prevent mother-to-child transmission of HIV by providing medical treatment and care and support services to parents and their children, which may include—

(A) providing treatment and therapy, when medically indicated, to HIV-infected women, their children, and families;

(B) the hiring and training of local personnel, including physicians, nurses, other health care providers, counselors, social workers, outreach personnel, laboratory technicians, data managers, and administrative support personnel;

(C) paying laboratory costs, including costs related to necessary equipment and diagnostic testing and monitoring (including rapid testing), complete blood counts, standard chemistries, and liver function testing for infants, children, and parents, and costs related to the purchase of necessary laboratory equipment;

(D) purchasing pharmaceuticals for HIV-related conditions, including antiretroviral therapies;

(E) funding support services, including adherence and psychosocial support services;

(F) operational support activities; and

(G) conducting community outreach and capacity building activities, including activities to raise the awareness of individuals of the program carried out by the subgrantee, other communications activities in support of the program, local advisory board functions, and transportation necessary to ensure program participation.

(d) **REPORTS.**—The President shall require that each organization awarded a grant under subsection (b)(1) to submit an annual report that includes—

(1) the progress of programs funded under this section;

(2) the benchmarks of success of programs funded under this section; and

(3) recommendations of how best to proceed with the programs funded under this section upon the expiration of funding under subsection (e).

(e) **FUNDING.**—There are authorized to be appropriated to the President, from amounts authorized to be appropriated under section 401, such sums as may be necessary for each of the fiscal years 2004 through 2008 to carry out the program.

(f) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—An organization shall ensure that not more than 7 percent of the amount of a grant received under this section by the organization is used for administrative expenses.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

22 USC 7671.

(a) **IN GENERAL.**—There are authorized to be appropriated to the President to carry out this Act and the amendments made by this Act \$3,000,000,000 for each of the fiscal years 2004 through 2008.

(b) **AVAILABILITY.**—Amounts appropriated pursuant to the authorization of appropriations in subsection (a) are authorized to remain available until expended.

(c) **AVAILABILITY OF AUTHORIZATIONS.**—Authorizations of appropriations under subsection (a) shall remain available until the appropriations are made.

SEC. 402. SENSE OF CONGRESS.

22 USC 7672.

(a) **INCREASE IN HIV/AIDS ANTIRETROVIRAL TREATMENT.**—It is a sense of the Congress that an urgent priority of United States assistance programs to fight HIV/AIDS should be the rapid increase in distribution of antiretroviral treatment so that—

(1) by the end of fiscal year 2004, at least 500,000 individuals with HIV/AIDS are receiving antiretroviral treatment through United States assistance programs;

(2) by the end of fiscal year 2005, at least 1,000,000 such individuals are receiving such treatment; and

(3) by the end of fiscal year 2006, at least 2,000,000 such individuals are receiving such treatment.

(b) **EFFECTIVE DISTRIBUTION OF HIV/AIDS FUNDS.**—It is the sense of Congress that, of the amounts appropriated pursuant to

the authorization of appropriations under section 401 for HIV/AIDS assistance, an effective distribution of such amounts would be—

(1) 55 percent of such amounts for treatment of individuals with HIV/AIDS;

(2) 15 percent of such amounts for palliative care of individuals with HIV/AIDS;

(3) 20 percent of such amounts for HIV/AIDS prevention consistent with section 104A(d) of the Foreign Assistance Act of 1961 (as added by section 301 of this Act), of which such amount at least 33 percent should be expended for abstinence-until-marriage programs; and

(4) 10 percent of such amounts for orphans and vulnerable children.

22 USC 7673.

SEC. 403. ALLOCATION OF FUNDS.

(a) THERAPEUTIC MEDICAL CARE.—For fiscal years 2006 through 2008, not less than 55 percent of the amounts appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS assistance for each such fiscal year shall be expended for therapeutic medical care of individuals infected with HIV, of which such amount at least 75 percent should be expended for the purchase and distribution of antiretroviral pharmaceuticals and at least 25 percent should be expended for related care. For fiscal years 2006 through 2008, not less than 33 percent of the amounts appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS prevention consistent with section 104A(d) of the Foreign Assistance Act of 1961 (as added by section 301 of this Act) for each such fiscal year shall be expended for abstinence-until-marriage programs.

(b) ORPHANS AND VULNERABLE CHILDREN.—For fiscal years 2006 through 2008, not less than 10 percent of the amounts appropriated pursuant to the authorization of appropriations under section 401 for HIV/AIDS assistance for each such fiscal year shall be expended for assistance for orphans and vulnerable children affected by HIV/AIDS, of which such amount at least 50 percent shall be provided through non-profit, nongovernmental organizations, including faith-based organizations, that implement programs on the community level.

22 USC 7674.

SEC. 404. ASSISTANCE FROM THE UNITED STATES PRIVATE SECTOR TO PREVENT AND REDUCE HIV/AIDS IN SUB-SAHARAN AFRICA.

It is the sense of Congress that United States businesses should be encouraged to provide assistance to sub-Saharan African countries to prevent and reduce the incidence of HIV/AIDS in sub-Saharan Africa. In providing such assistance, United States businesses should be encouraged to consider the establishment of an HIV/AIDS Response Fund in order to provide for coordination among such businesses in the collection and distribution of the assistance to sub-Saharan African countries.

TITLE V—INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 501. MODIFICATION OF THE ENHANCED HIPC INITIATIVE.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p–262p–7) is amended by adding at the end the following new section:

“SEC. 1625. MODIFICATION OF THE ENHANCED HIPC INITIATIVE.

22 USC 262p–8.

“(a) AUTHORITY.—

“(1) IN GENERAL.—The Secretary of the Treasury should immediately commence efforts within the Paris Club of Official Creditors, the International Bank for Reconstruction and Development, the International Monetary Fund, and other appropriate multilateral development institutions to modify the Enhanced HIPC Initiative so that the amount of debt stock reduction approved for a country eligible for debt relief under the Enhanced HIPC Initiative shall be sufficient to reduce, for each of the first 3 years after the date of enactment of this section or the Decision Point, whichever is later—

“(A) the net present value of the outstanding public and publicly guaranteed debt of the country—

“(i) as of the decision point if the country has already reached its decision point; or

“(ii) as of the date of enactment of this Act, if the country has not reached its decision point, to not more than 150 percent of the annual value of exports of the country for the year preceding the Decision Point; and

“(B) the annual payments due on such public and publicly guaranteed debt to not more than—

“(i) 10 percent or, in the case of a country suffering a public health crisis (as defined in subsection (e)), not more than 5 percent, of the amount of the annual current revenues received by the country from internal resources; or

“(ii) a percentage of the gross national product of the country, or another benchmark, that will yield a result substantially equivalent to that which would be achieved through application of subparagraph (A).

“(2) LIMITATION.—In financing the objectives of the Enhanced HIPC Initiative, an international financial institution shall give priority to using its own resources.

“(b) RELATION TO POVERTY AND THE ENVIRONMENT.—Debt cancellation under the modifications to the Enhanced HIPC Initiative described in subsection (a) should not be conditioned on any agreement by an impoverished country to implement or comply with policies that deepen poverty or degrade the environment, including any policy that—

“(1) implements or extends user fees on primary education or primary health care, including prevention and treatment efforts for HIV/AIDS, tuberculosis, malaria, and infant, child, and maternal well-being;

“(2) provides for increased cost recovery from poor people to finance basic public services such as education, health care, clean water, or sanitation;

“(3) reduces the country’s minimum wage to a level of less than \$2 per day or undermines workers’ ability to exercise effectively their internationally recognized worker rights, as defined under section 526(e) of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1995 (22 U.S.C. 262p–4p); or

“(4) promotes unsustainable extraction of resources or results in reduced budget support for environmental programs.

“(c) CONDITIONS.—A country shall not be eligible for cancellation of debt under modifications to the Enhanced HIPC Initiative described in subsection (a) if the government of the country—

“(1) has an excessive level of military expenditures;

“(2) has repeatedly provided support for acts of international terrorism, as determined by the Secretary of State under section 6(j)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)) or section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a));

“(3) is failing to cooperate on international narcotics control matters; or

“(4) engages in a consistent pattern of gross violations of internationally recognized human rights (including its military or other security forces).

“(d) PROGRAMS TO COMBAT HIV/AIDS AND POVERTY.—A country that is otherwise eligible to receive cancellation of debt under the modifications to the Enhanced HIPC Initiative described in subsection (a) may receive such cancellation only if the country has agreed—

“(1) to ensure that the financial benefits of debt cancellation are applied to programs to combat HIV/AIDS and poverty, in particular through concrete measures to improve basic services in health, education, nutrition, and other development priorities, and to redress environmental degradation;

“(2) to ensure that the financial benefits of debt cancellation are in addition to the government’s total spending on poverty reduction for the previous year or the average total of such expenditures for the previous 3 years, whichever is greater;

“(3) to implement transparent and participatory policy-making and budget procedures, good governance, and effective anticorruption measures; and

“(4) to broaden public participation and popular understanding of the principles and goals of poverty reduction.

“(e) DEFINITIONS.—In this section:

“(1) COUNTRY SUFFERING A PUBLIC HEALTH CRISIS.—The term ‘country suffering a public health crisis’ means a country in which the HIV/AIDS infection rate, as reported in the most recent epidemiological data for that country compiled by the Joint United Nations Program on HIV/AIDS, is at least 5 percent among women attending prenatal clinics or more than 20 percent among individuals in groups with high-risk behavior.

“(2) DECISION POINT.—The term ‘Decision Point’ means the date on which the executive boards of the International Bank for Reconstruction and Development and the International Monetary Fund review the debt sustainability analysis for a country and determine that the country is eligible for debt relief under the Enhanced HIPC Initiative.

“(3) ENHANCED HIPC INITIATIVE.—The term ‘Enhanced HIPC Initiative’ means the multilateral debt initiative for

heavily indebted poor countries presented in the Report of G–7 Finance Ministers on the Cologne Debt Initiative to the Cologne Economic Summit, Cologne, June 18–20, 1999.”.

SEC. 502. REPORT ON EXPANSION OF DEBT RELIEF TO NON-HIPC COUNTRIES. 22 USC 7681.

(a) **IN GENERAL.**—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on— Deadline.

(1) the options and costs associated with the expansion of debt relief provided by the Enhanced HIPC Initiative to include poor countries that were not eligible for inclusion in the Enhanced HIPC Initiative;

(2) options for burden-sharing among donor countries and multilateral institutions of costs associated with the expansion of debt relief; and

(3) options, in addition to debt relief, to ensure debt sustainability in poor countries, particularly in cases when the poor country has suffered an external economic shock or a natural disaster.

(b) **SPECIFIC OPTIONS TO BE CONSIDERED.**—Among the options for the expansion of debt relief provided by the Enhanced HIPC Initiative, consideration should be given to making eligible for that relief poor countries for which outstanding public and publicly guaranteed debt requires annual payments in excess of 10 percent or, in the case of a country suffering a public health crisis (as defined in section 1625(e) of the Financial Institutions Act, as added by section 501 of this Act), not more than 5 percent, of the amount of the annual current revenues received by the country from internal resources.

(c) **ENHANCED HIPC INITIATIVE DEFINED.**—In this section, the term “Enhanced HIPC Initiative” means the multilateral debt initiative for heavily indebted poor countries presented in the Report of G–7 Finance Ministers on the Cologne Debt Initiative to the Cologne Economic Summit, Cologne, June 18–20, 1999.

SEC. 503. AUTHORIZATION OF APPROPRIATIONS.

22 USC 7682.

(a) **IN GENERAL.**—There are authorized to be appropriated to the President such sums as may be necessary for the fiscal year 2004 and each fiscal year thereafter to carry out section 1625 of the International Financial Institutions Act, as added by section 501 of this Act.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

Approved May 27, 2003.

LEGISLATIVE HISTORY—H.R. 1298 (S. 1009):

HOUSE REPORTS: No. 108–60 (Comm. on International Relations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 1, considered and passed House.

May 15, considered and passed Senate, amended.

May 21, House concurred in Senate amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

May 27, Presidential remarks.



Public Law 108–26
108th Congress

An Act

To extend the Temporary Extended Unemployment Compensation Act of 2002.

May 28, 2003

[H.R. 2185]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Unemployment Compensation Amendments of 2003”.

Unemployment
Compensation
Amendments of
2003.
26 USC 1 note.

**SEC. 2. EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT
COMPENSATION ACT OF 2002.**

(a) IN GENERAL.—Section 208 of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30), as amended by Public Law 108–1 (117 Stat. 3), is amended—

Ante, p. 3.

(1) in subsection (a)(2), by striking “before June 1” and inserting “on or before December 31”;

(2) in subsection (b)(1), by striking “May 31, 2003” and inserting “December 31, 2003”;

(3) in subsection (b)(2)—

(A) in the heading, by striking “MAY 31, 2003” and inserting “DECEMBER 31, 2003”; and

(B) by striking “May 31, 2003” and inserting “December 31, 2003”; and

(4) in subsection (b)(3), by striking “August 30, 2003” and inserting “March 31, 2004”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21).

26 USC 3304
note.

Approved May 28, 2003.

LEGISLATIVE HISTORY—H.R. 2185:

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 22, considered and passed House.

May 23, considered and passed Senate.



Public Law 108–27
108th Congress

An Act

May 28, 2003
[H.R. 2]

To provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004.

Jobs and Growth
Tax Relief
Reconciliation
Act of 2003.
26 USC 1 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Jobs and Growth Tax Relief Reconciliation Act of 2003”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; references; table of contents.

TITLE I—ACCELERATION OF CERTAIN PREVIOUSLY ENACTED TAX REDUCTIONS

Sec. 101. Acceleration of increase in child tax credit.

Sec. 102. Acceleration of 15-percent individual income tax rate bracket expansion for married taxpayers filing joint returns.

Sec. 103. Acceleration of increase in standard deduction for married taxpayers filing joint returns.

Sec. 104. Acceleration of 10-percent individual income tax rate bracket expansion.

Sec. 105. Acceleration of reduction in individual income tax rates.

Sec. 106. Minimum tax relief to individuals.

Sec. 107. Application of EGTRRA sunset to this title.

TITLE II—GROWTH INCENTIVES FOR BUSINESS

Sec. 201. Increase and extension of bonus depreciation.

Sec. 202. Increased expensing for small business.

TITLE III—REDUCTION IN TAXES ON DIVIDENDS AND CAPITAL GAINS

Sec. 301. Reduction in capital gains rates for individuals; repeal of 5-year holding period requirement.

Sec. 302. Dividends of individuals taxed at capital gain rates.

Sec. 303. Sunset of title.

TITLE IV—TEMPORARY STATE FISCAL RELIEF

Sec. 401. Temporary State fiscal relief.

TITLE V—CORPORATE ESTIMATED TAX PAYMENTS FOR 2003

Sec. 501. Time for payment of corporate estimated taxes.

TITLE I—ACCELERATION OF CERTAIN PREVIOUSLY ENACTED TAX REDUC- TIONS

SEC. 101. ACCELERATION OF INCREASE IN CHILD TAX CREDIT.

(a) **IN GENERAL.**—The item relating to calendar years 2001 through 2004 in the table contained in paragraph (2) of section 24(a) (relating to per child amount) is amended to read as follows: 26 USC 24.

“2003 or 2004	\$1,000”.
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(b) **ADVANCE PAYMENT OF PORTION OF INCREASED CREDIT IN 2003.**—

(1) **IN GENERAL.**—Subchapter B of chapter 65 (relating to abate-ments, credits, and refunds) is amended by inserting after section 6428 the following new section:

“SEC. 6429. ADVANCE PAYMENT OF PORTION OF INCREASED CHILD CREDIT FOR 2003. 26 USC 6429.

“(a) **IN GENERAL.**—Each taxpayer who was allowed a credit under section 24 on the return for the taxpayer’s first taxable year beginning in 2002 shall be treated as having made a payment against the tax imposed by chapter 1 for such taxable year in an amount equal to the child tax credit refund amount (if any) for such taxable year.

“(b) **CHILD TAX CREDIT REFUND AMOUNT.**—For purposes of this section, the child tax credit refund amount is the amount by which the aggregate credits allowed under part IV of subchapter A of chapter 1 for such first taxable year would have been increased if—

“(1) the per child amount under section 24(a)(2) for such year were \$1,000,

“(2) only qualifying children (as defined in section 24(c)) of the taxpayer for such year who had not attained age 17 as of December 31, 2003, were taken into account, and

“(3) section 24(d)(1)(B)(ii) did not apply.

“(c) **TIMING OF PAYMENTS.**—In the case of any overpayment attributable to this section, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible and, to the extent practicable, before October 1, 2003. No refund or credit shall be made or allowed under this section after December 31, 2003.

“(d) **COORDINATION WITH CHILD TAX CREDIT.**—

“(1) **IN GENERAL.**—The amount of credit which would (but for this subsection and section 26) be allowed under section 24 for the taxpayer’s first taxable year beginning in 2003 shall be reduced (but not below zero) by the payments made to the taxpayer under this section. Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(2) **JOINT RETURNS.**—In the case of a payment under this section with respect to a joint return, half of such payment shall be treated as having been made to each individual filing such return.

“(e) **NO INTEREST.**—No interest shall be allowed on any overpayment attributable to this section.”.

(2) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

“Sec. 6429. Advance payment of portion of increased child credit for 2003.”.

26 USC 24 note.
Applicability.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 102. ACCELERATION OF 15-PERCENT INDIVIDUAL INCOME TAX RATE BRACKET EXPANSION FOR MARRIED TAXPAYERS FILING JOINT RETURNS.

26 USC 1.

(a) IN GENERAL.—The table contained in subparagraph (B) of section 1(f)(8) (relating to applicable percentage) is amended by inserting before the item relating to 2005 the following new item:

“2003 and 2004 200”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1(f)(8)(A) is amended by striking “2004” and inserting “2002”.

26 USC 1 note.

(2) Section 302(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “2004” and inserting “2002”.

Applicability.
26 USC 1 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 103. ACCELERATION OF INCREASE IN STANDARD DEDUCTION FOR MARRIED TAXPAYERS FILING JOINT RETURNS.

(a) IN GENERAL.—The table contained in paragraph (7) of section 63(c) (relating to applicable percentage) is amended by inserting before the item relating to 2005 the following new item:

“2003 and 2004 200”.

26 USC 1 note.

(b) CONFORMING AMENDMENT.—Section 301(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “2004” and inserting “2002”.

Applicability.
26 USC 63 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 104. ACCELERATION OF 10-PERCENT INDIVIDUAL INCOME TAX RATE BRACKET EXPANSION.

(a) IN GENERAL.—Clause (i) of section 1(i)(1)(B) (relating to the initial bracket amount) is amended by striking “(\$12,000 in the case of taxable years beginning before January 1, 2008)” and inserting “(\$12,000 in the case of taxable years beginning after December 31, 2004, and before January 1, 2008)”.

(b) INFLATION ADJUSTMENT.—Subparagraph (C) of section 1(i)(1) is amended to read as follows:

“(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2000—

“(i) except as provided in clause (ii), the Secretary shall make no adjustment to the initial bracket amounts for any taxable year beginning before January 1, 2009,

“(ii) there shall be an adjustment under subsection (f) of such amounts which shall apply only to taxable years beginning in 2004, and such adjustment shall be determined under subsection (f)(3) by substituting ‘2002’ for ‘1992’ in subparagraph (B) thereof,

“(iii) the cost-of-living adjustment used in making adjustments to the initial bracket amounts for any taxable year beginning after December 31, 2008, shall be determined under subsection (f)(3) by substituting ‘2007’ for ‘1992’ in subparagraph (B) thereof, and

“(iv) the adjustments under clauses (ii) and (iii) shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.”.

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(2) **TABLES FOR 2003.**—The Secretary of the Treasury shall modify each table which has been prescribed under section 1(f) of the Internal Revenue Code of 1986 for taxable years beginning in 2003 and which relates to the amendment made by subsection (a) to reflect such amendment.

26 USC 1 note.
Applicability.

SEC. 105. ACCELERATION OF REDUCTION IN INDIVIDUAL INCOME TAX RATES.

(a) **IN GENERAL.**—The table contained in paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended to read as follows:

26 USC 1.

“In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2001	27.5%	30.5%	35.5%	39.1%
2002	27.0%	30.0%	35.0%	38.6%
2003 and thereafter	25.0%	28.0%	33.0%	35.0%”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

Applicability.
26 USC 1 note.

SEC. 106. MINIMUM TAX RELIEF TO INDIVIDUALS.

(a) **IN GENERAL.**—

(1) Subparagraph (A) of section 55(d)(1) is amended by striking “\$49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004” and inserting “\$58,000 in the case of taxable years beginning in 2003 and 2004”.

(2) Subparagraph (B) of section 55(d)(1) is amended by striking “\$35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004” and inserting “\$40,250 in the case of taxable years beginning in 2003 and 2004”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2002.

Applicability.
26 USC 55 note.

SEC. 107. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.

26 USC 1 note.

Each amendment made by this title shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of

2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

TITLE II—GROWTH INCENTIVES FOR BUSINESS

SEC. 201. INCREASE AND EXTENSION OF BONUS DEPRECIATION.

26 USC 168.

(a) IN GENERAL.—Section 168(k) (relating to special allowance for certain property acquired after September 10, 2001, and before September 11, 2004) is amended by adding at the end the following new paragraph:

“(4) 50-PERCENT BONUS DEPRECIATION FOR CERTAIN PROPERTY.—

“(A) IN GENERAL.—In the case of 50-percent bonus depreciation property—

Applicability.

“(i) paragraph (1)(A) shall be applied by substituting ‘50 percent’ for ‘30 percent’, and

“(ii) except as provided in paragraph (2)(C), such property shall be treated as qualified property for purposes of this subsection.

“(B) 50-PERCENT BONUS DEPRECIATION PROPERTY.—For purposes of this subsection, the term ‘50-percent bonus depreciation property’ means property described in paragraph (2)(A)(i)—

“(i) the original use of which commences with the taxpayer after May 5, 2003,

“(ii) which is acquired by the taxpayer after May 5, 2003, and before January 1, 2005, but only if no written binding contract for the acquisition was in effect before May 6, 2003, and

“(iii) which is placed in service by the taxpayer before January 1, 2005, or, in the case of property described in paragraph (2)(B) (as modified by subparagraph (C) of this paragraph), before January 1, 2006.

Applicability.

“(C) SPECIAL RULES.—Rules similar to the rules of subparagraphs (B) and (D) of paragraph (2) shall apply for purposes of this paragraph; except that references to September 10, 2001, shall be treated as references to May 5, 2003.

Applicability.

“(D) AUTOMOBILES.—Paragraph (2)(E) shall be applied by substituting ‘\$7,650’ for ‘\$4,600’ in the case of 50-percent bonus depreciation property.

“(E) ELECTION OF 30-PERCENT BONUS.—If a taxpayer makes an election under this subparagraph with respect to any class of property for any taxable year, subparagraph (A)(i) shall not apply to all property in such class placed in service during such taxable year.”.

(b) EXTENSION OF CERTAIN DATES FOR 30-PERCENT BONUS DEPRECIATION PROPERTY.—

(1) PORTION OF BASIS TAKEN INTO ACCOUNT.—

(A) Subparagraphs (B)(ii) and (D)(i) of section 168(k)(2) are each amended by striking “September 11, 2004” each place it appears in the text and inserting “January 1, 2005”.

(B) Clause (ii) of section 168(k)(2)(B) is amended by striking “PRE-SEPTEMBER 11, 2004” in the heading and inserting “PRE-JANUARY 1, 2005”. 26 USC 168.

(2) ACQUISITION DATE.—Clause (iii) of section 168(k)(2)(A) is amended by striking “September 11, 2004” each place it appears and inserting “January 1, 2005”.

(3) ELECTION.—Clause (iii) of section 168(k)(2)(C) is amended by adding at the end the following: “The preceding sentence shall be applied separately with respect to property treated as qualified property by paragraph (4) and other qualified property.”. Applicability.

(c) CONFORMING AMENDMENTS.—

(1) The subsection heading for section 168(k) is amended by striking “SEPTEMBER 11, 2004” and inserting “JANUARY 1, 2005”.

(2) The heading for clause (i) of section 1400L(b)(2)(C) is amended by striking “30-PERCENT ADDITIONAL ALLOWANCE PROPERTY” and inserting “BONUS DEPRECIATION PROPERTY UNDER SECTION 168(k)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 5, 2003. Applicability.
26 USC 168 note.

SEC. 202. INCREASED EXPENSING FOR SMALL BUSINESS.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

“(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed \$25,000 (\$100,000 in the case of taxable years beginning after 2002 and before 2006).”.

(b) INCREASE IN QUALIFYING INVESTMENT AT WHICH PHASEOUT BEGINS.—Paragraph (2) of section 179(b) (relating to reduction in limitation) is amended by inserting “(\$400,000 in the case of taxable years beginning after 2002 and before 2006)” after “\$200,000”.

(c) OFF-THE-SHELF COMPUTER SOFTWARE.—Paragraph (1) of section 179(d) (defining section 179 property) is amended to read as follows:

“(1) SECTION 179 PROPERTY.—For purposes of this section, the term ‘section 179 property’ means property—

“(A) which is—

“(i) tangible property (to which section 168 applies), or

“(ii) computer software (as defined in section 197(e)(3)(B)) which is described in section 197(e)(3)(A)(i), to which section 167 applies, and which is placed in service in a taxable year beginning after 2002 and before 2006,

“(B) which is section 1245 property (as defined in section 1245(a)(3)), and

“(C) which is acquired by purchase for use in the active conduct of a trade or business.

Such term shall not include any property described in section 50(b) and shall not include air conditioning or heating units.”.

(d) ADJUSTMENT OF DOLLAR LIMIT AND PHASEOUT THRESHOLD FOR INFLATION.—Subsection (b) of section 179 (relating to limitations) is amended by adding at the end the following new paragraph:

“(5) INFLATION ADJUSTMENTS.—

“(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2003 and before 2006, the \$100,000 and \$400,000 amounts in paragraphs (1) and (2) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2002’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING.—

“(i) DOLLAR LIMITATION.—If the amount in paragraph (1) as increased under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

“(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2) as increased under subparagraph (A) is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.”

26 USC 179.

(e) REVOCATION OF ELECTION.—Paragraph (2) of section 179(c) (relating to election irrevocable) is amended by adding at the end the following new sentence: “Any such election or specification with respect to any taxable year beginning after 2002 and before 2006 may be revoked by the taxpayer with respect to any property, and such revocation, once made, shall be irrevocable.”

Applicability.
26 USC 179 note.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

TITLE III—REDUCTION IN TAXES ON DIVIDENDS AND CAPITAL GAINS

SEC. 301. REDUCTION IN CAPITAL GAINS RATES FOR INDIVIDUALS; REPEAL OF 5-YEAR HOLDING PERIOD REQUIREMENT.

(a) IN GENERAL.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking “10 percent” and inserting “5 percent (0 percent in the case of taxable years beginning after 2007)”.

(2) The following sections are each amended by striking “20 percent” and inserting “15 percent”:

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

46 USC
app. 1177.

(b) CONFORMING AMENDMENTS.—

(1) Section 1(h) is amended—

(A) by striking paragraphs (2) and (9),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(2) Paragraph (3) of section 55(b) is amended by striking “In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).”.

(3) Paragraph (7) of section 57(a) is amended—

26 USC 57.

(A) by striking “42 percent” the first place it appears and inserting “7 percent”, and

(B) by striking the last sentence.

(c) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE MAY 6, 2003.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes May 6, 2003—

26 USC 1 note.

(1) The amount of tax determined under subparagraph

(B) of section 1(h)(1) of such Code shall be the sum of—

(A) 5 percent of the lesser of—

(i) the net capital gain determined by taking into account only gain or loss properly taken into account for the portion of the taxable year on or after May 6, 2003 (determined without regard to collectibles gain or loss, gain described in section 1(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection),

(B) 8 percent of the lesser of—

(i) the qualified 5-year gain (as defined in section 1(h)(9) of the Internal Revenue Code of 1986, as in effect on the day before the date of the enactment of this Act) properly taken into account for the portion of the taxable year before May 6, 2003, or

(ii) the excess (if any) of—

(I) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(II) the amount on which a tax is determined under subparagraph (A), plus

(C) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B).

(2) The amount of tax determined under subparagraph (C) of section 1(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

Applicability.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and losses are properly taken into account shall be made at the entity level.

(5) For purposes of applying section 1(h)(11) of such Code, as added by section 302 of this Act, to this subsection, dividends which are qualified dividend income shall be treated as gain properly taken into account for the portion of the taxable year on or after May 6, 2003.

(6) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

Applicability.
26 USC 1 note.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years ending on or after May 6, 2003.

(2) WITHHOLDING.—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

(3) SMALL BUSINESS STOCK.—The amendments made by subsection (b)(3) shall apply to dispositions on or after May 6, 2003.

SEC. 302. DIVIDENDS OF INDIVIDUALS TAXED AT CAPITAL GAIN RATES.

26 USC 1.

(a) IN GENERAL.—Section 1(h) (relating to maximum capital gains rate), as amended by section 301, is amended by adding at the end the following new paragraph:

“(11) DIVIDENDS TAXED AS NET CAPITAL GAIN.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘net capital gain’ means net capital gain (determined without regard to this paragraph) increased by qualified dividend income.

“(B) QUALIFIED DIVIDEND INCOME.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified dividend income’ means dividends received during the taxable year from—

“(I) domestic corporations, and

“(II) qualified foreign corporations.

“(ii) CERTAIN DIVIDENDS EXCLUDED.—Such term shall not include—

“(I) any dividend from a corporation which for the taxable year of the corporation in which the distribution is made, or the preceding taxable year, is a corporation exempt from tax under section 501 or 521,

“(II) any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.), and

“(III) any dividend described in section 404(k).

“(iii) COORDINATION WITH SECTION 246(c).—Such term shall not include any dividend on any share of stock—

“(I) with respect to which the holding period requirements of section 246(c) are not met (determined by substituting in section 246(c)(1) ‘60 days’ for ‘45 days’ each place it appears and by substituting ‘120-day period’ for ‘90-day period’), or

“(II) to the extent that the taxpayer is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property.

“(C) QUALIFIED FOREIGN CORPORATIONS.—

“(i) IN GENERAL.—Except as otherwise provided in this paragraph, the term ‘qualified foreign corporation’ means any foreign corporation if—

“(I) such corporation is incorporated in a possession of the United States, or

“(II) such corporation is eligible for benefits of a comprehensive income tax treaty with the United States which the Secretary determines is satisfactory for purposes of this paragraph and which includes an exchange of information program.

“(ii) DIVIDENDS ON STOCK READILY TRADABLE ON UNITED STATES SECURITIES MARKET.—A foreign corporation not otherwise treated as a qualified foreign corporation under clause (i) shall be so treated with respect to any dividend paid by such corporation if the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States.

“(iii) EXCLUSION OF DIVIDENDS OF CERTAIN FOREIGN CORPORATIONS.—Such term shall not include any foreign corporation which for the taxable year of the corporation in which the dividend was paid, or the preceding taxable year, is a foreign personal holding company (as defined in section 552), a foreign investment company (as defined in section 1246(b)), or a passive foreign investment company (as defined in section 1297).

“(iv) COORDINATION WITH FOREIGN TAX CREDIT LIMITATION.—Rules similar to the rules of section 904(b)(2)(B) shall apply with respect to the dividend rate differential under this paragraph.

Applicability.

“(D) SPECIAL RULES.—

“(i) AMOUNTS TAKEN INTO ACCOUNT AS INVESTMENT INCOME.—Qualified dividend income shall not include any amount which the taxpayer takes into account as investment income under section 163(d)(4)(B).

“(ii) EXTRAORDINARY DIVIDENDS.—If an individual receives, with respect to any share of stock, qualified dividend income from 1 or more dividends which are extraordinary dividends (within the meaning of section 1059(c)), any loss on the sale or exchange of such share shall, to the extent of such dividends, be treated as long-term capital loss.

“(iii) TREATMENT OF DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—A dividend received from a regulated investment company or a real estate investment trust shall be subject to the limitations prescribed in sections 854 and 857.”.

26 USC 163. (b) EXCLUSION OF DIVIDENDS FROM INVESTMENT INCOME.—Subparagraph (B) of section 163(d)(4) (defining net investment income) is amended by adding at the end the following flush sentence:

“Such term shall include qualified dividend income (as defined in section 1(h)(11)(B)) only to the extent the taxpayer elects to treat such income as investment income for purposes of this subsection.”.

(c) TREATMENT OF DIVIDENDS FROM REGULATED INVESTMENT COMPANIES.—

(1) Subsection (a) of section 854 (relating to dividends received from regulated investment companies) is amended by inserting “section 1(h)(11) (relating to maximum rate of tax on dividends) and” after “For purposes of”.

(2) Paragraph (1) of section 854(b) (relating to other dividends) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) MAXIMUM RATE UNDER SECTION 1(h).—

“(i) IN GENERAL.—If the aggregate dividends received by a regulated investment company during any taxable year are less than 95 percent of its gross income, then, in computing the maximum rate under section 1(h)(11), rules similar to the rules of subparagraph (A) shall apply.

“(ii) GROSS INCOME.—For purposes of clause (i), in the case of 1 or more sales or other dispositions of stock or securities, the term ‘gross income’ includes only the excess of—

“(I) the net short-term capital gain from such sales or dispositions, over

“(II) the net long-term capital loss from such sales or dispositions.

“(iii) DIVIDENDS FROM REAL ESTATE INVESTMENT TRUSTS.—For purposes of clause (i)—

“(I) paragraph (3)(B)(ii) shall not apply, and

“(II) in the case of a distribution from a trust described in such paragraph, the amount of such distribution which is a dividend shall be subject to the limitations under section 857(c).

“(iv) DIVIDENDS FROM QUALIFIED FOREIGN CORPORATIONS.—For purposes of clause (i), dividends received from qualified foreign corporations (as defined in section 1(h)(11)) shall also be taken into account in computing aggregate dividends received.”.

(3) Subparagraph (C) of section 854(b)(1), as redesignated by paragraph (2), is amended by striking “subparagraph (A)” and inserting “subparagraph (A) or (B)”.

(4) Paragraph (2) of section 854(b) is amended by inserting “the maximum rate under section 1(h)(11) and” after “for purposes of”.

(5) Subsection (b) of section 854 is amended by adding at the end the following new paragraph:

“(5) COORDINATION WITH SECTION 1(h)(11).—For purposes of paragraph (1)(B), an amount shall be treated as a dividend only if the amount is qualified dividend income (within the meaning of section 1(h)(11)(B)).”.

Applicability.

(d) TREATMENT OF DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—Section 857(c) (relating to restrictions applicable to dividends received from real estate investment trusts) is amended to read as follows: 26 USC 857.

“(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

“(1) SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered a dividend.

“(2) SECTION 1(h)(11).—For purposes of section 1(h)(11) (relating to maximum rate of tax on dividends)—

“(A) rules similar to the rules of subparagraphs (B) and (C) of section 854(b)(1) shall apply to dividends received from a real estate investment trust which meets the requirements of this part, and Applicability.

“(B) for purposes of such rules, such a trust shall be treated as receiving qualified dividend income during any taxable year in an amount equal to the sum of—

“(i) the excess of real estate investment trust taxable income computed under section 857(b)(2) for the preceding taxable year over the tax payable by the trust under section 857(b)(1) for such preceding taxable year, and

“(ii) the excess of the income subject to tax by reason of the application of the regulations under section 337(d) for the preceding taxable year over the tax payable by the trust on such income for such preceding taxable year.”.

(e) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 1(h), as redesignated by section 301, is amended to read as follows:

“(3) ADJUSTED NET CAPITAL GAIN.—For purposes of this subsection, the term ‘adjusted net capital gain’ means the sum of—

“(A) net capital gain (determined without regard to paragraph (11)) reduced (but not below zero) by the sum of—

“(i) unrecaptured section 1250 gain, and

“(ii) 28-percent rate gain, plus

“(B) qualified dividend income (as defined in paragraph (11)).”.

(2) Subsection (f) of section 301 is amended adding at the end the following new paragraph:

“(4) For taxation of dividends received by individuals at capital gain rates, see section 1(h)(11).”.

(3) Paragraph (1) of section 306(a) is amended by adding at the end the following new subparagraph:

“(D) TREATMENT AS DIVIDEND.—For purposes of section 1(h)(11) and such other provisions as the Secretary may specify, any amount treated as ordinary income under this paragraph shall be treated as a dividend received from the corporation.”.

(4)(A) Subpart C of part II of subchapter C of chapter 1 (relating to collapsible corporations) is repealed.

(B)(i) Section 338(h) is amended by striking paragraph (14).

26 USC 341.

26 USC 467,
1255, 1257.

(ii) Sections 467(c)(5)(C), 1255(b)(2), and 1257(d) are each amended by striking “, 341(e)(12).”

(iii) The table of subparts for part II of subchapter C of chapter 1 is amended by striking the item related to subpart C.

(5) Section 531 is amended by striking “equal to” and all that follows and inserting “equal to 15 percent of the accumulated taxable income.”

(6) Section 541 is amended by striking “equal to” and all that follows and inserting “equal to 15 percent of the undistributed personal holding company income.”

(7) Section 584(c) is amended by adding at the end the following new flush sentence:

“The proportionate share of each participant in the amount of dividends received by the common trust fund and to which section 1(h)(11) applies shall be considered for purposes of such paragraph as having been received by such participant.”

(8) Paragraph (5) of section 702(a) is amended to read as follows:

“(5) dividends with respect to which section 1(h)(11) or part VIII of subchapter B applies.”

Applicability.
26 USC 1 note.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(2) REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—In the case of a regulated investment company or a real estate investment trust, the amendments made by this section shall apply to taxable years ending after December 31, 2002; except that dividends received by such a company or trust on or before such date shall not be treated as qualified dividend income (as defined in section 1(h)(11)(B) of the Internal Revenue Code of 1986, as added by this Act).

26 USC 1 note.

SEC. 303. SUNSET OF TITLE.

All provisions of, and amendments made by, this title shall not apply to taxable years beginning after December 31, 2008, and the Internal Revenue Code of 1986 shall be applied and administered to such years as if such provisions and amendments had never been enacted.

TITLE IV—TEMPORARY STATE FISCAL RELIEF

42 USC 1396d
note.

SEC. 401. TEMPORARY STATE FISCAL RELIEF.

(a) \$10,000,000,000 FOR A TEMPORARY INCREASE OF THE MEDICAID FMAP.—

(1) PERMITTING MAINTENANCE OF FISCAL YEAR 2002 FMAP FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2003.—Subject to paragraph (5), if the FMAP determined without regard to this subsection for a State for fiscal year 2003 is less than the FMAP as so determined for fiscal year 2002, the FMAP for the State for fiscal year 2002 shall be substituted for the State’s FMAP for the third and fourth calendar quarters of fiscal year 2003, before the application of this subsection.

(2) PERMITTING MAINTENANCE OF FISCAL YEAR 2003 FMAP FOR FIRST 3 QUARTERS OF FISCAL YEAR 2004.—Subject to paragraph (5), if the FMAP determined without regard to this subsection for a State for fiscal year 2004 is less than the FMAP as so determined for fiscal year 2003, the FMAP for the State for fiscal year 2003 shall be substituted for the State's FMAP for the first, second, and third calendar quarters of fiscal year 2004, before the application of this subsection.

(3) GENERAL 2.95 PERCENTAGE POINTS INCREASE FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2003 AND FIRST 3 CALENDAR QUARTERS OF FISCAL YEAR 2004.—Subject to paragraphs (5), (6), and (7), for each State for the third and fourth calendar quarters of fiscal year 2003 and for the first, second, and third calendar quarters of fiscal year 2004, the FMAP (taking into account the application of paragraphs (1) and (2)) shall be increased by 2.95 percentage points.

(4) INCREASE IN CAP ON MEDICAID PAYMENTS TO TERRITORIES.—Subject to paragraphs (6) and (7), with respect to the third and fourth calendar quarters of fiscal year 2003 and the first, second, and third calendar quarters of fiscal year 2004, the amounts otherwise determined for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa under subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308) shall each be increased by an amount equal to 5.90 percent of such amounts.

(5) SCOPE OF APPLICATION.—The increases in the FMAP for a State under this subsection shall apply only for purposes of title XIX of the Social Security Act and shall not apply with respect to—

(A) disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4);

(B) payments under title IV or XXI of such Act (42 U.S.C. 601 et seq. and 1397aa et seq.); or

(C) any payments under XIX of such Act that are based on the enhanced FMAP described in section 2105(b) of such Act (42 U.S.C. 1397ee(b)).

(6) STATE ELIGIBILITY.—

(A) IN GENERAL.—Subject to subparagraph (B), a State is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) only if the eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.

(B) STATE REINSTATEMENT OF ELIGIBILITY PERMITTED.—A State that has restricted eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) after September 2, 2003, is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) in the first calendar quarter (and subsequent calendar quarters) in which the State has reinstated eligibility that is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.

(C) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) or (B) shall be construed as affecting a State’s flexibility with respect to benefits offered under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)).

(7) REQUIREMENT FOR CERTAIN STATES.—In the case of a State that requires political subdivisions within the State to contribute toward the non-Federal share of expenditures under the State medicaid plan required under section 1902(a)(2) of the Social Security Act (42 U.S.C. 1396a(a)(2)), the State shall not require that such political subdivisions pay a greater percentage of the non-Federal share of such expenditures for the third and fourth calendar quarters of fiscal year 2003 and the first, second and third calendar quarters of fiscal year 2004, than the percentage that was required by the State under such plan on April 1, 2003, prior to application of this subsection.

(8) DEFINITIONS.—In this subsection:

(A) FMAP.—The term “FMAP” means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(B) STATE.—The term “State” has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

Effective date.

(9) REPEAL.—Effective as of October 1, 2004, this subsection is repealed.

(b) \$10,000,000,000 TO ASSIST STATES IN PROVIDING GOVERNMENT SERVICES.—The Social Security Act (42 U.S.C. 301 et seq.) is amended by inserting after title V the following:

“TITLE VI—TEMPORARY STATE FISCAL RELIEF

42 USC 801.

“SEC. 601. TEMPORARY STATE FISCAL RELIEF.

“(a) APPROPRIATION.—There is authorized to be appropriated and is appropriated for making payments to States under this section, \$5,000,000,000 for each of fiscal years 2003 and 2004.

Deadlines.

“(b) PAYMENTS.—

“(1) FISCAL YEAR 2003.—From the amount appropriated under subsection (a) for fiscal year 2003, the Secretary of the Treasury shall, not later than the later of the date that is 45 days after the date of enactment of this Act or the date that a State provides the certification required by subsection (e) for fiscal year 2003, pay each State the amount determined for the State for fiscal year 2003 under subsection (c).

“(2) FISCAL YEAR 2004.—From the amount appropriated under subsection (a) for fiscal year 2004, the Secretary of the Treasury shall, not later than the later of October 1, 2003, or the date that a State provides the certification required by subsection (e) for fiscal year 2004, pay each State the amount determined for the State for fiscal year 2004 under subsection (c).

“(c) PAYMENTS BASED ON POPULATION.—

“(1) IN GENERAL.—Subject to paragraph (2), the amount appropriated under subsection (a) for each of fiscal years 2003

and 2004 shall be used to pay each State an amount equal to the relative population proportion amount described in paragraph (3) for such fiscal year.

“(2) MINIMUM PAYMENT.—

“(A) IN GENERAL.—No State shall receive a payment under this section for a fiscal year that is less than—

“(i) in the case of 1 of the 50 States or the District of Columbia, $\frac{1}{2}$ of 1 percent of the amount appropriated for such fiscal year under subsection (a); and

“(ii) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa, $\frac{1}{10}$ of 1 percent of the amount appropriated for such fiscal year under subsection (a).

“(B) PRO RATA ADJUSTMENTS.—The Secretary of the Treasury shall adjust on a pro rata basis the amount of the payments to States determined under this section without regard to this subparagraph to the extent necessary to comply with the requirements of subparagraph (A).

“(3) RELATIVE POPULATION PROPORTION AMOUNT.—The relative population proportion amount described in this paragraph is the product of—

“(A) the amount described in subsection (a) for a fiscal year; and

“(B) the relative State population proportion (as defined in paragraph (4)).

“(4) RELATIVE STATE POPULATION PROPORTION DEFINED.—For purposes of paragraph (3)(B), the term ‘relative State population proportion’ means, with respect to a State, the amount equal to the quotient of—

“(A) the population of the State (as reported in the most recent decennial census); and

“(B) the total population of all States (as reported in the most recent decennial census).

“(d) USE OF PAYMENT.—

“(1) IN GENERAL.—Subject to paragraph (2), a State shall use the funds provided under a payment made under this section for a fiscal year to—

“(A) provide essential government services; or

“(B) cover the costs to the State of complying with any Federal intergovernmental mandate (as defined in section 421(5) of the Congressional Budget Act of 1974) to the extent that the mandate applies to the State, and the Federal Government has not provided funds to cover the costs.

“(2) LIMITATION.—A State may only use funds provided under a payment made under this section for types of expenditures permitted under the most recently approved budget for the State.

“(e) CERTIFICATION.—In order to receive a payment under this section for a fiscal year, the State shall provide the Secretary of the Treasury with a certification that the State’s proposed uses of the funds are consistent with subsection (d).

“(f) DEFINITION OF STATE.—In this section, the term ‘State’ means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the

Commonwealth of the Northern Mariana Islands, and American Samoa.

Effective date.

“(g) REPEAL.—Effective as of October 1, 2004, this title is repealed.”.

TITLE V—CORPORATE ESTIMATED TAX PAYMENTS FOR 2003

SEC. 501. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Notwithstanding section 6655 of the Internal Revenue Code of 1986, 25 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2003 shall not be due until October 1, 2003.

Approved May 28, 2003.

LEGISLATIVE HISTORY—H.R. 2 (S. 2) (S. 1054):

HOUSE REPORTS: Nos. 108–94 (Comm. on Ways and Means) and 108–126 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 9, considered and passed House.

May 14, 15, considered and passed Senate, amended, in lieu of S. 1054.

May 22, House agreed to conference report.

May 23, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

May 28, Presidential remarks.



Public Law 108–28
108th Congress

An Act

Concerning participation of Taiwan in the World Health Organization.

May 29, 2003

[S. 243]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. CONCERNING THE PARTICIPATION OF TAIWAN IN THE
WORLD HEALTH ORGANIZATION (WHO).**

(a) FINDINGS.—The Congress makes the following findings:

(1) Good health is important to every citizen of the world and access to the highest standards of health information and services is necessary to improve the public health.

(2) Direct and unobstructed participation in international health cooperation forums and programs is beneficial for all parts of the world, especially with today's greater potential for the cross-border spread of various infectious diseases such as the human immunodeficiency virus (HIV), tuberculosis, and malaria.

(3) Taiwan's population of 23,500,000 people is greater than that of three-fourths of the member states already in the World Health Organization (WHO).

(4) Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first to eradicate polio and provide children with hepatitis B vaccinations.

(5) The United States Centers for Disease Control and Prevention and its Taiwan counterpart agencies have enjoyed close collaboration on a wide range of public health issues.

(6) In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO.

(7) On January 14, 2001, an earthquake, registering between 7.6 and 7.9 on the Richter scale, struck El Salvador. In response, the Taiwanese Government sent 2 rescue teams, consisting of 90 individuals specializing in firefighting, medicine, and civil engineering. The Taiwanese Ministry of Foreign Affairs also donated \$200,000 in relief aid to the Salvadoran Government.

(8) The World Health Assembly has allowed observers to participate in the activities of the organization, including the Palestine Liberation Organization in 1974, the Order of Malta, and the Holy See in the early 1950s.

(9) The United States, in the 1994 Taiwan Policy Review, declared its intention to support Taiwan's participation in appropriate international organizations.

(10) Public Law 106–137 required the Secretary of State to submit a report to the Congress on efforts by the executive branch to support Taiwan's participation in international organizations, in particular the WHO.

(11) In light of all benefits that Taiwan's participation in the WHO can bring to the state of health not only in Taiwan, but also regionally and globally, Taiwan and its 23,500,000 people should have appropriate and meaningful participation in the WHO.

(12) On May 11, 2001, President Bush stated in his letter to Senator Murkowski that the United States “should find opportunities for Taiwan's voice to be heard in international organizations in order to make a contribution, even if membership is not possible”, further stating that his Administration “has focused on finding concrete ways for Taiwan to benefit and contribute to the WHO”.

(13) In his speech made in the World Medical Association on May 14, 2002, Secretary of Health and Human Services Tommy Thompson announced “America's work for a healthy world cuts across political lines. That is why my government supports Taiwan's efforts to gain observership status at the World Health Assembly. We know this is a controversial issue, but we do not shrink from taking a public stance on it. The people of Taiwan deserve the same level of public health as citizens of every nation on earth, and we support them in their efforts to achieve it”.

(14) The Government of the Republic of China on Taiwan, in response to an appeal from the United Nations and the United States for resources to control the spread of HIV/AIDS, donated \$1,000,000 to the Global Fund to Fight AIDS, Tuberculosis and Malaria in December 2002.

(b) PLAN.—The Secretary of State is authorized—

(1) to initiate a United States plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2003 in Geneva, Switzerland; and

(2) to instruct the United States delegation to Geneva to implement that plan.

(c) REPORT.—Not later than 14 days after the date of the enactment of this Act, the Secretary of State shall submit a report to Congress in unclassified form describing the action taken under subsection (b). Deadline.

Approved May 29, 2003.

LEGISLATIVE HISTORY—S. 243 (H.R. 441):

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 1, considered and passed Senate.

May 14, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

May 29, Presidential statement.



Public Law 108–29
108th Congress

An Act

May 29, 2003
[S. 330]

To further the protection and recognition of veterans’ memorials, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Veterans’
Memorial
Preservation and
Recognition Act
of 2003.
18 USC 1369
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans’ Memorial Preservation and Recognition Act of 2003”.

SEC. 2. CRIMINAL PENALTIES FOR DESTRUCTION OF VETERANS’ MEMORIALS.

(a) IN GENERAL.—Chapter 65 of title 18, United States Code, is amended by adding at the end the following:

“§ 1369. Destruction of veterans’ memorials

“(a) Whoever, in a circumstance described in subsection (b), willfully injures or destroys, or attempts to injure or destroy, any structure, plaque, statue, or other monument on public property commemorating the service of any person or persons in the armed forces of the United States shall be fined under this title, imprisoned not more than 10 years, or both.

“(b) A circumstance described in this subsection is that—

“(1) in committing the offense described in subsection (a), the defendant travels or causes another to travel in interstate or foreign commerce, or uses the mail or an instrumentality of interstate or foreign commerce; or

“(2) the structure, plaque, statue, or other monument described in subsection (a) is located on property owned by, or under the jurisdiction of, the Federal Government.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 65 of title 18, United States Code, is amended by adding at the end the following:

“1369. Destruction of veterans’ memorials.”.

23 USC 109 note.

SEC. 3. HIGHWAY SIGNS RELATING TO VETERANS CEMETERIES.

(a) IN GENERAL.—Notwithstanding the terms of any agreement entered into by the Secretary of Transportation and a State under section 109(d) or 402(a) of title 23, United States Code, a veterans cemetery shall be treated as a site for which a supplemental guide sign may be placed on any Federal-aid highway.

(b) **APPLICABILITY.**—Subsection (a) shall apply to an agreement entered into before, on, or after the date of the enactment of this Act.

Approved May 29, 2003.

LEGISLATIVE HISTORY—S. 330:

HOUSE REPORTS: No. 108–112, Pt. 1 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 27, considered and passed Senate.

May 20, considered and passed House.



Public Law 108–30
108th Congress

An Act

May 29, 2003
[S. 870]

To amend the Richard B. Russell National School Lunch Act to extend the availability of funds to carry out the fruit and vegetable pilot program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRUIT AND VEGETABLE PILOT PROGRAM.

Section 18(g)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(g)(4)) is amended by inserting before the period at the end the following: “, to remain available until the close of the school year beginning July 2003”.

Approved May 29, 2003.

LEGISLATIVE HISTORY—S. 870:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 10, considered and passed Senate.

May 14, considered and passed House.



Public Law 108–31
108th Congress

An Act

To amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance programs under those Acts, and for other purposes.

June 17, 2003
[H.R. 192]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO THE MICROENTERPRISE FOR SELF-RELIANCE ACT OF 2000.

(a) **PURPOSES.**—Section 103 of the Microenterprise for Self-Reliance Act of 2000 (Public Law 106–309) is amended—

22 USC 2151f
note.

(1) in paragraph (3), by striking “microentrepreneurs” and inserting “microenterprise households”;

(2) in paragraph (4), by striking “and” at the end;

(3) in paragraph (5)—

(A) by striking “microfinance policy” and inserting “microenterprise policy”;

(B) by striking “the poorest of the poor” and inserting “the very poor”; and

(C) by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(6) to ensure that in the implementation of this title at least 50 percent of all microenterprise assistance under this title, and the amendments made under this title, shall be targeted to the very poor.”.

(b) **DEFINITIONS.**—Section 104 of such Act is amended—

22 USC 2151f
note.

(1) in paragraph (2), by striking “for microentrepreneurs” and inserting “to microentrepreneurs and their households”; and

(2) by adding at the end the following:

“(5) **VERY POOR.**—The term ‘very poor’ means individuals—

“(A) living in the bottom 50 percent below the poverty line established by the national government of the country in which those individuals live; or

“(B) living on the equivalent of less than \$1 per day.”.

SEC. 2. AMENDMENTS TO THE MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS PROGRAM UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

(a) **FINDINGS AND POLICY.**—Section 108(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f(a)(2)) is amended by striking “the development of the enterprises of the poor” and inserting

“the access to financial services and the development of microenterprises”.

(b) PROGRAM.—Section 108(b) of such Act (22 U.S.C. 2151f(b)) is amended to read as follows:

“(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of financial services to microenterprise households lacking full access to credit, including through—

“(1) loans and guarantees to microfinance institutions for the purpose of expanding the availability of savings and credit to poor and low-income households;

“(2) training programs for microfinance institutions in order to enable them to better meet the financial services needs of their clients; and

“(3) training programs for clients in order to enable them to make better use of credit, increase their financial literacy, and to better manage their enterprises to improve their quality of life.”.

(c) ELIGIBILITY CRITERIA.—Section 108(c) of such Act (22 U.S.C. 2151f(c)) is amended—

(1) in the first sentence of the matter preceding paragraph (1)—

(A) by striking “credit institutions” and inserting “microfinance institutions”; and

(B) by striking “micro- and small enterprises” and inserting “microenterprise households”; and

(2) in paragraphs (1) and (2), by striking “credit” each place it appears and inserting “financial services”.

(d) ADDITIONAL REQUIREMENT.—Section 108(d) of such Act (22 U.S.C. 2151f(d)) is amended by striking “micro- and small enterprise programs” and inserting “programs for microenterprise households”.

(e) AVAILABILITY OF FUNDS.—Section 108(f)(1) of such Act (22 U.S.C. 2151f(f)(1)) is amended by striking “for each of fiscal years 2001 and 2002” and inserting “for each of fiscal years 2001 through 2004”.

(f) CONFORMING AMENDMENT.—Section 108 of such Act (22 U.S.C. 2151f) is amended in the heading to read as follows:

“SEC. 108. MICROENTERPRISE DEVELOPMENT CREDITS.”.

SEC. 3. AMENDMENTS TO THE MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE PROGRAM UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

(a) FINDINGS AND POLICY.—Section 131(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2152a(a)) is amended to read as follows:

“(a) FINDINGS AND POLICY.—Congress finds and declares that—

“(1) access to financial services and the development of microenterprise are vital factors in the stable growth of developing countries and in the development of free, open, and equitable international economic systems;

“(2) it is therefore in the best interest of the United States to facilitate access to financial services and assist the development of microenterprise in developing countries;

“(3) access to financial services and the development of microenterprises can be supported by programs providing credit, savings, training, technical assistance, business development services, and other financial and non-financial services; and

“(4) given the relatively high percentage of populations living in rural areas of developing countries, and the combined high incidence of poverty in rural areas and growing income inequality between rural and urban markets, microenterprise programs should target both rural and urban poor.”.

(b) AUTHORIZATION.—Section 131(b) of such Act (22 U.S.C. 2152a(b)) is amended—

(1) in paragraph (3)(A)(i), by striking “entrepreneurs” and inserting “clients”; and

(2) in paragraph (4)(D)—

(A) in clause (i), by striking “very small loans” and inserting “financial services to poor entrepreneurs”; and

(B) in clause (ii), by striking “microfinance” and inserting “microenterprise”.

(c) MONITORING SYSTEM.—Section 131(c) of such Act (22 U.S.C. 2152a(c)) is amended by striking paragraph (4) and inserting the following:

“(4) adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive needed microenterprise loans, savings, and assistance.”.

(d) DEVELOPMENT AND APPLICATION OF POVERTY MEASUREMENT METHODS.—Section 131 of such Act (22 U.S.C. 2152a) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following:

“(d) DEVELOPMENT AND CERTIFICATION OF POVERTY MEASUREMENT METHODS; APPLICATION OF METHODS.—

“(1) DEVELOPMENT AND CERTIFICATION.—(A) The Administrator of the United States Agency for International Development, in consultation with microenterprise institutions and other appropriate organizations, shall develop no fewer than two low-cost methods for partner institutions to use to assess the poverty levels of their current or prospective clients. The United States Agency for International Development shall develop poverty indicators that correlate with the circumstances of the very poor.

“(B) The Administrator shall field-test the methods developed under subparagraph (A). As part of the testing, institutions and programs may use the methods on a voluntary basis to demonstrate their ability to reach the very poor.

“(C) Not later than October 1, 2004, the Administrator shall, from among the low-cost poverty measurement methods developed under subparagraph (A), certify no fewer than two such methods as approved methods for measuring the poverty levels of current or prospective clients of microenterprise institutions for purposes of assistance under this section.

Deadline.

“(2) APPLICATION.—The Administrator shall require that, with reasonable exceptions, all organizations applying for microenterprise assistance under this Act use one of the certified methods, beginning no later than October 1, 2005, to determine and report the poverty levels of current or prospective clients.”.

Deadline.

(e) LEVEL OF ASSISTANCE.—Section 131(e) of such Act, as redesignated by subsection (d), is amended by inserting “and \$175,000,000 for fiscal year 2003 and \$200,000,000 for fiscal year 2004” after “fiscal years 2001 and 2002”.

(f) DEFINITIONS.—Section 131(f) of such Act, as redesignated by subsection (d), is amended by adding at the end the following:

“(5) VERY POOR.—The term ‘very poor’ means those individuals—

“(A) living in the bottom 50 percent below the poverty line established by the national government of the country in which those individuals live; or

“(B) living on less than the equivalent of \$1 per day.”.

22 USC 2151f
note.
Deadline.

SEC. 4. REPORT TO CONGRESS.

(a) IN GENERAL.—Not later than September 30, 2005, the Administrator of the United States Agency for International Development shall submit to Congress a report that documents the process of developing and applying poverty assessment procedures with its partners.

(b) REPORTS FOR FISCAL YEAR 2006 AND BEYOND.—Beginning with fiscal year 2006, the Administrator of the United States Agency for International Development shall annually submit to Congress on a timely basis a report that addresses the United States Agency for International Development’s compliance with the Microenterprise for Self-Reliance Act of 2000 by documenting—

(1) the percentage of its resources that were allocated to the very poor (as defined in paragraph (5) of section 131(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2152a(f)(5))) based on the data collected from its partners using the certified methods; and

(2) the absolute number of the very poor reached.

Approved June 17, 2003.

LEGISLATIVE HISTORY—H.R. 192:

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 14, considered and passed House.

May 23, considered and passed Senate.



Public Law 108–32
108th Congress

An Act

To provide for the expeditious completion of the acquisition of land owned by the State of Wyoming within the boundaries of Grand Teton National Park, and for other purposes.

June 17, 2003
[S. 273]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Grand Teton National Park Land Exchange Act”.

Grand Teton
National Park
Land Exchange
Act.
16 USC 406d–1
note.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) The term “Federal lands” means public lands as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e)).

(2) The term “Governor” means the Governor of the State of Wyoming.

(3) The term “Secretary” means the Secretary of the Interior.

(4) The term “State lands” means lands and interest in lands owned by the State of Wyoming within the boundaries of Grand Teton National Park as identified on a map titled “Private, State & County Inholdings Grand Teton National Park”, dated March 2001, and numbered GTNP/0001.

16 USC 406d–1
note.

SEC. 3. ACQUISITION OF STATE LANDS.

(a) The Secretary is authorized to acquire approximately 1,406 acres of State lands within the exterior boundaries of Grand Teton National Park, as generally depicted on the map referenced in section 2(4), by any one or a combination of the following—

(1) donation;

(2) purchase with donated or appropriated funds; or

(3) exchange of Federal lands in the State of Wyoming that are identified for disposal under approved land use plans in effect on the date of enactment of this Act under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) that are of equal value to the State lands acquired in the exchange.

(b) In the event that the Secretary or the Governor determines that the Federal lands eligible for exchange under subsection (a)(3) are not sufficient or acceptable for the acquisition of all the State lands identified in section 2(4), the Secretary shall identify other Federal lands or interests therein in the State of Wyoming for possible exchange and shall identify such lands or interests together

16 USC 406d–1
note.

Reports.

with their estimated value in a report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives. Such lands or interests shall not be available for exchange unless authorized by an Act of Congress enacted after the date of submission of the report.

16 USC 406d–1
note.

SEC. 4. VALUATION OF STATE AND FEDERAL INTERESTS.

(a) **AGREEMENT ON APPRAISER.**—If the Secretary and the Governor are unable to agree on the value of any Federal lands eligible for exchange under section 3(a)(3) or State lands, then the Secretary and the Governor may select a qualified appraiser to conduct an appraisal of those lands. The purchase or exchange under section 3(a) shall be conducted based on the values determined by the appraisal.

(b) **NO AGREEMENT ON APPRAISER.**—If the Secretary and the Governor are unable to agree on the selection of a qualified appraiser under subsection (a), then the Secretary and the Governor shall each designate a qualified appraiser. The two designated appraisers shall select a qualified third appraiser to conduct the appraisal with the advice and assistance of the two designated appraisers. The purchase or exchange under section 3(a) shall be conducted based on the values determined by the appraisal.

(c) **APPRAISAL COSTS.**—The Secretary and the State of Wyoming shall each pay one-half of the appraisal costs under subsections (a) and (b).

16 USC 406d–1
note.

SEC. 5. ADMINISTRATION OF STATE LANDS ACQUIRED BY THE UNITED STATES.

The State lands conveyed to the United States under section 3(a) shall become part of Grand Teton National Park. The Secretary shall manage such lands under the Act of August 25, 1916 (commonly known as the “National Park Service Organic Act”), and other laws, rules, and regulations applicable to Grand Teton National Park.

16 USC 406d–1
note.

SEC. 6. AUTHORIZATION FOR APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for the purposes of this Act.

Approved June 17, 2003.

LEGISLATIVE HISTORY—S. 273:

SENATE REPORTS: No. 108–14 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 3, considered and passed Senate.

June 3, 5, considered and passed House.



Public Law 108–33
108th Congress

An Act

To designate the facility of the United States Postal Service located at 1114 Main Avenue in Clifton, New Jersey, as the “Robert P. Hammer Post Office Building”.

June 23, 2003
[H.R. 1625]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1114 Main Avenue in Clifton, New Jersey, shall be known and designated as the “Robert P. Hammer Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Robert P. Hammer Post Office Building”.

Approved June 23, 2003.

LEGISLATIVE HISTORY—H.R. 1625:

CONGRESSIONAL RECORD, Vol. 149 (2003):
May 6, considered and passed House.
June 10, considered and passed Senate.



Public Law 108–34
108th Congress

An Act

June 23, 2003
[S. 222]

To approve the settlement of the water rights claims of the Zuni Indian Tribe in Apache County, Arizona, and for other purposes.

Zuni Indian
Tribe Water
Rights
Settlement
Act of 2003.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Zuni Indian Tribe Water Rights Settlement Act of 2003”.

SEC. 2. FINDINGS AND PURPOSES.

(a) **FINDINGS.**—Congress makes the following findings:

(1) It is the policy of the United States, in keeping with its trust responsibility to Indian tribes, to promote Indian self-determination, religious freedom, political and cultural integrity, and economic self-sufficiency, and to settle, wherever possible, the water rights claims of Indian tribes without lengthy and costly litigation.

(2) Quantification of rights to water and development of facilities needed to use tribal water supplies effectively is essential to the development of viable Indian reservation communities, particularly in arid western States.

(3) On August 28, 1984, and by actions subsequent thereto, the United States established a reservation for the Zuni Indian Tribe in Apache County, Arizona upstream from the confluence of the Little Colorado and Zuni Rivers for long-standing religious and sustenance activities.

(4) The water rights of all water users in the Little Colorado River basin in Arizona have been in litigation since 1979, in the Superior Court of the State of Arizona in and for the County of Apache in Civil No. 6417, *In re The General Adjudication of All Rights to Use Water in the Little Colorado River System and Source*.

(5) Recognizing that the final resolution of the Zuni Indian Tribe’s water claims through litigation will take many years and entail great expense to all parties, continue to limit the Tribe’s access to water with economic, social, and cultural consequences to the Tribe, prolong uncertainty as to the availability of water supplies, and seriously impair the long-term economic planning and development of all parties, the Tribe and neighboring non-Indians have sought to settle their disputes to water and reduce the burdens of litigation.

(6) After more than 4 years of negotiations, which included participation by representatives of the United States, the Zuni Indian Tribe, the State of Arizona, and neighboring non-Indian

communities in the Little Colorado River basin, the parties have entered into a Settlement Agreement to resolve all of the Zuni Indian Tribe's water rights claims and to assist the Tribe in acquiring surface water rights, to provide for the Tribe's use of groundwater, and to provide for the wetland restoration of the Tribe's lands in Arizona.

(7) To facilitate the wetland restoration project contemplated under the Settlement Agreement, the Zuni Indian Tribe acquired certain lands along the Little Colorado River near or adjacent to its Reservation that are important for the success of the project and will likely acquire a small amount of similarly situated additional lands. The parties have agreed not to object to the United States taking title to certain of these lands into trust status; other lands shall remain in tribal fee status. The parties have worked extensively to resolve various governmental concerns regarding use of and control over those lands, and to provide a successful model for these types of situations, the State, local, and tribal governments intend to enter into an Intergovernmental Agreement that addresses the parties' governmental concerns.

(8) Pursuant to the Settlement Agreement, the neighboring non-Indian entities will assist in the Tribe's acquisition of surface water rights and development of groundwater, store surface water supplies for the Zuni Indian Tribe, and make substantial additional contributions to carry out the Settlement Agreement's provisions.

(9) To advance the goals of Federal Indian policy and consistent with the trust responsibility of the United States to the Tribe, it is appropriate that the United States participate in the implementation of the Settlement Agreement and contribute funds for the rehabilitation of religious riparian areas and other purposes to enable the Tribe to use its water entitlement in developing its Reservation.

(b) PURPOSES.—The purposes of this Act are—

(1) to approve, ratify, and confirm the Settlement Agreement entered into by the Tribe and neighboring non-Indians;

(2) to authorize and direct the Secretary of the Interior to execute and perform the Settlement Agreement and related waivers;

(3) to authorize and direct the United States to take legal title and hold such title to certain lands in trust for the benefit of the Zuni Indian Tribe; and

(4) to authorize the actions, agreements, and appropriations as provided for in the Settlement Agreement and this Act.

SEC. 3. DEFINITIONS.

In this Act:

(1) EASTERN LCR BASIN.—The term “Eastern LCR basin” means the portion of the Little Colorado River basin in Arizona upstream of the confluence of Silver Creek and the Little Colorado River, as identified on Exhibit 2.10 of the Settlement Agreement.

(2) FUND.—The term “Fund” means the Zuni Indian Tribe Water Rights Development Fund established by section 6(a).

(3) INTERGOVERNMENTAL AGREEMENT.—The term “Intergovernmental Agreement” means the intergovernmental agreement between the Zuni Indian Tribe, Apache County, Arizona and

the State of Arizona described in article 6 of the Settlement Agreement.

(4) **PUMPING PROTECTION AGREEMENT.**—The term “Pumping Protection Agreement” means an agreement, described in article 5 of the Settlement Agreement, between the Zuni Tribe, the United States on behalf of the Tribe, and a local landowner under which the landowner agrees to limit pumping of groundwater on his lands in exchange for a waiver of certain claims by the Zuni Tribe and the United States on behalf of the Tribe.

(5) **RESERVATION; ZUNI HEAVEN RESERVATION.**—The term “Reservation” or “Zuni Heaven Reservation”, also referred to as “Kolhu:wala:wa”, means the following property in Apache County, Arizona: Sections 26, 27, 28, 33, 34, and 35, Township 15 North, Range 26 East, Gila and Salt River Base and Meridian; and Sections 2, 3, 4, 9, 10, 11, 13, 14, 15, 16, 23, 26, and 27, Township 14 North, Range 26 East, Gila and Salt River Base and Meridian.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(7) **SETTLEMENT AGREEMENT.**—The term “Settlement Agreement” means that agreement dated June 7, 2002, together with all exhibits thereto. The parties to the Settlement Agreement include the Zuni Indian Tribe and its members, the United States on behalf of the Tribe and its members, the State of Arizona, the Arizona Game and Fish Commission, the Arizona State Land Department, the Arizona State Parks Board, the St. Johns Irrigation and Ditch Co., the Lyman Water Co., the Round Valley Water Users’ Association, the Salt River Project Agricultural Improvement and Power District, the Tucson Electric Power Company, the City of St. Johns, the Town of Eagar, and the Town of Springerville.

(8) **SRP.**—The term “SRP” means the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona.

(9) **TEP.**—The term “TEP” means Tucson Electric Power Company.

(10) **TRIBE, ZUNI TRIBE, OR ZUNI INDIAN TRIBE.**—The terms “Tribe”, “Zuni Tribe”, or “Zuni Indian Tribe” means the body politic and federally recognized Indian nation, and its members.

(11) **ZUNI LANDS.**—The term “Zuni Lands” means all the following lands, in the State of Arizona, that, on the effective date described in section 9(a), are—

(A) within the Zuni Heaven Reservation;

(B) held in trust by the United States for the benefit of the Tribe or its members; or

(C) held in fee within the Little Colorado River basin by or for the Tribe.

SEC. 4. AUTHORIZATION, RATIFICATIONS, AND CONFIRMATIONS.

(a) **SETTLEMENT AGREEMENT.**—To the extent the Settlement Agreement does not conflict with the provisions of this Act, such Settlement Agreement is hereby approved, ratified, confirmed, and declared to be valid. The Secretary is authorized and directed to execute the Settlement Agreement and any amendments approved by the parties necessary to make the Settlement Agreement consistent with this Act. The Secretary is further authorized

to perform any actions required by the Settlement Agreement and any amendments to the Settlement Agreement that may be mutually agreed upon by the parties to the Settlement Agreement.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Zuni Indian Tribe Water Rights Development Fund established in section 6(a), \$19,250,000, to be allocated by the Secretary as follows:

(1) \$3,500,000 for fiscal year 2004, to be used for the acquisition of water rights and associated lands, and other activities carried out, by the Zuni Tribe to facilitate the enforceability of the Settlement Agreement, including the acquisition of at least 2,350 acre-feet per year of water rights before the deadline described in section 9(b).

(2) \$15,750,000, of which \$5,250,000 shall be made available for each of fiscal years 2004, 2005, and 2006, to take actions necessary to restore, rehabilitate, and maintain the Zuni Heaven Reservation, including the Sacred Lake, wetlands, and riparian areas as provided for in the Settlement Agreement and under this Act.

(c) **OTHER AGREEMENTS.**—Except as provided in section 9, the following 3 separate agreements, together with all amendments thereto, are approved, ratified, confirmed, and declared to be valid:

(1) The agreement between SRP, the Zuni Tribe, and the United States on behalf of the Tribe, dated June 7, 2002.

(2) The agreement between TEP, the Zuni Tribe, and the United States on behalf of the Tribe, dated June 7, 2002.

(3) The agreement between the Arizona State Land Department, the Zuni Tribe, and the United States on behalf of the Tribe, dated June 7, 2002.

SEC. 5. TRUST LANDS.

(a) **NEW TRUST LANDS.**—Upon satisfaction of the conditions in paragraph 6.2 of the Settlement Agreement, and after the requirements of section 9(a) have been met, the Secretary shall take the legal title of the following lands into trust for the benefit of the Zuni Tribe:

(1) In T. 14 N., R. 27 E., Gila and Salt River Base and Meridian:

(A) Section 13: SW 1/4, S 1/2 NE 1/4 SE 1/4, W 1/2 SE 1/4, SE 1/4 SE 1/4;

(B) Section 23: N 1/2, N 1/2 SW 1/4, N 1/2 SE 1/4, SE 1/4 SE 1/4, N 1/2 SW 1/4 SE 1/4, SE 1/4 SW 1/4 SE 1/4;

(C) Section 24: NW 1/4, SW 1/4, S 1/2 NE 1/4, N 1/2 SE 1/4; and

(D) Section 25: N 1/2 NE 1/4, SE 1/4 NE 1/4, NE 1/4 SE 1/4.

(2) In T. 14 N., R. 28 E., Gila and Salt River Base and Meridian:

(A) Section 19: W 1/2 E 1/2 NW 1/4, W 1/2 NW 1/4, W 1/2 NE 1/4 SW 1/4, NW 1/4 SW 1/4, S 1/2 SW 1/4;

(B) Section 29: SW 1/4 SW 1/4 NW 1/4, NW 1/4 NW 1/4 SW 1/4, S 1/2 N 1/2 SW 1/4, S 1/2 SW 1/4, S 1/2 NW 1/4 SE 1/4, SW 1/4 SE 1/4;

(C) Section 30: W 1/2, SE 1/4; and

(D) Section 31: N 1/2 NE 1/4, N 1/2 S 1/2 NE 1/4, S 1/2 SE 1/4 NE 1/4, NW 1/4, E 1/2 SW 1/4, N 1/2 NW 1/4 SW 1/4, SE 1/4 NW 1/4 SW 1/4, E 1/2 SW 1/4 SW 1/4, SW 1/4 SW 1/4 SW 1/4.

(b) FUTURE TRUST LANDS.—Upon satisfaction of the conditions in paragraph 6.2 of the Settlement Agreement, after the requirements of section 9(a) have been met, and upon acquisition by the Zuni Tribe, the Secretary shall take the legal title of the following lands into trust for the benefit of the Zuni Tribe:

(1) In T. 14 N., R. 26E., Gila and Salt River Base and Meridian: Section 25: N 1/2 NE 1/4, N 1/2 S 1/2 NE 1/4, NW 1/4, N 1/2 NE 1/4 SW 1/4, NE 1/4 NW 1/4 SW 1/4.

(2) In T. 14 N., R. 27 E., Gila and Salt River Base and Meridian:

(A) Section 14: SE 1/4 SW 1/4, SE 1/4;

(B) Section 16: S 1/2 SW 1/4 SE 1/4;

(C) Section 19: S 1/2 SE 1/4 SE 1/4;

(D) Section 20: S 1/2 SW 1/4 SW 1/4, E 1/2 SE 1/4 SE 1/4;

(E) Section 21: N 1/2 NE 1/4, E 1/2 NE 1/4 NW 1/4, SE 1/4 NW 1/4, W 1/2 SW 1/4 NE 1/4, N 1/2 NE 1/4 SW 1/4, SW 1/4 NE 1/4 SW 1/4, E 1/2 NW 1/4 SW 1/4, SW 1/4 NW 1/4 SW 1/4, W 1/2 SW 1/4 SW 1/4;

(F) Section 22: SW 1/4 NE 1/4 NE 1/4, NW 1/4 NE 1/4, S 1/2 NE 1/4, N 1/2 NW 1/4, SE 1/4 NW 1/4, N 1/2 SW 1/4 NW 1/4, SE 1/4 SW 1/4 NW 1/4, N 1/2 N 1/2 SE 1/4, N 1/2 NE 1/4 SW 1/4;

(G) Section 24: N 1/2 NE 1/4, S 1/2 SE 1/4;

(H) Section 29: N 1/2 N 1/2;

(I) Section 30: N 1/2 N 1/2, N 1/2 S 1/2 NW 1/4, N 1/2 SW 1/4 NE 1/4; and

(J) Section 36: SE 1/4 SE 1/4 NE 1/4, NE 1/4 NE 1/4 SE 1/4.

(3) In T. 14 N., R. 28 E., Gila and Salt River Base and Meridian:

(A) Section 18: S 1/2 NE 1/4, NE 1/4 SW 1/4, NE 1/4 NW 1/4 SW 1/4, S 1/2 NW 1/4 SW 1/4, S 1/2 SW 1/4, N 1/2 SE 1/4, N 1/2 SW 1/4 SE 1/4, SE 1/4 SE 1/4;

(B) Section 30: S 1/2 NE 1/4, W 1/2 NW 1/4 NE 1/4; and

(C) Section 32: N 1/2 NW 1/4 NE 1/4, SW 1/4 NE 1/4, S 1/2 SE 1/4 NE 1/4, NW 1/4, SW 1/4, N 1/2 SE 1/4, SW 1/4 SE 1/4, N 1/2 SE 1/4 SE 1/4, SW 1/4 SE 1/4 SE 1/4.

(c) NEW RESERVATION LANDS.—Upon satisfaction of the conditions in paragraph 6.2 of the Settlement Agreement, after the requirements of section 9(a) have been met, and upon acquisition by the Zuni Tribe, the Secretary shall take the legal title of the following lands in Arizona into trust for the benefit of the Zuni Tribe and make such lands part of the Zuni Indian Tribe Reservation in Arizona: Section 34, T. 14 N., R. 26 E., Gila and Salt River Base and Meridian.

(d) LIMITATION ON SECRETARIAL DISCRETION.—The Secretary shall have no discretion regarding the acquisitions described in subsections (a), (b), and (c).

(e) LANDS REMAINING IN FEE STATUS.—The Zuni Tribe may seek to have the legal title to additional lands in Arizona, other than the lands described in subsection (a), (b), or (c), taken into trust by the United States for the benefit of the Zuni Indian Tribe pursuant only to an Act of Congress enacted after the date of enactment of this Act specifically authorizing the transfer for the benefit of the Zuni Tribe.

(f) FINAL AGENCY ACTION.—Any written certification by the Secretary under subparagraph 6.2.B of the Settlement Agreement constitutes final agency action under the Administrative Procedure Act and is reviewable as provided for under chapter 7 of title 5, United States Code.

(g) NO FEDERAL WATER RIGHTS.—Lands taken into trust pursuant to subsection (a), (b), or (c) shall not have Federal reserved rights to surface water or groundwater.

(h) STATE WATER RIGHTS.—The water rights and uses for the lands taken into trust pursuant to subsection (a) or (c) must be determined under subparagraph 4.1.A and article 5 of the Settlement Agreement. With respect to the lands taken into trust pursuant to subsection (b), the Zuni Tribe retains any rights or claims to water associated with these lands under State law, subject to the terms of the Settlement Agreement.

(i) FORFEITURE AND ABANDONMENT.—Water rights that are appurtenant to lands taken into trust pursuant to subsection (a), (b), or (c) shall not be subject to forfeiture and abandonment.

(j) AD VALOREM TAXES.—With respect to lands that are taken into trust pursuant to subsection (a) or (b), the Zuni Tribe shall make payments in lieu of all current and future State, county, and local ad valorem property taxes that would otherwise be applicable to those lands if they were not in trust.

(k) AUTHORITY OF TRIBE.—For purposes of complying with this section and article 6 of the Settlement Agreement, the Tribe is authorized to enter into—

(1) the Intergovernmental Agreement between the Zuni Tribe, Apache County, Arizona, and the State of Arizona; and

(2) any intergovernmental agreement required to be entered into by the Tribe under the terms of the Intergovernmental Agreement.

(l) FEDERAL ACKNOWLEDGEMENT OF INTERGOVERNMENTAL AGREEMENTS.—

(1) IN GENERAL.—The Secretary shall acknowledge the terms of any intergovernmental agreement entered into by the Tribe under this section.

(2) NO ABROGATION.—The Secretary shall not seek to abrogate, in any administrative or judicial action, the terms of any intergovernmental agreement that are consistent with subparagraph 6.2.A of the Settlement Agreement and this Act.

(3) REMOVAL.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if a judicial action is commenced during a dispute over any intergovernmental agreement entered into under this section, and the United States is allowed to intervene in such action, the United States shall not remove such action to the Federal courts.

(B) EXCEPTION.—The United States may seek removal if—

(i) the action concerns the Secretary's decision regarding the issuance of rights-of-way under section 8(c);

(ii) the action concerns the authority of a Federal agency to administer programs or the issuance of a permit under—

(I) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

(II) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

(III) the Clean Air Act (42 U.S.C. 7401 et seq.); or

(IV) any other Federal law specifically addressed in intergovernmental agreements; or

(iii) the intergovernmental agreement is inconsistent with a Federal law for the protection of civil rights, public health, or welfare.

(m) **RULE OF CONSTRUCTION.**—Nothing in this Act shall be construed to affect the application of the Act of May 25, 1918 (25 U.S.C. 211) within the State of Arizona.

(n) **DISCLAIMER.**—Nothing in this section repeals, modifies, amends, changes, or otherwise affects the Secretary's obligations to the Zuni Tribe pursuant to the Act entitled "An Act to convey certain lands to the Zuni Indian Tribe for religious purposes" approved August 28, 1984 (Public Law 98-408; 98 Stat. 1533) (and as amended by the Zuni Land Conservation Act of 1990 (Public Law 101-486; 104 Stat. 1174)).

SEC. 6. DEVELOPMENT FUND.

(a) **ESTABLISHMENT OF THE FUND.**—

(1) **IN GENERAL.**—There is established in the Treasury of the United States a fund to be known as the "Zuni Indian Tribe Water Rights Development Fund", to be managed and invested by the Secretary, consisting of—

(A) the amounts authorized to be appropriated in section 4(b); and

(B) the appropriation to be contributed by the State of Arizona pursuant to paragraph 7.6 of the Settlement Agreement.

(2) **ADDITIONAL DEPOSITS.**—The Secretary shall deposit in the Fund any other monies paid to the Secretary on behalf of the Zuni Tribe pursuant to the Settlement Agreement.

(b) **MANAGEMENT OF THE FUND.**—The Secretary shall manage the Fund, make investments from the Fund, and make monies available from the Fund for distribution to the Zuni Tribe consistent with the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.) (referred to in this section as the "Trust Fund Reform Act"), this Act, and the Settlement Agreement.

(c) **INVESTMENT OF THE FUND.**—The Secretary shall invest amounts in the Fund in accordance with—

(1) the Act of April 1, 1880 (21 Stat. 70, ch. 41, 25 U.S.C. 161);

(2) the first section of the Act of June 24, 1938 (52 Stat. 1037, ch. 648, 25 U.S.C. 162a); and

(3) subsection (b).

(d) AVAILABILITY OF AMOUNTS FROM THE FUND.—The funds authorized to be appropriated pursuant to section 3104(b)(2) and funds contributed by the State of Arizona pursuant to paragraph 7.6 of the Settlement Agreement shall be available for expenditure or withdrawal only after the requirements of section 9(a) have been met.

(e) EXPENDITURES AND WITHDRAWAL.—

(1) TRIBAL MANAGEMENT PLAN.—

(A) IN GENERAL.—The Zuni Tribe may withdraw all or part of the Fund on approval by the Secretary of a tribal management plan as described in the Trust Fund Reform Act.

(B) REQUIREMENTS.—In addition to the requirements under the Trust Fund Reform Act, the tribal management plan shall require that the Zuni Tribe spend any funds in accordance with the purposes described in section 4(b).

(2) ENFORCEMENT.—The Secretary may take judicial or administrative action to enforce the provisions of any tribal management plan to ensure that any monies withdrawn from the Fund under the plan are used in accordance with this Act.

(3) LIABILITY.—If the Zuni Tribe exercises the right to withdraw monies from the Fund, neither the Secretary nor the Secretary of the Treasury shall retain any liability for the expenditure or investment of the monies withdrawn.

(4) EXPENDITURE PLAN.—

(A) IN GENERAL.—The Zuni Tribe shall submit to the Secretary for approval an expenditure plan for any portion of the funds made available under this Act that the Zuni Tribe does not withdraw under this subsection.

(B) DESCRIPTION.—The expenditure plan shall describe the manner in which, and the purposes for which, funds of the Zuni Tribe remaining in the Fund will be used.

(C) APPROVAL.—On receipt of an expenditure plan under subparagraph (A), the Secretary shall approve the plan if the Secretary determines that the plan is reasonable and consistent with this Act.

(5) ANNUAL REPORT.—The Zuni Tribe shall submit to the Secretary an annual report that describes all expenditures from the Fund during the year covered by the report.

(f) FUNDS FOR ACQUISITION OF WATER RIGHTS.—

(1) WATER RIGHTS ACQUISITIONS.—Notwithstanding subsection (e), the funds authorized to be appropriated pursuant to section 4(b)(1)—

(A) shall be available upon appropriation for use in accordance with section 4(b)(1); and

(B) shall be distributed by the Secretary to the Zuni Tribe on receipt by the Secretary from the Zuni Tribe of a written notice and a tribal council resolution that describe the purposes for which the funds will be used.

(2) RIGHT TO SET OFF.—In the event the requirements of section 9(a) have not been met and the Settlement Agreement has become null and void under section 9(b), the United States shall be entitled to set off any funds expended or withdrawn from the amount appropriated pursuant to section 4(b)(1), together with any interest accrued, against any claims asserted

by the Zuni Tribe against the United States relating to water rights at the Zuni Heaven Reservation.

(3) **WATER RIGHTS.**—Any water rights acquired with funds described in paragraph (1) shall be credited against any water rights secured by the Zuni Tribe, or the United States on behalf of the Zuni Tribe, for the Zuni Heaven Reservation in the Little Colorado River General Stream Adjudication or in any future settlement of claims for those water rights.

(g) **NO PER CAPITA DISTRIBUTIONS.**—No part of the Fund shall be distributed on a per capita basis to members of the Zuni Tribe.

SEC. 7. CLAIMS EXTINGUISHMENT; WAIVERS AND RELEASES.

(a) **FULL SATISFACTION OF MEMBERS' CLAIMS.**—

(1) **IN GENERAL.**—The benefits realized by the Tribe and its members under this Act, including retention of any claims and rights, shall constitute full and complete satisfaction of all members' claims for—

(A) water rights under Federal, State, and other laws (including claims for water rights in groundwater, surface water, and effluent) for Zuni Lands from time immemorial through the effective date described in section 9(a) and any time thereafter; and

(B) injuries to water rights under Federal, State, and other laws (including claims for water rights in groundwater, surface water, and effluent, claims for damages for deprivation of water rights, and claims for changes to underground water table levels) for Zuni Lands from time immemorial through the effective date described in section 9(a).

(2) **NO RECOGNITION OR ESTABLISHMENT OF INDIVIDUAL WATER RIGHT.**—Nothing in this Act recognizes or establishes any right of a member of the Tribe to water on the Reservation.

(b) **TRIBE AND UNITED STATES AUTHORIZATION AND WATER QUANTITY WAIVERS.**—The Tribe, on behalf of itself and its members and the Secretary on behalf of the United States in its capacity as trustee for the Zuni Tribe and its members, are authorized, as part of the performance of their obligations under the Settlement Agreement, to execute a waiver and release, subject to paragraph 11.4 of the Settlement Agreement, for claims against the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation, under Federal, State, or other law for any and all—

(1) past, present, and future claims to water rights (including water rights in groundwater, surface water, and effluent) for Zuni Lands from time immemorial through the effective date described in section 9(a) and any time thereafter, except for claims within the Zuni Protection Area as provided in article 5 of the Settlement Agreement;

(2) past and present claims for injuries to water rights (including water rights in groundwater, surface water, and effluent and including claims for damages for deprivation of water rights and any claims for changes to underground water table levels) for Zuni Lands from time immemorial through the effective date described in section 9(a); and

(3) past, present, and future claims for water rights and injuries to water rights (including water rights in groundwater,

surface water, and effluent and including any claims for damages for deprivation of water rights and any claims for changes to underground water table levels) from time immemorial through the effective date described in section 9(a), and any time thereafter, for lands outside of Zuni Lands but located within the Little Colorado River basin in Arizona, based upon aboriginal occupancy of lands by the Zuni Tribe or its predecessors.

(c) TRIBAL WAIVERS AGAINST THE UNITED STATES.—The Tribe is authorized, as part of the performance of its obligations under the Settlement Agreement, to execute a waiver and release, subject to paragraphs 11.4 and 11.6 of the Settlement Agreement, for claims against the United States (acting in its capacity as trustee for the Zuni Tribe or its members, or otherwise acting on behalf of the Zuni Tribe or its members), including any agencies, officials, or employees thereof, for any and all—

(1) past, present, and future claims to water rights (including water rights in groundwater, surface water, and effluent) for Zuni Lands, from time immemorial through the effective date described in section 9(a) and any time thereafter;

(2) past and present claims for injuries to water rights (including water rights in groundwater, surface water, and effluent and any claims for damages for deprivation of water rights) for Zuni Lands from time immemorial through the effective date described in section 9(a);

(3) past, present, and future claims for water rights and injuries to water rights (including water rights in groundwater, surface water, and effluent and any claims for damages for deprivation of water rights) from time immemorial through the effective date described in section 9(a), and any time thereafter, for lands outside of Zuni Lands but located within the Little Colorado River basin in Arizona, based upon aboriginal occupancy of lands by the Zuni Tribe or its predecessors;

(4) past and present claims for failure to protect, acquire, or develop water rights of, or failure to protect water quality for, the Zuni Tribe within the Little Colorado River basin in Arizona from time immemorial through the effective date described in section 9(a); and

(5) claims for breach of the trust responsibility of the United States to the Zuni Tribe arising out of the negotiation of the Settlement Agreement or this Act.

(d) TRIBAL WAIVER OF WATER QUALITY CLAIMS AND INTERFERENCE WITH TRUST CLAIMS.—

(1) CLAIMS AGAINST THE STATE AND OTHERS.—

(A) INTERFERENCE WITH TRUST RESPONSIBILITY.—The Tribe, on behalf of itself and its members, is authorized, as part of the performance of its obligations under the Settlement Agreement, to waive and release all claims against the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation under Federal, State, or other law, for claims of interference with the trust responsibility of the United States to the Zuni Tribe arising out of the negotiation of the Settlement Agreement or this Act.

(B) INJURY OR THREAT OF INJURY TO WATER QUALITY.—The Tribe, on behalf of itself and its members, is authorized, as part of the performance of its obligations under

the Settlement Agreement, to waive and release, subject to paragraphs 11.4, 11.6, and 11.7 of the Settlement Agreement, all claims against the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation under Federal, State, or other law, for—

(i) any and all past and present claims, including natural resource damage claims under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), or any other applicable statute, for injury to water quality accruing from time immemorial through the effective date described in section 9(a), for lands within the Little Colorado River basin in the State of Arizona; and

(ii) any and all future claims, including natural resource damage claims under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), or any other applicable statute, for injury or threat of injury to water quality, accruing after the effective date described in section 9(a), for any lands within the Eastern LCR basin caused by—

(I) the lawful diversion or use of surface water;

(II) the lawful withdrawal or use of underground water, except within the Zuni Protection Area, as provided in article 5 of the Settlement Agreement;

(III) the Parties' performance of any obligations under the Settlement Agreement;

(IV) the discharge of oil associated with routine physical or mechanical maintenance of wells or diversion structures not inconsistent with applicable law;

(V) the discharge of oil associated with routine start-up and operation of well pumps not inconsistent with applicable law; or

(VI) any combination of the causes described in subclauses (I) through (V).

(2) CLAIMS OF THE UNITED STATES.—The Tribe, on behalf of itself and its members, is authorized to waive its right to request that the United States bring—

(A) any claims for injuries to water quality under the natural resource damage provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.) or any other applicable statute, for lands within the Little Colorado River Basin in the State of Arizona, accruing from time immemorial through the effective date described in section 9(a); and

(B) any future claims for injuries or threat of injury to water quality under the natural resource damage provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et

seq.), or any other applicable statute, accruing after the effective date described in section 9(a), for any lands within the Eastern LCR basin, caused by—

- (i) the lawful diversion or use of surface water;
- (ii) the lawful withdrawal or use of underground water, except within the Zuni Protection Area, as provided in article 5 of the Settlement Agreement;
- (iii) the Parties' performance of any obligations under the Settlement Agreement;
- (iv) the discharge of oil associated with routine physical or mechanical maintenance of wells or diversion structures not inconsistent with applicable law;
- (v) the discharge of oil associated with routine start-up and operation of well pumps not inconsistent with applicable law; or
- (vi) any combination of the causes described in clauses (i) through (v).

(3) LIMITATIONS.—Notwithstanding the authorization for the Tribe's waiver of future water quality claims in paragraph (1)(B)(ii) and the waiver in paragraph (2)(B), the Tribe, on behalf of itself and its members, retains any statutory claims for injury or threat of injury to water quality under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), as described in subparagraph 11.4(D) (3) and (4) of the Settlement Agreement, that accrue at least 30 years after the effective date described in section 9(a).

(e) WAIVER OF UNITED STATES WATER QUALITY CLAIMS RELATED TO SETTLEMENT LAND AND WATER.—

(1) PAST AND PRESENT CLAIMS.—As part of the performance of its obligations under the Settlement Agreement, the United States waives and releases, subject to the retentions in paragraphs 11.4, 11.6 and 11.7 of the Settlement Agreement, all claims against the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation for—

(A) all past and present common law claims accruing from time immemorial through the effective date described in section 9(a) arising from or relating to water quality in which the injury asserted is to the Tribe's interest in water, trust land, and natural resources in the Little Colorado River basin in the State of Arizona; and

(B) all past and present natural resource damage claims accruing through the effective date described in section 9(a) arising from or relating to water quality in which the claim is based on injury to natural resources or threat to natural resources in the Little Colorado River basin in Arizona, only for those cases in which the United States, through the Secretary or other designated Federal official, would act on behalf of the Tribe as a natural resource trustee pursuant to the National Contingency Plan, as set forth, as of the date of enactment of this Act, in section 300.600(b)(2) of title 40, Code of Federal Regulations.

(2) FUTURE CLAIMS.—As part of the performance of its obligations under the Settlement Agreement, the United States

waives and releases, subject to the retentions in paragraphs 11.4, 11.6 and 11.7 of the Settlement Agreement, the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation for—

(A) all future common law claims arising from or relating to water quality in which the injury or threat of injury asserted is to the Tribe's interest in water, trust land, and natural resources in the Eastern LCR basin in Arizona accruing after the effective date described in section 9(a) caused by—

(i) the lawful diversion or use of surface water;
(ii) the lawful withdrawal or use of underground water, except within the Zuni Protection Area, as provided in article 5 of the Settlement Agreement;

(iii) the Parties' performance of any obligations under the Settlement Agreement;

(iv) the discharge of oil associated with routine physical or mechanical maintenance of wells or diversion structures not inconsistent with applicable law;

(v) the discharge of oil associated with routine start-up and operation of well pumps not inconsistent with applicable law; or

(vi) any combination of the causes described in clauses (i) through (v); and

(B) all future natural resource damage claims accruing after the effective date described in section 9(a) arising from or relating to water quality in which the claim is based on injury to natural resources or threat to natural resources in the Eastern LCR basin in Arizona, only for those cases in which the United States, through the Secretary or other designated Federal official, would act on behalf of the Tribe as a natural resource trustee pursuant to the National Contingency Plan, as set forth, as of the date of enactment of this Act, in section 300.600(b)(2) of title 40, Code of Federal Regulations, caused by—

(i) the lawful diversion or use of surface water;

(ii) the lawful withdrawal or use of underground water, except within the Zuni Protection Area as provided in article 5 of the Settlement Agreement;

(iii) the Parties' performance of their obligations under this Settlement Agreement;

(iv) the discharge of oil associated with routine physical or mechanical maintenance of wells or diversion structures not inconsistent with applicable law;

(v) the discharge of oil associated with routine start-up and operation of well pumps not inconsistent with applicable law; or

(vi) any combination of the causes described in clauses (i) through (v).

(f) EFFECT.—Subject to subsections (b) and (e), nothing in this Act or the Settlement Agreement affects any right of the United States, or the State of Arizona, to take any actions, including enforcement actions, under any laws (including regulations) relating to human health, safety and the environment.

SEC. 8. MISCELLANEOUS PROVISIONS.

(a) **WAIVER OF SOVEREIGN IMMUNITY.**—If any party to the Settlement Agreement or a Pumping Protection Agreement files a lawsuit only relating directly to the interpretation or enforcement of this Act, the Settlement Agreement, an agreement described in paragraph (1), (2), or (3) of section 4(c), or a Pumping Protection Agreement, naming the United States or the Tribe as a party, or if any other landowner or water user in the Little Colorado River basin in Arizona files a lawsuit only relating directly to the interpretation or enforcement of article 11, the rights of de minimis users in subparagraph 4.2.D or the rights of underground water users under article 5 of the Settlement Agreement, naming the United States or the Tribe as a party—

(1) the United States, the Tribe, or both may be added as a party to any such litigation, and any claim by the United States or the Tribe to sovereign immunity from such suit is hereby waived, other than with respect to claims for monetary awards except as specifically provided for in the Settlement Agreement; and

(2) the Tribe may waive its sovereign immunity from suit in the Superior Court of Apache County, Arizona for the limited purposes of enforcing the terms of the Intergovernmental Agreement, and any intergovernmental agreement required to be entered into by the Tribe under the terms of the Intergovernmental Agreement, other than with respect to claims for monetary awards except as specifically provided in the Intergovernmental Agreement.

(b) **TRIBAL USE OF WATER.**—

(1) **IN GENERAL.**—With respect to water rights made available under the Settlement Agreement and used on the Zuni Heaven Reservation—

(A) such water rights shall be held in trust by the United States in perpetuity, and shall not be subject to forfeiture or abandonment;

(B) State law shall not apply to water uses on the Reservation;

(C) the State of Arizona may not regulate or tax such water rights or uses (except that the court with jurisdiction over the decree entered pursuant to the Settlement Agreement or the Norviel Decree Court may assess administrative fees for delivery of this water);

(D) subject to paragraph 7.7 of the Settlement Agreement, the Zuni Tribe shall use water made available to the Zuni Tribe under the Settlement Agreement on the Zuni Heaven Reservation for any use it deems advisable;

(E) water use by the Zuni Tribe or the United States on behalf of the Zuni Tribe for wildlife or instream flow use, or for irrigation to establish or maintain wetland on the Reservation, shall be considered to be consistent with the purposes of the Reservation; and

(F)(i) not later than 3 years after the deadline described in section 9(b), the Zuni Tribe shall adopt a water code to be approved by the Secretary for regulation of water use on the lands identified in subsections (a) and (b) of section 5 that is reasonably equivalent to State water law (including statutes relating to dam safety and groundwater management); and

Deadline.

(ii) until such date as the Zuni Tribe adopts a water code described in clause (i), the Secretary, in consultation with the State of Arizona, shall administer water use and water regulation on lands described in that clause in a manner that is reasonably equivalent to State law (including statutes relating to dam safety and groundwater management).

(2) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Zuni Tribe or the United States shall not sell, lease, transfer, or transport water made available for use on the Zuni Heaven Reservation to any other place.

(B) EXCEPTION.—Water made available to the Zuni Tribe or the United States for use on the Zuni Heaven Reservation may be severed and transferred from the Reservation to other Zuni Lands if the severance and transfer is accomplished in accordance with State law (and once transferred to any lands held in fee, such water shall be subject to State law).

(c) RIGHTS-OF-WAY.—

(1) NEW AND FUTURE TRUST LAND.—The land taken into trust under subsections (a) and (b) of section 5 shall be subject to existing easements and rights-of-way.

(2) ADDITIONAL RIGHTS-OF-WAY.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary, in consultation with the Tribe, shall grant additional rights-of-way or expansions of existing rights-of-way for roads, utilities, and other accommodations to adjoining landowners if—

(i) the proposed right-of-way is necessary to the needs of the applicant;

(ii) the proposed right-of-way will not cause significant and substantial harm to the Tribe's wetland restoration project or religious practices; and

(iii) the proposed right-of-way acquisition will comply with the procedures in part 169 of title 25, Code of Federal Regulations, not inconsistent with this subsection and other generally applicable Federal laws unrelated to the acquisition of interests across trust lands.

(B) ALTERNATIVES.—If the criteria described in clauses (i) through (iii) of subparagraph (A) are not met, the Secretary may propose an alternative right-of-way, or other accommodation that complies with the criteria.

(d) CERTAIN CLAIMS PROHIBITED.—The United States shall make no claims for reimbursement of costs arising out of the implementation of this Act or the Settlement Agreement against any Indian-owned land within the Tribe's Reservation, and no assessment shall be made in regard to such costs against such lands.

(e) VESTED RIGHTS.—Except as described in paragraph 5.3 of the Settlement Agreement (recognizing the Zuni Tribe's use of 1,500 acre-feet per annum of groundwater) this Act and the Settlement Agreement do not create any vested right to groundwater under Federal or State law, or any priority to the use of groundwater that would be superior to any other right or use of groundwater under Federal or State law, whether through this Act, the

Settlement Agreement, or by incorporation of any abstract, agreement, or stipulation prepared under the Settlement Agreement. Notwithstanding the preceding sentence, the rights of parties to the agreements referred to in paragraph (1), (2), or (3) of section 4(c) and paragraph 5.8 of the Settlement Agreement, as among themselves, shall be as stated in those agreements.

(f) OTHER CLAIMS.—Nothing in the Settlement Agreement or this Act quantifies or otherwise affects the water rights, claims, or entitlements to water of any Indian tribe, band, or community, other than the Zuni Indian Tribe.

(g) NO MAJOR FEDERAL ACTION.—

(1) IN GENERAL.—Execution of the Settlement Agreement by the Secretary as provided for in section 4(a) shall not constitute major Federal action under the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

(2) SETTLEMENT AGREEMENT.—In implementing the Settlement Agreement, the Secretary shall comply with all aspects of—

(A) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

(B) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(C) all other applicable environmental laws (including regulations).

SEC. 9. EFFECTIVE DATE FOR WAIVER AND RELEASE AUTHORIZATIONS.

(a) IN GENERAL.—The waiver and release authorizations contained in subsections (b) and (c) of section 7 shall become effective as of the date the Secretary causes to be published in the Federal Register a statement of all the following findings:

Federal Register,
publication.

(1) This Act has been enacted in a form approved by the parties in paragraph 3.1.A of the Settlement Agreement.

(2) The funds authorized by section 4(b) have been appropriated and deposited into the Fund.

(3) The State of Arizona has appropriated and deposited into the Fund the amount required by paragraph 7.6 of the Settlement Agreement.

(4) The Zuni Indian Tribe has either purchased or acquired the right to purchase at least 2,350 acre-feet per annum of surface water rights, or waived this condition as provided in paragraph 3.2 of the Settlement Agreement.

(5) Pursuant to subparagraph 3.1.D of the Settlement Agreement, the severance and transfer of surface water rights that the Tribe owns or has the right to purchase have been conditionally approved, or the Tribe has waived this condition as provided in paragraph 3.2 of the Settlement Agreement.

(6) Pursuant to subparagraph 3.1.E of the Settlement Agreement, the Tribe and Lyman Water Company have executed an agreement relating to the process of the severance and transfer of surface water rights acquired by the Zuni Tribe or the United States, the pass-through, use, or storage of the Tribe's surface water rights in Lyman Lake, and the operation of Lyman Dam.

(7) Pursuant to subparagraph 3.1.F of the Settlement Agreement, all the parties to the Settlement Agreement have

agreed and stipulated to certain Arizona Game and Fish abstracts of water uses.

(8) Pursuant to subparagraph 3.1.G of the Settlement Agreement, all parties to the Settlement Agreement have agreed to the location of an observation well and that well has been installed.

(9) Pursuant to subparagraph 3.1.H of the Settlement Agreement, the Zuni Tribe, Apache County, Arizona and the State of Arizona have executed an Intergovernmental Agreement that satisfies all of the conditions in paragraph 6.2 of the Settlement Agreement.

(10) The Zuni Tribe has acquired title to the section of land adjacent to the Zuni Heaven Reservation described as Section 34, Township 14 North, Range 26 East, Gila and Salt River Base and Meridian.

(11) The Settlement Agreement has been modified if and to the extent it is in conflict with this Act and such modification has been agreed to by all the parties to the Settlement Agreement.

(12) A court of competent jurisdiction has approved the Settlement Agreement by a final judgment and decree.

(b) DEADLINE FOR EFFECTIVE DATE.—If the publication in the Federal Register required under subsection (a) has not occurred by December 31, 2006, sections 4 and 5, and any agreements entered into pursuant to sections 4 and 5 (including the Settlement Agreement and the Intergovernmental Agreement) shall not thereafter be effective and shall be null and void. Any funds and the interest accrued thereon appropriated pursuant to section 4(b)(2) shall revert to the Treasury, and any funds and the interest accrued thereon appropriated pursuant to paragraph 7.6 of the Settlement Agreement shall revert to the State of Arizona.

Approved June 23, 2003.

LEGISLATIVE HISTORY—S. 222:

SENATE REPORTS: No. 108–18 (Comm. on Indian Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 13, considered and passed Senate.

June 3, considered and rejected in House.

June 5, considered and passed House.



Public Law 108–35
108th Congress

An Act

To designate the Federal building and United States courthouse located at 46 East Ohio Street in Indianapolis, Indiana, as the “Birch Bayh Federal Building and United States Courthouse”.

June 23, 2003
[S. 763]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BIRCH BAYH FEDERAL BUILDING AND UNITED STATES COURTHOUSE.

The Federal building and United States courthouse located at 46 East Ohio Street in Indianapolis, Indiana, shall be known and designated as the “Birch Bayh Federal Building and United States Courthouse”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the Birch Bayh Federal Building and United States Courthouse.

Approved June 23, 2003.

LEGISLATIVE HISTORY—S. 763 (H.R. 1082):

HOUSE REPORTS: No. 108–134 accompanying H.R. 1082 (Comm. on Transportation and Infrastructure).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 11, considered and passed Senate.

June 3, considered and rejected in House.

June 9, considered and passed House.



Public Law 108–36
108th Congress

An Act

June 25, 2003
[S. 342]

Keeping Children
and Families
Safe Act of 2003.
42 USC 5101
note.

To amend the Child Abuse Prevention and Treatment Act to make improvements to and reauthorize programs under that Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Keeping Children and Families Safe Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

Sec. 101. Findings.

Subtitle A—General Program

Sec. 111. National clearinghouse for information relating to child abuse.

Sec. 112. Research and assistance activities and demonstrations.

Sec. 113. Grants to States and public or private agencies and organizations.

Sec. 114. Grants to States for child abuse and neglect prevention and treatment programs.

Sec. 115. Grants to States for programs relating to the investigation and prosecution of child abuse and neglect cases.

Sec. 116. Miscellaneous requirements relating to assistance.

Sec. 117. Authorization of appropriations.

Sec. 118. Reports.

Subtitle B—Community-Based Grants for the Prevention of Child Abuse

Sec. 121. Purpose and authority.

Sec. 122. Eligibility.

Sec. 123. Amount of grant.

Sec. 124. Existing grants.

Sec. 125. Application.

Sec. 126. Local program requirements.

Sec. 127. Performance measures.

Sec. 128. National network for community-based family resource programs.

Sec. 129. Definitions.

Sec. 130. Authorization of appropriations.

Subtitle C—Conforming Amendments

Sec. 141. Conforming amendments.

TITLE II—ADOPTION OPPORTUNITIES

Sec. 201. Congressional findings and declaration of purpose.

Sec. 202. Information and services.

Sec. 203. Study of adoption placements.

Sec. 204. Studies on successful adoptions.

Sec. 205. Authorization of appropriations.

TITLE III—ABANDONED INFANTS ASSISTANCE

Sec. 301. Findings.

- Sec. 302. Establishment of local projects.
- Sec. 303. Evaluations, study, and reports by Secretary.
- Sec. 304. Authorization of appropriations.
- Sec. 305. Definitions.
- Sec. 306. Conforming amendment.

TITLE IV—FAMILY VIOLENCE PREVENTION AND SERVICES ACT

- Sec. 401. State demonstration grants.
- Sec. 402. Secretarial responsibilities.
- Sec. 403. Evaluation.
- Sec. 404. Information and technical assistance centers.
- Sec. 405. Related assistance.
- Sec. 406. Authorization of appropriations.
- Sec. 407. Grants for State domestic violence coalitions.
- Sec. 408. Evaluation and monitoring.
- Sec. 409. Family member abuse information and documentation project.
- Sec. 410. Model State leadership grants.
- Sec. 411. National domestic violence hotline and internet grant.
- Sec. 412. Youth education and domestic violence.
- Sec. 413. Demonstration grants for community initiatives.
- Sec. 414. Transitional housing assistance.
- Sec. 415. Technical and conforming amendments.
- Sec. 416. Conforming amendment to another Act.

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

SEC. 101. FINDINGS.

Section 2 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), by striking “close to 1,000,000” and inserting “approximately 900,000”;

(2) by redesignating paragraphs (2) through (11) as paragraphs (4) through (13), respectively;

(3) by inserting after paragraph (1) the following:

“(2)(A) more children suffer neglect than any other form of maltreatment; and

“(B) investigations have determined that approximately 60 percent of children who were victims of maltreatment in 2001 suffered neglect, 19 percent suffered physical abuse, 10 percent suffered sexual abuse, and 7 percent suffered emotional maltreatment;

“(3)(A) child abuse can result in the death of a child;

“(B) in 2001, an estimated 1,300 children were counted by child protection services to have died as a result of abuse or neglect; and

“(C) children younger than 1 year old comprised 41 percent of child abuse fatalities and 85 percent of child abuse fatalities were younger than 6 years of age;”;

(4) by striking paragraph (4) (as so redesignated), and inserting the following:

“(4)(A) many of these children and their families fail to receive adequate protection and treatment; and

“(B) slightly less than half of these children (42 percent in 2001) and their families fail to receive adequate protection or treatment;”;

(5) in paragraph (5) (as so redesignated)—

(A) in subparagraph (A), by striking “organizations” and inserting “community-based organizations”;

(B) in subparagraph (D), by striking “ensures” and all that follows through “knowledge,” and inserting “recognizes the need for properly trained staff with the qualifications needed”; and

(C) in subparagraph (E), by inserting before the semicolon the following: “, which may impact child rearing patterns, while at the same time, not allowing those differences to enable abuse”;

(6) in paragraph (7) (as so redesignated), by striking “this national child and family emergency” and inserting “child abuse and neglect”; and

(7) in paragraph (9) (as so redesignated)—

(A) by striking “intensive” and inserting “needed”; and

(B) by striking “if removal has taken place” and inserting “where appropriate”.

Subtitle A—General Program

SEC. 111. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

(a) FUNCTIONS.—Section 103(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5104(b)) is amended—

(1) in paragraph (1), by striking “all programs,” and all that follows through “neglect; and” and inserting “all effective programs, including private and community-based programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child abuse and neglect and hold the potential for broad scale implementation and replication;”;

(2) in paragraph (2), by striking the period and inserting a semicolon;

(3) by redesignating paragraph (2) as paragraph (3);

(4) by inserting after paragraph (1) the following:

“(2) maintain information about the best practices used for achieving improvements in child protective systems;”;

(5) by adding at the end the following:

“(4) provide technical assistance upon request that may include an evaluation or identification of—

“(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

“(B) ways to mitigate psychological trauma to the child victim; and

“(C) effective programs carried out by the States under this Act; and

“(5) collect and disseminate information relating to various training resources available at the State and local level to—

“(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

“(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel.”.

(b) COORDINATION WITH AVAILABLE RESOURCES.—Section 103(c)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5104(c)(1)) is amended—

(1) in subparagraph (E), by striking “105(a); and” and inserting “104(a);”;

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following:

“(F) collect and disseminate information that describes best practices being used throughout the Nation for making appropriate referrals related to, and addressing, the physical, developmental, and mental health needs of abused and neglected children; and”.

SEC. 112. RESEARCH AND ASSISTANCE ACTIVITIES AND DEMONSTRATIONS.

(a) RESEARCH.—Section 104(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), in the first sentence, by inserting “, including longitudinal research,” after “interdisciplinary program of research”; and

(B) in subparagraph (B), by inserting before the semicolon the following: “, including the effects of abuse and neglect on a child’s development and the identification of successful early intervention services or other services that are needed”;

(C) in subparagraph (C)—

(i) by striking “judicial procedures” and inserting “judicial systems, including multidisciplinary, coordinated decisionmaking procedures”; and

(ii) by striking “and” at the end; and

(D) in subparagraph (D)—

(i) in clause (viii), by striking “and” at the end;

(ii) by redesignating clause (ix) as clause (x); and

(iii) by inserting after clause (viii), the following:

“(ix) the incidence and prevalence of child maltreatment by a wide array of demographic characteristics such as age, sex, race, family structure, household relationship (including the living arrangement of the resident parent and family size), school enrollment and education attainment, disability, grandparents as caregivers, labor force status, work status in previous year, and income in previous year; and”;

(E) by redesignating subparagraph (D) as subparagraph (I); and

(F) by inserting after subparagraph (C), the following:

“(D) the evaluation and dissemination of best practices consistent with the goals of achieving improvements in the child protective services systems of the States in accordance with paragraphs (1) through (12) of section 106(a);

“(E) effective approaches to interagency collaboration between the child protection system and the juvenile justice system that improve the delivery of services and treatment, including methods for continuity of treatment plan and services as children transition between systems;

“(F) an evaluation of the redundancies and gaps in the services in the field of child abuse and neglect prevention in order to make better use of resources;

“(G) the nature, scope, and practice of voluntary relinquishment for foster care or State guardianship of low income children who need health services, including mental health services;

“(H) the information on the national incidence of child abuse and neglect specified in clauses (i) through (xi) of subparagraph (H); and”;

(2) in paragraph (2), by striking subparagraph (B) and inserting the following:

“(B) Not later than 2 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, and every 2 years thereafter, the Secretary shall provide an opportunity for public comment concerning the priorities proposed under subparagraph (A) and maintain an official record of such public comment.”;

(3) by redesignating paragraph (2) as paragraph (4);

(4) by inserting after paragraph (1) the following:

“(2) RESEARCH.—The Secretary shall conduct research on the national incidence of child abuse and neglect, including the information on the national incidence on child abuse and neglect specified in subparagraphs (i) through (ix) of paragraph (1)(I).

“(3) REPORT.—Not later than 4 years after the date of the enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the results of the research conducted under paragraph (2).”.

(b) PROVISION OF TECHNICAL ASSISTANCE.—Section 104(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105(b)) is amended—

(1) in paragraph (1)—

(A) by striking “nonprofit private agencies and” and inserting “private agencies and community-based”; and

(B) by inserting “, including replicating successful program models,” after “programs and activities”; and

(2) in paragraph (2)—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(D) effective approaches being utilized to link child protective service agencies with health care, mental health care, and developmental services to improve forensic diagnosis and health evaluations, and barriers and shortages to such linkages.”.

(c) DEMONSTRATION PROGRAMS AND PROJECTS.—Section 104 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105) is amended by adding at the end the following:

“(e) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may award grants to, and enter into contracts with, States or public or private agencies or organizations (or combinations of such agencies or organizations) for time-limited, demonstration projects for the following:

“(1) PROMOTION OF SAFE, FAMILY-FRIENDLY PHYSICAL ENVIRONMENTS FOR VISITATION AND EXCHANGE.—The Secretary

Deadline.
Records.

Deadline.

may award grants under this subsection to entities to assist such entities in establishing and operating safe, family-friendly physical environments—

“(A) for court-ordered, supervised visitation between children and abusing parents; and

“(B) to safely facilitate the exchange of children for visits with noncustodial parents in cases of domestic violence.

“(2) EDUCATION IDENTIFICATION, PREVENTION, AND TREATMENT.—The Secretary may award grants under this subsection to entities for projects that provide educational identification, prevention, and treatment services in cooperation with preschool and elementary and secondary schools.

“(3) RISK AND SAFETY ASSESSMENT TOOLS.—The Secretary may award grants under this subsection to entities for projects that provide for the development of research-based strategies for risk and safety assessments relating to child abuse and neglect.

“(4) TRAINING.—The Secretary may award grants under this subsection to entities for projects that involve research-based strategies for innovative training for mandated child abuse and neglect reporters.”.

SEC. 113. GRANTS TO STATES AND PUBLIC OR PRIVATE AGENCIES AND ORGANIZATIONS.

(a) DEMONSTRATION PROGRAMS AND PROJECTS.—Section 105(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(a)) is amended—

(1) in the subsection heading, by striking “DEMONSTRATION” and inserting “GRANTS FOR”;

(2) in the matter preceding paragraph (1)—

(A) by inserting “States,” after “contracts with,”;

(B) by striking “nonprofit”; and

(C) by striking “time limited, demonstration”;

(3) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “nonprofit”;

(B) in subparagraph (A), by striking “law, education, social work, and other relevant fields” and inserting “law enforcement, judiciary, social work and child protection, education, and other relevant fields, or individuals such as court appointed special advocates (CASAs) and guardian ad litem,”;

(C) in subparagraph (B), by striking “nonprofit” and all that follows through “; and” and inserting “children, youth and family service organizations in order to prevent child abuse and neglect;”;

(D) in subparagraph (C), by striking the period and inserting a semicolon; and

(E) by adding at the end the following:

“(D) for training to support the enhancement of linkages between child protective service agencies and health care agencies, including physical and mental health services, to improve forensic diagnosis and health evaluations and for innovative partnerships between child protective service agencies and health care agencies that offer creative

approaches to using existing Federal, State, local, and private funding to meet the health evaluation needs of children who have been subjects of substantiated cases of child abuse or neglect;

“(E) for the training of personnel in best practices to promote collaboration with the families from the initial time of contact during the investigation through treatment;

“(F) for the training of personnel regarding the legal duties of such personnel and their responsibilities to protect the legal rights of children and families;

“(G) for improving the training of supervisory and non-supervisory child welfare workers;

“(H) for enabling State child welfare agencies to coordinate the provision of services with State and local health care agencies, alcohol and drug abuse prevention and treatment agencies, mental health agencies, and other public and private welfare agencies to promote child safety, permanence, and family stability;

“(I) for cross training for child protective service workers in research-based strategies for recognizing situations of substance abuse, domestic violence, and neglect; and

“(J) for developing, implementing, or operating information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

“(i) professionals and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health care facilities; and

“(ii) the parents of such infants.”;

(4) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(5) by inserting after paragraph (1), the following:

“(2) TRIAGE PROCEDURES.—The Secretary may award grants under this subsection to public and private agencies that demonstrate innovation in responding to reports of child abuse and neglect, including programs of collaborative partnerships between the State child protective services agency, community social service agencies and family support programs, law enforcement agencies, developmental disability agencies, substance abuse treatment entities, health care entities, domestic violence prevention entities, mental health service entities, schools, churches and synagogues, and other community agencies, to allow for the establishment of a triage system that—

“(A) accepts, screens, and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program, or project;

“(B) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

“(C) provides further investigation and intensive intervention where the child’s safety is in jeopardy.”;

(6) in paragraph (3) (as so redesignated), by striking “non-profit organizations (such as Parents Anonymous)” and inserting “organizations”;

(7) in paragraph (4) (as so redesignated)—

(A) by striking the paragraph heading;

(B) by striking subparagraphs (A) and (C); and

(C) in subparagraph (B)—

(i) by striking “(B) KINSHIPCARE.—” and inserting the following:

“(4) KINSHIP CARE.—

“(A) IN GENERAL.—”; and

(ii) by striking “nonprofit”; and

(8) by adding at the end the following:

“(5) LINKAGES BETWEEN CHILD PROTECTIVE SERVICE AGENCIES AND PUBLIC HEALTH, MENTAL HEALTH, AND DEVELOPMENTAL DISABILITIES AGENCIES.—The Secretary may award grants to entities that provide linkages between State or local child protective service agencies and public health, mental health, and developmental disabilities agencies, for the purpose of establishing linkages that are designed to help assure that a greater number of substantiated victims of child maltreatment have their physical health, mental health, and developmental needs appropriately diagnosed and treated, in accordance with all applicable Federal and State privacy laws.”.

(b) DISCRETIONARY GRANTS.—Section 105(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(b)) is amended—

(1) in the matter preceding paragraph (1), by striking “subsection (b)” and inserting “subsection (a)”;

(2) by striking paragraph (1);

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(4) by inserting after paragraph (2) (as so redesignated), the following:

“(3) Programs based within children’s hospitals or other pediatric and adolescent care facilities, that provide model approaches for improving medical diagnosis of child abuse and neglect and for health evaluations of children for whom a report of maltreatment has been substantiated.”; and

(5) in paragraph (4)(D), by striking “nonprofit”.

(c) EVALUATION.—Section 105(c) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(c)) is amended—

(1) in the first sentence, by striking “demonstration”;

(2) in the second sentence, by inserting “or contract” after “or as a separate grant”; and

(3) by adding at the end the following: “In the case of an evaluation performed by the recipient of a grant, the Secretary shall make available technical assistance for the evaluation, where needed, including the use of a rigorous application of scientific evaluation techniques.”.

(d) TECHNICAL AMENDMENT TO HEADING.—The section heading for section 105 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106) is amended to read as follows:

“SEC. 105. GRANTS TO STATES AND PUBLIC OR PRIVATE AGENCIES AND ORGANIZATIONS.”.

SEC. 114. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

(a) DEVELOPMENT AND OPERATION GRANTS.—Section 106(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(a)) is amended—

(1) in paragraph (3)—

(A) by inserting “, including ongoing case monitoring,” after “case management”; and

(B) by inserting “and treatment” after “and delivery of services”;

(2) in paragraph (4), by striking “improving” and all that follows through “referral systems” and inserting “developing, improving, and implementing risk and safety assessment tools and protocols”;

(3) by striking paragraph (7);

(4) by redesignating paragraphs (5), (6), (8), and (9) as paragraphs (6), (8), (9), and (12), respectively;

(5) by inserting after paragraph (4), the following:

“(5) developing and updating systems of technology that support the program and track reports of child abuse and neglect from intake through final disposition and allow interstate and intrastate information exchange;”;

(6) in paragraph (6) (as so redesignated), by striking “opportunities” and all that follows through “system” and inserting “including—

“(A) training regarding research-based strategies to promote collaboration with the families;

“(B) training regarding the legal duties of such individuals; and

“(C) personal safety training for case workers;”;

(7) by inserting after paragraph (6) (as so redesignated) the following:

“(7) improving the skills, qualifications, and availability of individuals providing services to children and families, and the supervisors of such individuals, through the child protection system, including improvements in the recruitment and retention of caseworkers;”;

(8) by striking paragraph (9) (as so redesignated), and inserting the following:

“(9) developing and facilitating research-based strategies for training for individuals mandated to report child abuse or neglect;

“(10) developing, implementing, or operating programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

“(A) existing social and health services;

“(B) financial assistance; and

“(C) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption;

“(11) developing and delivering information to improve public education relating to the role and responsibilities of the child protection system and the nature and basis for reporting suspected incidents of child abuse and neglect;”;

(9) in paragraph (12) (as so redesignated), by striking the period and inserting a semicolon; and

(10) by adding at the end the following:

“(13) supporting and enhancing interagency collaboration between the child protection system and the juvenile justice system for improved delivery of services and treatment, including methods for continuity of treatment plan and services as children transition between systems; or

“(14) supporting and enhancing collaboration among public health agencies, the child protection system, and private community-based programs to provide child abuse and neglect prevention and treatment services (including linkages with education systems) and to address the health needs, including mental health needs, of children identified as abused or neglected, including supporting prompt, comprehensive health and developmental evaluations for children who are the subject of substantiated child maltreatment reports.”.

(b) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Section 106(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(b)) is amended—

(A) in paragraph (1)(B)—

(i) by striking “provide notice to the Secretary of any substantive changes” and inserting the following: “provide notice to the Secretary—

“(i) of any substantive changes; and”;

(ii) by striking the period and inserting “; and”;

and

(iii) by adding at the end the following:

“(ii) any significant changes to how funds provided under this section are used to support the activities which may differ from the activities as described in the current State application.”;

(B) in paragraph (2)(A)—

(i) by redesignating clauses (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), and (xiii) as clauses (iv), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi) and (xvii), respectively;

(ii) by inserting after clause (i), the following:

“(ii) policies and procedures (including appropriate referrals to child protection service systems and for other appropriate services) to address the needs of infants born and identified as being affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure, including a requirement that health care providers involved in the delivery or care of such infants notify the child protective services system of the occurrence of such condition in such infants, except that such notification shall not be construed to—

“(I) establish a definition under Federal law of what constitutes child abuse; or

“(II) require prosecution for any illegal action;

“(iii) the development of a plan of safe care for the infant born and identified as being affected by illegal substance abuse or withdrawal symptoms;”;

(iii) in clause (iv) (as so redesignated), by inserting “risk and” before “safety”;

(iv) by inserting after clause (iv) (as so redesignated), the following:

“(v) triage procedures for the appropriate referral of a child not at risk of imminent harm to a community organization or voluntary preventive service;”;

(v) in clause (viii)(II) (as so redesignated), by striking “, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect” and inserting “, as described in clause (ix)”;

(vi) by inserting after clause (viii) (as so redesignated), the following:

“(ix) provisions to require a State to disclose confidential information to any Federal, State, or local government entity, or any agent of such entity, that has a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;”;

(vii) in clause (xiii) (as so redesignated)—

(I) by inserting “who has received training appropriate to the role, and” after “guardian ad litem,”; and

(II) by inserting “who has received training appropriate to that role” after “advocate”;

(viii) in clause (xv) (as so redesignated), by striking “to be effective not later than 2 years after the date of enactment of this section”;

(ix) in clause (xvi) (as so redesignated)—

(I) by striking “to be effective not later than 2 years after the date of enactment of this section”; and

(II) by striking “and” at the end;

(x) in clause (xvii) (as so redesignated), by striking “clause (xii)” each place that such appears and inserting “clause (xvi)”;

(xi) by adding at the end the following:

“(xviii) provisions and procedures to require that a representative of the child protective services agency shall, at the initial time of contact with the individual subject to a child abuse and neglect investigation, advise the individual of the complaints or allegations made against the individual, in a manner that is consistent with laws protecting the rights of the informant;

“(xix) provisions addressing the training of representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing such representatives of such duties, in order to protect the legal rights and safety of children and families from the initial time of contact during investigation through treatment;

“(xx) provisions and procedures for improving the training, retention, and supervision of caseworkers;

“(xxi) provisions and procedures for referral of a child under the age of 3 who is involved in a substantiated case of child abuse or neglect to early intervention services funded under part C of the Individuals with Disabilities Education Act; and

“(xxii) not later than 2 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, provisions and procedures for requiring criminal background record checks for prospective foster and adoptive parents and other adult relatives and non-relatives residing in the household;” and

(C) in paragraph (2), by adding at the end the following flush sentence:

“Nothing in subparagraph (A) shall be construed to limit the State’s flexibility to determine State policies relating to public access to court proceedings to determine child abuse and neglect, except that such policies shall, at a minimum, ensure the safety and well-being of the child, parents, and families.”.

(2) LIMITATION.—Section 106(b)(3) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(b)(3)) is amended by striking “With regard to clauses (v) and (vi) of paragraph (2)(A)” and inserting “With regard to clauses (vi) and (vii) of paragraph (2)(A)”.

(c) CITIZEN REVIEW PANELS.—Section 106(c) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(c)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking “and procedures” and inserting “, procedures, and practices”; and

(II) by striking “the agencies” and inserting “State and local child protection system agencies”; and

(ii) in clause (iii)(I), by striking “State” and inserting “State and local”; and

(B) by adding at the end the following:

“(C) PUBLIC OUTREACH.—Each panel shall provide for public outreach and comment in order to assess the impact of current procedures and practices upon children and families in the community and in order to meet its obligations under subparagraph (A).”; and

(2) in paragraph (6)—

(A) by striking “public” and inserting “State and the public”; and

(B) by inserting before the period the following: “and recommendations to improve the child protection services system at the State and local levels. Not later than 6 months after the date on which a report is submitted by the panel to the State, the appropriate State agency shall submit a written response to State and local child protection systems and the citizen review panel that describes whether or how the State will incorporate the recommendations of such panel (where appropriate) to make measurable progress in improving the State and local child protective system”.

Deadline.

Deadline.

(d) ANNUAL STATE DATA REPORTS.—Section 106(d) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(d)) is amended by adding at the end the following:

“(13) The annual report containing the summary of the activities of the citizen review panels of the State required by subsection (c)(6).

“(14) The number of children under the care of the State child protection system who are transferred into the custody of the State juvenile justice system.”.

Deadline.
42 USC 5106a
note.

(e) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to Congress a report that describes the extent to which States are implementing the policies and procedures required under section 106(b)(2)(B)(ii) of the Child Abuse Prevention and Treatment Act.

SEC. 115. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.

Section 107(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106c(a)) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(4) the handling of cases involving children with disabilities or serious health-related problems who are victims of abuse or neglect.”.

SEC. 116. MISCELLANEOUS REQUIREMENTS RELATING TO ASSISTANCE.

Section 108 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106d) is amended by adding at the end the following:

“(d) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary should encourage all States and public and private agencies or organizations that receive assistance under this title to ensure that children and families with limited English proficiency who participate in programs under this title are provided materials and services under such programs in an appropriate language other than English.

“(e) ANNUAL REPORT.—A State that receives funds under section 106(a) shall annually prepare and submit to the Secretary a report describing the manner in which funds provided under this Act, alone or in combination with other Federal funds, were used to address the purposes and achieve the objectives of section 106.”.

SEC. 117. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL AUTHORIZATION.—Section 112(a)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106h(a)(1)) is amended to read as follows:

“(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title \$120,000,000 for fiscal year 2004 and such sums as may be necessary for each of the fiscal years 2005 through 2008.”.

(b) DEMONSTRATION PROJECTS.—Section 112(a)(2)(B) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106h(a)(2)(B)) is amended—

(1) by striking “Secretary make” and inserting “Secretary shall make”; and

(2) by striking “section 106” and inserting “section 104”.

SEC. 118. REPORTS.

Section 110 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106f) is amended by adding at the end the following:

“(c) STUDY AND REPORT RELATING TO CITIZEN REVIEW PANELS.—

“(1) STUDY.—The Secretary shall conduct a study by random sample of the effectiveness of the citizen review panels established under section 106(c).

“(2) REPORT.—Not later than 3 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that contains the results of the study conducted under paragraph (1).”.

Deadline.

Subtitle B—Community-Based Grants for the Prevention of Child Abuse

SEC. 121. PURPOSE AND AUTHORITY.

(a) PURPOSE.—Section 201(a)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116(a)(1)) is amended to read as follows:

“(1) to support community-based efforts to develop, operate, expand, enhance, and, where appropriate to network, initiatives aimed at the prevention of child abuse and neglect, and to support networks of coordinated resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and”.

(b) AUTHORITY.—Section 201(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A) by striking “Statewide” and all that follows through the dash, and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate) that are accessible, effective, culturally appropriate, and build upon existing strengths that—”;

(B) in subparagraph (F), by striking “and” at the end; and

(C) by striking subparagraph (G) and inserting the following:

“(G) demonstrate a commitment to meaningful parent leadership, including among parents of children with disabilities, parents with disabilities, racial and ethnic minorities, and members of other underrepresented or underserved groups; and

“(H) provide referrals to early health and developmental services;”;

(2) in paragraph (4)—

(A) by inserting “through leveraging of funds” after “maximizing funding”;

(B) by striking “a Statewide network of community-based, prevention-focused” and inserting “community-based and prevention-focused”; and

(C) by striking “family resource and support program” and inserting “programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)”.

(c) TECHNICAL AMENDMENT TO TITLE HEADING.—Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116) is amended by striking the heading for such title and inserting the following:

**“TITLE II—COMMUNITY-BASED GRANTS
FOR THE PREVENTION OF CHILD
ABUSE AND NEGLECT”.**

SEC. 122. ELIGIBILITY.

Section 202 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116a) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking “a Statewide network of community-based, prevention-focused” and inserting “community-based and prevention-focused”; and

(ii) by striking “family resource and support programs” and all that follows through the semicolon and inserting “programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate);”

(B) in subparagraph (B), by inserting “that exists to strengthen and support families to prevent child abuse and neglect” after “written authority of the State”;

(2) in paragraph (2)—

(A) in subparagraph (A), by striking “a network of community-based family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate);”

(B) in subparagraph (B)—

(i) by striking “to the network”; and

(ii) by inserting “, and parents with disabilities” before the semicolon;

(C) in subparagraph (C), by striking “to the network”; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking “Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate);”

(B) in subparagraph (B), by striking “Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)”;

(C) in subparagraph (C), by striking “and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “training, technical assistance, and evaluation assistance, to community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)”; and

(D) in subparagraph (D), by inserting “, parents with disabilities,” after “children with disabilities”.

SEC. 123. AMOUNT OF GRANT.

Section 203 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116b) is amended—

(1) in subsection (b)(1)(B)—

(A) by striking “as the amount leveraged by the State from private, State, or other non-Federal sources and directed through the” and inserting “as the amount of private, State or other non-Federal funds leveraged and directed through the currently designated”;

(B) by striking “State lead agency” and inserting “State lead entity”; and

(C) by striking “the lead agency” and inserting “the current lead entity”; and

(2) in subsection (c)(2), by striking “subsection (a)” and inserting “subsection (b)”.

SEC. 124. EXISTING GRANTS.

Section 204 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5115c) is repealed.

42 USC 5116c.

SEC. 125. APPLICATION.

Section 205 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116d) is amended—

(1) in paragraph (1), by striking “Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)”;

(2) in paragraph (2)—

(A) by striking “network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)”; and

(B) by striking “, including those funded by programs consolidated under this Act,”;

(3) by striking paragraph (3), and inserting the following:

“(3) a description of the inventory of current unmet needs and current community-based and prevention-focused programs and activities to prevent child abuse and neglect, and other family resource services operating in the State;”;

(4) in paragraph (4), by striking “State’s network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(5) in paragraph (5), by striking “Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “start up, maintenance, expansion, and redesign of community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(6) in paragraph (7), by striking “individual community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(7) in paragraph (8), by striking “community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(8) in paragraph (9), by striking “community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(9) in paragraph (10), by inserting “(where appropriate)” after “members”;

(10) in paragraph (11), by striking “prevention-focused, family resource and support program” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”; and

(11) by redesignating paragraph (13) as paragraph (12).

SEC. 126. LOCAL PROGRAM REQUIREMENTS.

Section 206(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116e(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “prevention-focused, family resource and support programs” and inserting “and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(2) in paragraph (3)(B), by inserting “voluntary home visiting and” after “including”; and

(3) by striking paragraph (6) and inserting the following:

“(6) participate with other community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect in the development, operation and expansion of networks where appropriate.”.

SEC. 127. PERFORMANCE MEASURES.

Section 207 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116f) is amended—

(1) in paragraph (1), by striking “a Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(2) by striking paragraph (3), and inserting the following:

“(3) shall demonstrate that they will have addressed unmet needs identified by the inventory and description of current services required under section 205(3);”;

(3) in paragraph (4)—

(A) by inserting “and parents with disabilities,” after “children with disabilities,”; and

(B) by striking “evaluation of” the first place it appears and all that follows through “under this title” and inserting “evaluation of community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect, and in the design, operation and evaluation of the networks of such community-based and prevention-focused programs”;

(4) in paragraph (5), by striking “, prevention-focused, family resource and support programs” and inserting “and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”;

(5) in paragraph (6), by striking “Statewide network of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”; and

(6) in paragraph (8), by striking “community based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”.

SEC. 128. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

Section 208(3) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116g(3)) is amended by striking “Statewide networks of community-based, prevention-focused, family resource and support programs” and inserting “community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect”.

SEC. 129. DEFINITIONS.

(a) **CHILDREN WITH DISABILITIES.**—Section 209(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116h(1)) is amended by striking “given such term in section 602(a)(2)” and inserting “given the term ‘child with a disability’ in section 602(3) or ‘infant or toddler with a disability’ in section 632(5)”.

(b) **COMMUNITY-BASED AND PREVENTION-FOCUSED PROGRAMS AND ACTIVITIES TO PREVENT CHILD ABUSE AND NEGLECT.**—Section 209 of the Child Abuse Prevention and Treatment Act (42 U.S.C.

5116h) is amended by striking paragraphs (3) and (4) and inserting the following:

“(3) COMMUNITY-BASED AND PREVENTION-FOCUSED PROGRAMS AND ACTIVITIES TO PREVENT CHILD ABUSE AND NEGLECT.—The term ‘community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect’ includes organizations such as family resource programs, family support programs, voluntary home visiting programs, respite care programs, parenting education, mutual support programs, and other community programs or networks of such programs that provide activities that are designed to prevent or respond to child abuse and neglect.”.

SEC. 130. AUTHORIZATION OF APPROPRIATIONS.

Section 210 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116i) is amended to read as follows:

“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title \$80,000,000 for fiscal year 2004 and such sums as may be necessary for each of the fiscal years 2005 through 2008.”.

Subtitle C—Conforming Amendments

SEC. 141. CONFORMING AMENDMENTS.

The table of contents of the Child Abuse Prevention and Treatment Act, as contained in section 1(b) of such Act (42 U.S.C. 5101 note), is amended as follows:

(1) By striking the item relating to section 105 and inserting the following:

“Sec. 105. Grants to States and public or private agencies and organizations.”.

(2) By striking the item relating to title II and inserting the following:

“TITLE II—COMMUNITY-BASED GRANTS FOR THE PREVENTION OF CHILD ABUSE AND NEGLECT.”

(3) By striking the item relating to section 204.

TITLE II—ADOPTION OPPORTUNITIES

SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

Section 201 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) by striking paragraphs (1) through (4) and inserting the following:

“(1) the number of children in substitute care has increased by nearly 24 percent since 1994, as our Nation’s foster care population included more than 565,000 as of September of 2001;

“(2) children entering foster care have complex problems that require intensive services, with many such children having special needs because they are born to mothers who did not receive prenatal care, are born with life threatening conditions

or disabilities, are born addicted to alcohol or other drugs, or have been exposed to infection with the etiologic agent for the human immunodeficiency virus;

“(3) each year, thousands of children are in need of placement in permanent, adoptive homes;”;

(B) by striking paragraph (6);

(C) by striking paragraph (7)(A) and inserting the following:

“(7)(A) currently, there are 131,000 children waiting for adoption;” and

(D) by redesignating paragraphs (5), (7), (8), (9), and (10) as paragraphs (4), (5), (6), (7), and (8) respectively; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “, including geographic barriers,” after “barriers”; and

(B) in paragraph (2), by striking “a national” and inserting “an Internet-based national”.

SEC. 202. INFORMATION AND SERVICES.

Section 203 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5113) is amended—

(1) by striking the section heading and inserting the following:

“SEC. 203. INFORMATION AND SERVICES.”;

(2) by striking “SEC. 203. (a) The Secretary” and inserting the following:

“(a) IN GENERAL.—The Secretary”;

(3) in subsection (b)—

(A) by inserting “REQUIRED ACTIVITIES.—” after “(b)”;

(B) in paragraph (1), by striking “nonprofit” each place that such appears;

(C) in paragraph (2), by striking “nonprofit”;

(D) in paragraph (3), by striking “nonprofit”;

(E) in paragraph (4), by striking “nonprofit”;

(F) in paragraph (6), by striking “study the nature, scope, and effects of” and insert “support”;

(G) in paragraph (7), by striking “nonprofit”;

(H) in paragraph (9)—

(i) by striking “nonprofit”; and

(ii) by striking “and” at the end;

(I) in paragraph (10)—

(i) by striking “nonprofit”; each place that such appears; and

(ii) by striking the period at the end and inserting “; and”; and

(J) by adding at the end the following:

“(11) provide (directly or by grant to or contract with States, local government entities, or public or private licensed child welfare or adoption agencies) for the implementation of programs that are intended to increase the number of older children (who are in foster care and with the goal of adoption) placed in adoptive families, with a special emphasis on child-specific recruitment strategies, including—

“(A) outreach, public education, or media campaigns to inform the public of the needs and numbers of older youth available for adoption;

“(B) training of personnel in the special needs of older youth and the successful strategies of child-focused, child-specific recruitment efforts; and

“(C) recruitment of prospective families for such children.”;

(4) in subsection (c)—

(A) by striking “(c)(1) The Secretary” and inserting the following:

“(c) SERVICES FOR FAMILIES ADOPTING SPECIAL NEEDS CHILDREN.—

“(1) IN GENERAL.—The Secretary”;

(B) by striking “(2) Services” and inserting the following:

“(2) SERVICES.—Services”; and

(C) in paragraph (2)—

(i) by realigning the margins of subparagraphs

(A) through (G) accordingly;

(ii) in subparagraph (F), by striking “and” at the end;

(iii) in subparagraph (G), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

“(H) day treatment; and

“(I) respite care.”; and

(D) by striking “nonprofit”; each place that such appears;

(5) in subsection (d)—

(A) by striking “(d)(1) The Secretary” and inserting the following:

“(d) IMPROVING PLACEMENT RATE OF CHILDREN IN FOSTER CARE.—

“(1) IN GENERAL.—The Secretary”;

(B) by striking “(2)(A) Each State” and inserting the following:

“(2) APPLICATIONS; TECHNICAL AND OTHER ASSISTANCE.—

“(A) APPLICATIONS.—Each State”;

(C) by striking “(B) The Secretary” and inserting the following:

“(B) TECHNICAL AND OTHER ASSISTANCE.—The Secretary”;

(D) in paragraph (2)(B)—

(i) by realigning the margins of clauses (i) and

(ii) accordingly; and

(ii) by striking “nonprofit”;

(E) by striking “(3)(A) Payments” and inserting the following:

“(3) PAYMENTS.—

“(A) IN GENERAL.—Payments”; and

(F) by striking “(B) Any payment” and inserting the following:

“(B) REVERSION OF UNUSED FUNDS.—Any payment”;

and

(6) by adding at the end the following:

“(e) ELIMINATION OF BARRIERS TO ADOPTIONS ACROSS JURISDICTIONAL BOUNDARIES.—

Grants.

“(1) IN GENERAL.—The Secretary shall award grants to, or enter into contracts with, States, local government entities,

public or private child welfare or adoption agencies, adoption exchanges, or adoption family groups to carry out initiatives to improve efforts to eliminate barriers to placing children for adoption across jurisdictional boundaries.

“(2) SERVICES TO SUPPLEMENT NOT SUPPLANT.—Services provided under grants made under this subsection shall supplement, not supplant, services provided using any other funds made available for the same general purposes including—

“(A) developing a uniform homestudy standard and protocol for acceptance of homestudies between States and jurisdictions;

“(B) developing models of financing cross-jurisdictional placements;

“(C) expanding the capacity of all adoption exchanges to serve increasing numbers of children;

“(D) developing training materials and training social workers on preparing and moving children across State lines; and

“(E) developing and supporting initiative models for networking among agencies, adoption exchanges, and parent support groups across jurisdictional boundaries.”.

SEC. 203. STUDY OF ADOPTION PLACEMENTS.

Section 204 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5114) is amended—

(1) by striking “The” and inserting “(a) IN GENERAL.—The”;

(2) by striking “of this Act” and inserting “of the Keeping Children and Families Safe Act of 2003”;

(3) by striking “to determine the nature” and inserting “to determine—

“(1) the nature”;

(4) by striking “which are not licensed” and all that follows through “entity”; and

(5) by adding at the end the following:

“(2) how interstate placements are being financed across State lines;

“(3) recommendations on best practice models for both interstate and intrastate adoptions; and

“(4) how State policies in defining special needs children differentiate or group similar categories of children.”.

SEC. 204. STUDIES ON SUCCESSFUL ADOPTIONS.

Section 204 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5114) is amended by adding at the end the following:

“(b) DYNAMICS OF SUCCESSFUL ADOPTION.—The Secretary shall conduct research (directly or by grant to, or contract with, public or private nonprofit research agencies or organizations) about adoption outcomes and the factors affecting those outcomes. The Secretary shall submit a report containing the results of such research to the appropriate committees of the Congress not later than the date that is 36 months after the date of the enactment of the Keeping Children and Families Safe Act of 2003.

“(c) INTERJURISDICTIONAL ADOPTION.—Not later than 1 year after the date of the enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall submit to the appropriate committees of the Congress a report that contains recommendations

Reports.
Deadlines.

for an action plan to facilitate the interjurisdictional adoption of foster children.”.

SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

Section 205(a) of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5115(a)) is amended to read as follows:

“There are authorized to be appropriated \$40,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 to carry out programs and activities authorized under this subtitle.”.

TITLE III—ABANDONED INFANTS ASSISTANCE

SEC. 301. FINDINGS.

Section 2 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking paragraph (1);

(2) in paragraph (2)—

(A) by inserting “studies indicate that a number of factors contribute to” before “the inability of”;

(B) by inserting “some” after “inability of”;

(C) by striking “who abuse drugs”; and

(D) by striking “care for such infants” and inserting “care for their infants”;

(3) by amending paragraph (5) to read as follows:

“(5) appropriate training is needed for personnel working with infants and young children with life-threatening conditions and other special needs, including those who are infected with the human immunodeficiency virus (commonly known as ‘HIV’), those who have acquired immune deficiency syndrome (commonly known as ‘AIDS’), and those who have been exposed to dangerous drugs;”;

(4) by striking paragraphs (6) and (7);

(5) in paragraph (8)—

(A) by striking “such infants and young children” and inserting “infants and young children who are abandoned in hospitals”; and

(B) by inserting “by parents abusing drugs,” after “deficiency syndrome.”;

(6) in paragraph (9), by striking “comprehensive services” and all that follows through the semicolon at the end and inserting “comprehensive support services for such infants and young children and their families and services to prevent the abandonment of such infants and young children, including foster care services, case management services, family support services, respite and crisis intervention services, counseling services, and group residential home services;”;

(7) by striking paragraph (11);

(8) by redesignating paragraphs (2), (3), (4), (5), (8), (9), and (10) as paragraphs (1) through (7), respectively; and

(9) by adding at the end the following:

“(8) private, Federal, State, and local resources should be coordinated to establish and maintain services described in

paragraph (7) and to ensure the optimal use of all such resources.”.

SEC. 302. ESTABLISHMENT OF LOCAL PROJECTS.

Section 101 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking the section heading and inserting the following:

“SEC. 101. ESTABLISHMENT OF LOCAL PROJECTS.”;

and

(2) by striking subsection (b) and inserting the following:

“(b) **PRIORITY IN PROVISION OF SERVICES.**—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees to give priority to abandoned infants and young children who—

“(1) are infected with, or have been perinatally exposed to, the human immunodeficiency virus, or have a life-threatening illness or other special medical need; or

“(2) have been perinatally exposed to a dangerous drug.”.

SEC. 303. EVALUATIONS, STUDY, AND REPORTS BY SECRETARY.

Section 102 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended to read as follows:

“SEC. 102. EVALUATIONS, STUDY, AND REPORTS BY SECRETARY.

“(a) **EVALUATIONS OF LOCAL PROGRAMS.**—The Secretary shall, directly or through contracts with public and nonprofit private entities, provide for evaluations of projects carried out under section 101 and for the dissemination of information developed as a result of such projects.

“(b) **STUDY AND REPORT ON NUMBER OF ABANDONED INFANTS AND YOUNG CHILDREN.**—

“(1) **IN GENERAL.**—The Secretary shall conduct a study for the purpose of determining—

“(A) an estimate of the annual number of infants and young children relinquished, abandoned, or found deceased in the United States and the number of such infants and young children who are infants and young children described in section 101(b);

“(B) an estimate of the annual number of infants and young children who are victims of homicide;

“(C) characteristics and demographics of parents who have abandoned an infant within 1 year of the infant’s birth; and

“(D) an estimate of the annual costs incurred by the Federal Government and by State and local governments in providing housing and care for abandoned infants and young children.

“(2) **DEADLINE.**—Not later than 36 months after the date of enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall complete the study required under paragraph (1) and submit to Congress a report describing the findings made as a result of the study.

“(c) **EVALUATION.**—The Secretary shall evaluate and report on effective methods of intervening before the abandonment of an infant or young child so as to prevent such abandonments, and

effective methods for responding to the needs of abandoned infants and young children.”.

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—Section 104 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) **IN GENERAL.**—

“(1) **AUTHORIZATION.**—For the purpose of carrying out this Act, there are authorized to be appropriated \$45,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008.

“(2) **LIMITATION.**—Not more than 5 percent of the amounts appropriated under paragraph (1) for any fiscal year may be obligated for carrying out section 102(a).”;

(2) by striking subsection (b);

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting “**AUTHORIZATION.**—” after “(1)” the first place it appears; and

(ii) by striking “this title” and inserting “this Act”;

and

(B) in paragraph (2)—

(i) by inserting “**LIMITATION.**—” after “(2)”; and

(ii) by striking “fiscal year 1991.” and inserting “fiscal year 2003.”; and

(4) by redesignating subsections (c) and (d) as subsections

(b) and (c), respectively.

(b) **REDESIGNATION.**—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by redesignating section 104 as section 302; and

(2) by moving that section 302 to the end of that Act.

SEC. 305. DEFINITIONS.

(a) **IN GENERAL.**—Section 301 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended to read as follows:

“SEC. 301. DEFINITIONS.

“In this Act:

“(1) **ABANDONED; ABANDONMENT.**—The terms ‘abandoned’ and ‘abandonment’, used with respect to infants and young children, mean that the infants and young children are medically cleared for discharge from acute-care hospital settings, but remain hospitalized because of a lack of appropriate out-of-hospital placement alternatives.

“(2) **ACQUIRED IMMUNE DEFICIENCY SYNDROME.**—The term ‘acquired immune deficiency syndrome’ includes infection with the etiologic agent for such syndrome, any condition indicating that an individual is infected with such etiologic agent, and any condition arising from such etiologic agent.

“(3) **DANGEROUS DRUG.**—The term ‘dangerous drug’ means a controlled substance, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

“(4) **NATURAL FAMILY.**—The term ‘natural family’ shall be broadly interpreted to include natural parents, grandparents, family members, guardians, children residing in the household, and individuals residing in the household on a continuing basis

who are in a care-giving situation, with respect to infants and young children covered under this Act.

“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.”.

(b) REPEAL.—Section 103 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

SEC. 306. CONFORMING AMENDMENT.

Section 421(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061(7)) is amended by striking “infant described in section 103” and inserting “infant who is abandoned, as defined in section 301”.

TITLE IV—FAMILY VIOLENCE PREVENTION AND SERVICES ACT

SEC. 401. STATE DEMONSTRATION GRANTS.

(a) UNDERSERVED POPULATIONS.—Section 303(a)(2)(C) of the Family Violence Prevention and Services Act (42 U.S.C. 10402(a)(2)(C)) is amended by striking “underserved populations,” and all that follows and inserting the following: “underserved populations, as defined in section 2007 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2);”.

(b) REPORT.—Section 303(a) of such Act (42 U.S.C. 10402(a)) is amended by adding at the end the following:

“(5) Upon completion of the activities funded by a grant under this title, the State shall submit to the Secretary a report that contains a description of the activities carried out under paragraph (2)(B)(i).”.

(c) CHILDREN WHO WITNESS DOMESTIC VIOLENCE.—Section 303 of such Act (42 U.S.C. 10402) is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following:

“(c) The Secretary shall use funds provided under section 310(a)(2), for a fiscal year described in section 310(a)(2), to award grants for demonstration programs that provide—

“(1) multisystem interventions and services (either directly or by referral) for children who witness domestic violence; and

“(2) training (either directly or by referral) for agencies, providers, and other entities who work with such children.”.

SEC. 402. SECRETARIAL RESPONSIBILITIES.

Section 305(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10404(a)) is amended—

(1) by striking “an employee” and inserting “1 or more employees”;

(2) by striking “of this title.” and inserting “of this title, including carrying out evaluation and monitoring under this title.”; and

(3) by striking “The individual” and inserting “Any individual”.

SEC. 403. EVALUATION.

Section 306 of the Family Violence Prevention and Services Act (42 U.S.C. 10405) is amended in the first sentence by striking

“Not later than two years after the date on which funds are obligated under section 303(a) for the first time after the date of the enactment of this title, and every two years thereafter,” and inserting “Every 2 years,”.

SEC. 404. INFORMATION AND TECHNICAL ASSISTANCE CENTERS.

Section 308 of the Family Violence Prevention and Services Act (42 U.S.C. 10407) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) NATIONAL RESOURCE CENTER.—The national resource center established under subsection (a)(2)—

“(1) shall offer resource, policy, collaboration, and training assistance to Federal, State, and local government agencies, to domestic violence service providers, and to other professionals and interested parties on issues pertaining to domestic violence, including issues relating to children who witness domestic violence; and

“(2) shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics, and analyses of the information and statistics, relating to the incidence and prevention of family violence (particularly the prevention of repeated incidents of violence) and the provision of immediate shelter and related assistance.”; and

(2) by striking subsection (g).

SEC. 405. RELATED ASSISTANCE.

Section 309(5) of the Family Violence Prevention and Services Act (42 U.S.C. 10408(5)) is amended by striking the second sentence and inserting the following: “The term ‘related assistance’ shall include—

“(A) prevention services such as outreach and prevention services for victims and their children, assistance to children who witness domestic violence, employment training, parenting and other educational services for victims and their children, preventive health services within domestic violence programs (including services promoting nutrition, disease prevention, exercise, and prevention of substance abuse), domestic violence prevention programs for school-age children, family violence public awareness campaigns, and violence prevention counseling services to abusers;

“(B) counseling with respect to family violence, counseling or other supportive services provided by peers individually or in groups, and referral to community social services;

“(C) transportation, technical assistance with respect to obtaining financial assistance under Federal and State programs, and referrals for appropriate health care services (including alcohol and drug abuse treatment), but shall not include reimbursement for any health care services;

“(D) legal advocacy to provide victims with information and assistance through the civil and criminal courts, and legal assistance; or

“(E) children’s counseling and support services, and child care services for children who are victims of family violence or the dependents of such victims, and children who witness domestic violence.”.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) **GENERAL AUTHORIZATION.**—Section 310(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10409(a)) is amended to read as follows:

“(a) **IN GENERAL.**—

“(1) **AUTHORIZATION.**—There are authorized to be appropriated to carry out sections 303 through 311, \$175,000,000 for each of fiscal years 2004 through 2008.

“(2) **PROJECTS TO ADDRESS NEEDS OF CHILDREN WHO WITNESS DOMESTIC VIOLENCE.**—For a fiscal year in which the amounts appropriated under paragraph (1) exceed \$130,000,000, the Secretary shall reserve and make available a portion of the excess to carry out section 303(c).”.

(b) **ALLOCATIONS FOR OTHER PROGRAMS.**—Subsections (b), (c), and (d) of section 310 of such Act (42 U.S.C. 10409) are amended by inserting “(and not reserved under subsection (a)(2))” after “each fiscal year”.

(c) **GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.**—Section 311(g) of such Act (42 U.S.C. 10410(g)) is amended to read as follows:

“(g) **FUNDING.**—Of the amount appropriated under section 310(a) for a fiscal year (and not reserved under section 310(a)(2)), not less than 10 percent of such amount shall be made available to award grants under this section.”.

SEC. 407. GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

Section 311 of the Family Violence Prevention and Services Act (42 U.S.C. 10410) is amended by striking subsection (h).

SEC. 408. EVALUATION AND MONITORING.

Section 312 of the Family Violence Prevention and Services Act (42 U.S.C. 10412) is amended by adding at the end the following:

“(c) Of the amount appropriated under section 310(a) for each fiscal year (and not reserved under section 310(a)(2)), not more than 2.5 percent shall be used by the Secretary for evaluation, monitoring, and other administrative costs under this title.”.

SEC. 409. FAMILY MEMBER ABUSE INFORMATION AND DOCUMENTATION PROJECT.

Section 313 of the Family Violence Prevention and Services Act (42 U.S.C. 10413) is repealed.

SEC. 410. MODEL STATE LEADERSHIP GRANTS.

Section 315 of the Family Violence Prevention and Services Act (42 U.S.C. 10415) is repealed.

SEC. 411. NATIONAL DOMESTIC VIOLENCE HOTLINE AND INTERNET GRANT.

Section 316 of the Family Violence Prevention and Services Act (42 U.S.C. 10416) is amended to read as follows:

“SEC. 316. NATIONAL DOMESTIC VIOLENCE HOTLINE AND INTERNET GRANT.

“(a) **IN GENERAL.**—The Secretary may award 1 or more grants to private, nonprofit entities—

“(1) to provide for the establishment and operation of a national, toll-free telephone hotline to provide information and assistance to victims of domestic violence; or

“(2) to provide for the establishment and operation of a highly secure Internet website to provide that information and assistance to those victims.

“(b) DURATION.—A grant under this section may extend over a period of not more than 5 years.

“(c) ANNUAL APPROVAL.—The provision of payments under a grant awarded under this section shall be subject to annual approval by the Secretary and subject to the availability of appropriations for each fiscal year to make the payments.

“(d) HOTLINE ACTIVITIES.—An entity that receives a grant under this section for activities described, in whole or in part, in subsection (a)(1) shall use funds made available through the grant to establish and operate a national, toll-free telephone hotline to provide information and assistance to victims of domestic violence. In establishing and operating the hotline, the entity shall—

“(1) contract with a carrier for the use of a toll-free telephone line;

“(2) employ, train, and supervise personnel to answer incoming calls and provide counseling and referral services to callers on a 24-hour-a-day basis;

“(3) assemble and maintain a current database of information relating to services for victims of domestic violence to which callers may be referred throughout the United States, including information on the availability of shelters that serve battered women; and

“(4) publicize the hotline to potential users throughout the United States.

“(e) SECURE WEBSITE ACTIVITIES.—

“(1) IN GENERAL.—An entity that receives a grant under this section for activities described, in whole or in part, in subsection (a)(2) shall use funds made available through the grant to provide grants for startup and operational costs associated with establishing and operating a highly secure Internet website.

“(2) AVAILABILITY.—The website shall be available to the entity operating the hotline and domestic violence shelters.

“(3) INFORMATION.—The website shall provide accurate information that describes—

“(A) the services available to victims of domestic violence, including health care and mental health services, social services, transportation, services for children (including children who witness domestic violence), and other relevant services; and

“(B) the domestic violence shelters available, and services provided by the shelters.

“(4) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require any shelter or service provider, whether public or private, to be linked to the website or to provide information to the recipient of the grant described in paragraph (1) or to the website.

“(f) APPLICATION.—The Secretary may not award a grant under this section unless the Secretary approves an application for such grant. To be approved by the Secretary under this subsection an application shall—

“(1) contain such agreements, assurances, and information, be in such form, and be submitted in such manner, as the Secretary shall prescribe through notice in the Federal Register;

“(2) in the case of an application for a grant to carry out activities described in subsection (a)(1), include a complete description of the applicant’s plan for the operation of a national domestic violence hotline, including descriptions of—

“(A) the training program for hotline personnel;

“(B) the hiring criteria for hotline personnel;

“(C) the methods for the creation, maintenance, and updating of a resource database;

“(D) a plan for publicizing the availability of the hotline;

“(E) a plan for providing service to non-English speaking callers, including service through hotline personnel who speak Spanish; and

“(F) a plan for facilitating access to the hotline by persons with hearing impairments;

“(3) in the case of an application for a grant to carry out activities described in subsection (a)(2)—

“(A) include a complete description of the applicant’s plan for the development, operation, maintenance, and updating of information and resources of the website;

“(B) include a certification that the applicant will implement a high level security system to ensure the confidentiality of the website, taking into consideration the safety of domestic violence victims; and

“(C) include an assurance that, after the third year of the website project, the recipient of the grant will develop a plan to secure other public or private funding resources to ensure the continued operation and maintenance of the website;

“(4) demonstrate that the applicant has recognized expertise in the area of domestic violence and a record of high quality service to victims of domestic violence, including a demonstration of support from advocacy groups;

“(5) demonstrate that the applicant has a commitment to diversity, and to the provision of services to ethnic, racial, and non-English speaking minorities, in addition to older individuals and individuals with disabilities; and

“(6) contain such other information as the Secretary may require.

“(g) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$3,500,000 for each of fiscal years 2004 through 2008.

“(2) CONDITIONS ON APPROPRIATIONS.—Notwithstanding paragraph (1), the Secretary shall make available a portion of the amounts appropriated under paragraph (1) to award grants under subsection (a)(2) only for any fiscal year for which the amounts appropriated under paragraph (1) exceed \$3,000,000.

“(3) AVAILABILITY.—Funds authorized to be appropriated under paragraph (1) shall remain available until expended.”.

SEC. 412. YOUTH EDUCATION AND DOMESTIC VIOLENCE.

Section 317 of the Family Violence Prevention and Services Act (42 U.S.C. 10417) is repealed.

SEC. 413. DEMONSTRATION GRANTS FOR COMMUNITY INITIATIVES.

(a) **IN GENERAL.**—Section 318(h) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(h)) is amended to read as follows:

“(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$6,000,000 for each of fiscal years 2004 through 2008.”.

(b) **REGULATIONS.**—Section 318 of such Act (42 U.S.C. 10418) is amended by striking subsection (i).

SEC. 414. TRANSITIONAL HOUSING ASSISTANCE.

Section 319(f) of the Family Violence Prevention and Services Act (42 U.S.C. 10419(f)) is amended by striking “fiscal year 2001” and inserting “each of fiscal years 2003 through 2008”.

SEC. 415. TECHNICAL AND CONFORMING AMENDMENTS.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended—

(1) in section 302(1) (42 U.S.C. 10401(1)) by striking “demonstrate the effectiveness of assisting” and inserting “assist”;

(2) in section 303(a) (42 U.S.C. 10402(a))—

(A) in paragraph (2)—

(i) in subparagraph (C), by striking “State domestic violence coalitions knowledgeable individuals and interested organizations” and inserting “State domestic violence coalitions, knowledgeable individuals, and interested organizations”; and

(ii) in subparagraph (F), by adding “and” at the end; and

(B) by aligning the margins of paragraph (4) with the margins of paragraph (3);

(3) in section 303(g) (as so redesignated)—

(A) in the first sentence, by striking “309(4)” and inserting “320”; and

(B) in the second sentence, by striking “309(5)(A)” and inserting “320(5)(A)”;

(4) in section 305(b)(2)(A) (42 U.S.C. 10404(b)(2)(A)) by striking “provide for research, and into” and inserting “provide for research into”;

(5) by redesignating section 309 as section 320 and moving that section to the end of the Act; and

(6) in section 311(a) (42 U.S.C. 10410(a))—

(A) in paragraph (2)(K), by striking “other criminal justice professionals,,” and inserting “other criminal justice professionals,” and

(B) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking “family law judges,,” and inserting “family law judges,”;

(ii) in subparagraph (D), by inserting “, criminal court judges,” after “family law judges”; and

(iii) in subparagraph (H), by striking “supervised visitations that do not endanger victims and their children” and inserting “supervised visitations or denial of visitation to protect against danger to victims or their children”.

SEC. 416. CONFORMING AMENDMENT TO ANOTHER ACT.

Section 102(42) of the Older Americans Act of 1965 (42 U.S.C. 3002(42)) is amended by striking “(42 U.S.C. 10408)”.

Approved June 25, 2003.

LEGISLATIVE HISTORY—S. 342 (H.R. 14):

HOUSE REPORTS: Nos. 108–26 accompanying H.R. 14 (Comm. on Education and the Workforce) and 108–150 (Comm. of Conference).

SENATE REPORTS: No. 108–12 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 19, considered and passed Senate.

Mar. 26, considered and passed House, amended.

June 17, House agreed to conference report.

June 19, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

June 25, Presidential statement.



Public Law 108–37
108th Congress

An Act

June 26, 2003
[S. 703]

To designate the regional headquarters building for the National Park Service under construction in Omaha, Nebraska, as the “Carl T. Curtis National Park Service Midwest Regional Headquarters Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF CARL T. CURTIS NATIONAL PARK SERVICE MIDWEST REGIONAL HEADQUARTERS BUILDING.

The regional headquarters building for the National Park Service under construction in Omaha, Nebraska, shall be known and designated as the “Carl T. Curtis National Park Service Midwest Regional Headquarters Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the regional headquarters building referred to in section 1 shall be deemed to be a reference to the Carl T. Curtis National Park Service Midwest Regional Headquarters Building.

Approved June 26, 2003.

LEGISLATIVE HISTORY—S. 703:

HOUSE REPORTS: No. 108–135 (Comm. on Transportation and Infrastructure).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 11, considered and passed Senate.

June 16, considered and passed House.



Public Law 108–38
108th Congress

Joint Resolution

Expressing the sense of Congress with respect to raising awareness and encouraging prevention of sexual assault in the United States and supporting the goals and ideals of National Sexual Assault Awareness and Prevention Month.

June 26, 2003
[S.J. Res. 8]

Whereas, on average, another person is sexually assaulted in the United States every two minutes;
Whereas, the Department of Justice reports that 248,000 people in the United States were sexually assaulted in 2001;
Whereas, 1 in 6 women and 1 in 33 men have been victims of rape or attempted rape;
Whereas, children and young adults are most at risk, as 44 percent of sexual assault victims are under the age of 18, and 80 percent are under the age of 30;
Whereas, sexual assault affects women, men, and children of all racial, social, religious, age, ethnic, and economic groups in the United States;
Whereas, less than 40 percent of sexual assault victims pursue prosecution by reporting their attack to law enforcement agencies;
Whereas, two-thirds of sexual crimes are committed by persons who are not strangers to the victims;
Whereas, the rate of sexual assaults has decreased by half in the last decade;
Whereas, because of recent advances in DNA technology, law enforcement agencies have the potential to identify the rapists in tens of thousands of unsolved rape cases;
Whereas, aggressive prosecution can incarcerate rapists and therefore prevent them from committing further crimes;
Whereas, sexual assault victims suffer emotional scars long after the physical scars have healed; and
Whereas, free, confidential help is available to all victims of sexual assault through the National Sexual Assault Hotline, more than 1,000 rape crisis centers across the United States, and other organizations that provide services to assist victims of sexual assault: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) it is the sense of Congress that—

(A) National Sexual Assault Awareness and Prevention Month provides a special opportunity to educate the people of the United States about sexual violence and to encourage both the prevention of sexual assault and the prosecution of its perpetrators;

(B) it is appropriate to salute the more than 20,000,000 victims who have survived sexual assault in the United

States and the efforts of victims, volunteers, and professionals who combat sexual assault;

(C) national and community organizations and private sector supporters should be recognized and applauded for their work in promoting awareness about sexual assault, providing information and treatment to its victims, and encouraging the increased prosecution and punishment of its perpetrators; and

(D) police, forensic workers, and prosecutors should be recognized and applauded for their hard work and innovative strategies to increase the percentage of sexual assault cases that result in the prosecution and incarceration of the offenders;

(2) Congress urges national and community organizations, businesses in the private sector, and the media to promote, through National Sexual Assault Awareness and Prevention Month, awareness of sexual violence and strategies to decrease the incidence of sexual assault; and

(3) Congress supports the goals and ideals of National Sexual Assault Awareness and Prevention Month.

Approved June 26, 2003.

LEGISLATIVE HISTORY—S.J. Res. 8:

HOUSE REPORTS: No. 108–113 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 11, considered and passed Senate.

June 10, considered and passed House.



Public Law 108–39
108th Congress

An Act

To amend the Communications Satellite Act of 1962 to provide for the orderly dilution of the ownership interest in Inmarsat by former signatories to the Inmarsat Operating Agreement.

June 30, 2003
[H.R. 2312]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “ORBIT Technical Corrections Act of 2003”.

ORBIT Technical
Corrections Act
of 2003.
47 USC 701 note.

SEC. 2. INITIAL PUBLIC OFFERING DEADLINES.

Clause (ii) of section 621(5)(A) of the Communications Satellite Act of 1962 (47 U.S.C. 763(5)(A)) is amended—

- (1) by striking “December 31, 2002” and inserting “June 30, 2004”; and
- (2) by striking “June 30, 2003” and inserting “December 31, 2004”.

Approved June 30, 2003.

LEGISLATIVE HISTORY—H.R. 2312:

CONGRESSIONAL RECORD, Vol. 149 (2003):
June 12, considered and passed House.
June 20, considered and passed Senate.



Public Law 108–40
108th Congress

An Act

June 30, 2003
[H.R. 2350]

Welfare Reform
Extension Act
of 2003.
42 USC 1305
note.

To reauthorize the Temporary Assistance for Needy Families block grant program through fiscal year 2003, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Welfare Reform Extension Act of 2003”.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 3. CONTINUATION OF TANF BLOCK GRANT FUNDING.

(a) STATE FAMILY ASSISTANCE GRANT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended—

(1) in subparagraph (A), by striking “and 2002” and inserting “2002, and 2003”; and

(2) by striking subparagraphs (B) through (E) and inserting the following:

“(B) STATE FAMILY ASSISTANCE GRANT.—The State family assistance grant payable to a State for a fiscal year shall be the amount that bears the same ratio to the amount specified in subparagraph (C) of this paragraph as the amount required to be paid to the State under this paragraph for fiscal year 2002 (determined without regard to any reduction pursuant to section 409 or 412(a)(1)) bears to the total amount required to be paid under this paragraph for fiscal year 2002 (as so determined).”

“(C) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 2003 \$16,566,542,000 for grants under this paragraph.”

(b) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking “2002” and inserting “2003”.

(c) BONUS TO REWARD DECREASE IN ILLEGITIMACY RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended—

(1) in subparagraph (C)(ii), by striking “and 2002” and inserting “2002, and 2003”; and

(2) in subparagraph (D), by striking “2002” and inserting “2003”.

(d) SUPPLEMENTAL GRANTS FOR POPULATION INCREASES IN CERTAIN STATES.—Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is amended—

(1) in the subparagraph heading, by striking “of grants for fiscal year 2002”;

(2) in clause (i), by striking “fiscal year 2002” and inserting “each of fiscal years 2002 and 2003”;

(3) in clause (ii), by striking “2002” and inserting “2003”; and

(4) in clause (iii), by striking “fiscal year 2002” and inserting “each of fiscal years 2002 and 2003”.

(e) CONTINGENCY FUND.—

(1) IN GENERAL.—Section 403(b)(2) (42 U.S.C. 603(b)(2)) is amended by striking “and 2002” and inserting “2002, and 2003”.

(2) CONFORMING AMENDMENT.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking “2002” and inserting “2003”.

(f) FEDERAL LOANS FOR STATE WELFARE PROGRAMS.—Section 406(d) (42 U.S.C. 606(d)) is amended by striking “2002” and inserting “2003”.

(g) MAINTENANCE OF EFFORT.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A), by striking “or 2003” and inserting “2003, or 2004”; and

(2) in subparagraph (B)(ii), by striking “2002” and inserting “2003”.

(h) GRANTS TO INDIAN TRIBES.—Paragraphs (1)(A) and (2)(A) of section 412(a) (42 U.S.C. 612(a)(1)(A) and (2)(A)) are each amended by striking “and 2002” and inserting “2002, and 2003”.

(i) CENSUS BUREAU STUDY.—Section 414(b) (42 U.S.C. 614(b)) is amended by striking “and 2002” and inserting “2002, and 2003”.

SEC. 4. CONTINUATION OF MANDATORY CHILD CARE FUNDING.

Section 418(a)(3)(F) (42 U.S.C. 618(a)(3)(F)) is amended by striking “fiscal year 2002” and inserting “each of fiscal years 2002 and 2003”.

SEC. 5. CONTINUATION OF CHILD WELFARE DEMONSTRATION AUTHORITY.

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking “2002” and inserting “2003”.

SEC. 6. CONTINUATION OF ABSTINENCE EDUCATION FUNDING.

Section 510(d) (42 U.S.C. 710(d)) is amended by striking “2002” and inserting “2003”.

SEC. 7. CONTINUATION OF TRANSITIONAL MEDICAL ASSISTANCE.

(a) IN GENERAL.—Section 1925(f) (42 U.S.C. 1396r–6(f)) is amended by striking “2002” and inserting “2003”.

(b) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by striking “2002” and inserting “2003”.

117 STAT. 838

PUBLIC LAW 108–40—JUNE 30, 2003

42 USC 603 note. **SEC. 8. EFFECTIVE DATE.**

The amendments made by this Act shall take effect on July 1, 2003.

Approved June 30, 2003.

LEGISLATIVE HISTORY—H.R. 2350:

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 11, considered and passed House.

June 27, considered and passed Senate.



Public Law 108–41
108th Congress

An Act

To authorize the use of certain grant funds to establish an information clearinghouse that provides information to increase public access to defibrillation in schools.

July 1, 2003
[H.R. 389]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Automatic Defibrillation in Adam’s Memory Act”.

Automatic
Defibrillation in
Adam’s Memory
Act.
42 USC 201 note.

SEC. 2. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

Subsection (c) of section 312 of the Public Health Service Act (42 U.S.C. 244), as amended by Public Law 107–188, is amended—

- (1) at the end of paragraph (5), by striking “and”;
- (2) by redesignating paragraph (6) as paragraph (7); and
- (3) by inserting after paragraph (5) the following:

“(6) establish an information clearinghouse that provides information to increase public access to defibrillation in schools; and”.

Approved July 1, 2003.

LEGISLATIVE HISTORY—H.R. 389:

HOUSE REPORTS: No. 108–13 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 12, considered and passed House.

June 17, considered and passed Senate.



Public Law 108–42
108th Congress

An Act

July 1, 2003
[H.R. 519]

To authorize the Secretary of the Interior to conduct a study of the San Gabriel River Watershed, and for other purposes.

San Gabriel
River Watershed
Study Act.
California.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “San Gabriel River Watershed Study Act”.

SEC. 2. STUDY OF SAN GABRIEL RIVER WATERSHED.

(a) IN GENERAL.—The Secretary of the Interior (hereafter in this Act referred to as the “Secretary”) shall conduct a special resource study of the following areas:

(1) The San Gabriel River and its tributaries north of and including the city of Santa Fe Springs.

(2) The San Gabriel Mountains within the territory of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (as defined in section 32603(c)(1)(C) of the State of California Public Resource Code).

Applicability.

(b) STUDY CONDUCT AND COMPLETION.—Section 8(c) of Public Law 91–383 (16 U.S.C. 1a–5(c)) shall apply to the conduct and completion of the study conducted under this section.

(c) CONSULTATION WITH FEDERAL, STATE, AND LOCAL GOVERNMENTS.—In conducting the study under this section, the Secretary shall consult with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and other appropriate Federal, State, and local governmental entities.

(d) CONSIDERATIONS.—In conducting the study under this section, the Secretary shall consider regional flood control and drainage needs and publicly owned infrastructure such as wastewater treatment facilities.

Deadline.

SEC. 3. REPORT.

Not later than 3 years after funds are made available for this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a report on the findings, conclusions, and recommendations of the study.

Approved July 1, 2003.

LEGISLATIVE HISTORY—H.R. 519:

SENATE REPORTS: No. 108–65 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 19, considered and passed House.

June 16, considered and passed Senate.



Public Law 108–43
108th Congress

An Act

To revise the boundary of the Glen Canyon National Recreation Area in the States of Utah and Arizona.

July 1, 2003
[H.R. 788]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Glen Canyon National Recreation Area Boundary Revision Act”.

Glen Canyon
National
Recreation Area
Boundary
Revision Act.
16 USC 460dd
note.

SEC. 2. GLEN CANYON NATIONAL RECREATION AREA BOUNDARY REVISION.

(a) IN GENERAL.—The first section of Public Law 92–593 (16 U.S.C. 460dd; 86 Stat. 1311) is amended—

(1) by striking “That in” and inserting “SECTION 1. (a) In”; and

(2) by adding at the end the following:

“(b) In addition to the boundary change authority under subsection (a), the Secretary may acquire approximately 152 acres of private land in exchange for approximately 370 acres of land within the boundary of Glen Canyon National Recreation Area, as generally depicted on the map entitled ‘Page One Land Exchange Proposal’, number 608/60573a–2002, and dated May 16, 2002. The map shall be on file and available for public inspection in the appropriate offices of the National Park Service. Upon conclusion of the exchange, the boundary of the recreation area shall be revised to reflect the exchange.”.

(b) CHANGE IN ACREAGE CEILING.—Such section is further amended by striking “one million two hundred and thirty-six thousand eight hundred and eighty acres” and inserting “1,256,000 acres”.

Approved July 1, 2003.

LEGISLATIVE HISTORY—H.R. 788:

SENATE REPORTS: No. 108–67 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 25, considered and passed House.

June 16, considered and passed Senate.

Public Law 108–44
108th Congress

An Act

July 3, 2003
[H.R. 658]

To provide for the protection of investors, increase confidence in the capital markets system, and fully implement the Sarbanes-Oxley Act of 2002 by streamlining the hiring process for certain employment positions in the Securities and Exchange Commission.

Accountant,
Compliance, and
Enforcement
Staffing Act of
2003.
5 USC 101 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Accountant, Compliance, and Enforcement Staffing Act of 2003”.

SEC. 2. APPOINTMENT OF ACCOUNTANTS, ECONOMISTS, AND EXAMINERS BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) IN GENERAL.—Subchapter I of chapter 31 of title 5, United States Code, is amended by adding at the end the following:

“§ 3114. Appointment of accountants, economists, and examiners by the Securities and Exchange Commission

“(a) APPLICABILITY.—This section applies with respect to any position of accountant, economist, and securities compliance examiner at the Commission that is in the competitive service.

“(b) APPOINTMENT AUTHORITY.—

“(1) IN GENERAL.—The Commission may appoint candidates to any position described in subsection (a)—

“(A) in accordance with the statutes, rules, and regulations governing appointments in the excepted service; and

“(B) notwithstanding any statutes, rules, and regulations governing appointments in the competitive service.

“(2) RULE OF CONSTRUCTION.—The appointment of a candidate to a position under authority of this subsection shall not be considered to cause such position to be converted from the competitive service to the excepted service.

“(c) REPORTS.—No later than 90 days after the end of fiscal year 2003 (for fiscal year 2003) and 90 days after the end of fiscal year 2005 (for fiscal years 2004 and 2005), the Commission shall submit a report with respect to its exercise of the authority granted by subsection (b) during such fiscal years to the Committee on Government Reform and the Committee on Financial Services of the House of Representatives and the Committee on Governmental Affairs and the Committee on Banking, Housing, and Urban Affairs of the Senate. Such reports shall describe the changes in

Deadlines.

the hiring process authorized by such subsection, including relevant information related to—

“(1) the quality of candidates;

“(2) the procedures used by the Commission to select candidates through the streamlined hiring process;

“(3) the numbers, types, and grades of employees hired under the authority;

“(4) any benefits or shortcomings associated with the use of the authority;

“(5) the effect of the exercise of the authority on the hiring of veterans and other demographic groups; and

“(6) the way in which managers were trained in the administration of the streamlined hiring system.

“(d) COMMISSION DEFINED.—For purposes of this section, the term ‘Commission’ means the Securities and Exchange Commission.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 31 of title 5, United States Code, is amended by inserting after the item relating to section 3113 the following:

“3114. Appointment of accountants, economists, and examiners by the Securities and Exchange Commission.”.

Approved July 3, 2003.

LEGISLATIVE HISTORY—H.R. 658:

HOUSE REPORTS: No. 108-63, Pt. 1 (Comm. on Financial Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 17, considered and passed House.

June 19, considered and passed Senate.



Public Law 108–45
108th Congress

An Act

July 3, 2003
[S. 1276]

To improve the manner in which the Corporation for National and Community Service approves, and records obligations relating to, national service positions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Strengthen
AmeriCorps
Program Act.
Community
development.
42 USC 12501
note.
42 USC 12605.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strengthen AmeriCorps Program Act”.

SEC. 2. PROCESS OF APPROVAL OF NATIONAL SERVICE POSITIONS.

(a) **DEFINITIONS.**—In this Act, the terms “approved national service position” and “Corporation” have the meanings given the terms in section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511).

(b) **TIMING AND RECORDING REQUIREMENTS.**—

(1) **IN GENERAL.**—Notwithstanding subtitles C and D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq., 12601 et seq.), and any other provision of law, in approving a position as an approved national service position, the Corporation—

(A) shall approve the position at the time the Corporation—

(i) enters into an enforceable agreement with an individual participant to serve in a program carried out under subtitle E of title I of that Act (42 U.S.C. 12611 et seq.) or title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.); or

(ii) except as provided in clause (i), awards a grant to (or enters into a contract or cooperative agreement with) an entity to carry out a program for which such a position may be approved under section 123 of the National and Community Service Act of 1990 (42 U.S.C. 12573); and

(B) shall record as an obligation an estimate of the net present value of the national service educational award associated with the position, based on a formula that takes into consideration historical rates of enrollment in such a program, and of earning and using national service educational awards for such a program.

(2) **FORMULA.**—In determining the formula described in paragraph (1)(B), the Corporation shall consult with the Director of the Congressional Budget Office.

(3) CERTIFICATION REPORT.—The Chief Executive Officer of the Corporation shall annually prepare and submit to Congress a report that contains a certification that the Corporation is in compliance with the requirements of paragraph (1).

(4) APPROVAL.—The requirements of this subsection shall apply to each approved national service position that the Corporation approves—

Applicability.

(A) during fiscal year 2003 (before or after the date of enactment of this Act); and

(B) during any subsequent fiscal year.

(c) RESERVE ACCOUNT.—

(1) ESTABLISHMENT AND CONTENTS.—

(A) ESTABLISHMENT.—Notwithstanding subtitles C and D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq., 12601 et seq.), and any other provision of law, within the National Service Trust established under section 145 of the National and Community Service Act of 1990 (42 U.S.C. 12601), the Corporation shall establish a reserve account.

(B) CONTENTS.—To ensure the availability of adequate funds to support the awards of approved national service positions for each fiscal year, the Corporation shall place in the account—

(i) during fiscal year 2003, a portion of the funds that were appropriated for fiscal year 2003 or a previous fiscal year under section 501(a)(2) (42 U.S.C. 12681(a)(2)), were made available to carry out subtitle C or D of title I of that Act, and remain available; and

(ii) during fiscal year 2004 or a subsequent fiscal year, a portion of the funds that were appropriated for that fiscal year under section 501(a)(2) and were made available to carry out subtitle C or D of title I of that Act.

(2) OBLIGATION.—The Corporation shall not obligate the funds in the reserve account until the Corporation—

(A) determines that the funds will not be needed for the payment of national service educational awards associated with previously approved national service positions; or

(B) obligates the funds for the payment of such awards for such previously approved national service positions.

(d) AUDITS.—The accounts of the Corporation relating to the appropriated funds for approved national service positions, and the records demonstrating the manner in which the Corporation has recorded estimates described in subsection (b)(1)(B) as obligations, shall be audited annually by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States in accordance with generally accepted auditing standards. A report containing the results of each such independent audit shall be included in the annual report required by subsection (b)(3).

Reports.

(e) AVAILABILITY OF AMOUNTS.—Except as provided in subsection (c), all amounts included in the National Service Trust under paragraphs (1), (2), and (3) of section 145(a) of the National and Community Service Act of 1990 (42 U.S.C. 12601(a)) shall be available for payments of national service educational awards under section 148 of that Act (42 U.S.C. 12604).

Approved July 3, 2003.

LEGISLATIVE HISTORY—S. 1276:

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 18, considered and passed Senate.

June 19, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

July 3, Presidential statement.



Public Law 108–46
108th Congress

An Act

To redesignate the facility of the United States Postal Service located at 7401 West 100th Place in Bridgeview, Illinois, as the “Michael J. Healy Post Office Building”.

July 14, 2003
[H.R. 825]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The facility of the United States Postal Service located at 7401 West 100th Place in Bridgeview, Illinois, and known as the Moraine Valley Post Office, shall be known and designated as the “Michael J. Healy Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Michael J. Healy Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 825 (S. 708):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 26, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–47
108th Congress

An Act

July 14, 2003
[H.R. 917]

To designate the facility of the United States Postal Service located at 1830 South Lake Drive in Lexington, South Carolina, as the “Floyd Spence Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1830 South Lake Drive in Lexington, South Carolina, shall be known and designated as the “Floyd Spence Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Floyd Spence Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 917 (S. 508):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 26, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–48
108th Congress

An Act

To redesignate the facility of the United States Postal Service located at 1859 South Ashland Avenue in Chicago, Illinois, as the “Cesar Chavez Post Office”.

July 14, 2003
[H.R. 925]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The facility of the United States Postal Service located at 1859 South Ashland Avenue in Chicago, Illinois, and known as the Pilsen Post Office, shall be known and designated as the “Cesar Chavez Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Cesar Chavez Post Office”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 925:

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 10, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–49
108th Congress

An Act

July 14, 2003
[H.R. 981]

To designate the facility of the United States Postal Service located at 141 Erie Street in Linesville, Pennsylvania, as the “James R. Merry Post Office”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 141 Erie Street in Linesville, Pennsylvania, shall be known and designated as the “James R. Merry Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “James R. Merry Post Office”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 981:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Mar. 26, considered and passed House.
June 25, considered and passed Senate.



Public Law 108–50
108th Congress

An Act

To designate the facility of the United States Postal Service located at 111 West Washington Street in Bowling Green, Ohio, as the “Delbert L. Latta Post Office Building”.

July 14, 2003
[H.R. 985]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 111 West Washington Street in Bowling Green, Ohio, shall be known and designated as the “Delbert L. Latta Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Delbert L. Latta Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 985:

CONGRESSIONAL RECORD, Vol. 149 (2003):
May 13, considered and passed House.
June 25, considered and passed Senate.



Public Law 108–51
108th Congress

An Act

July 14, 2003
[H.R. 1055]

To designate the facility of the United States Postal Service located at 1901 West Evans Street in Florence, South Carolina, as the “Dr. Roswell N. Beck Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1901 West Evans Street in Florence, South Carolina, shall be known and designated as the “Dr. Roswell N. Beck Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Dr. Roswell N. Beck Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1055:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 7, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–52
108th Congress

An Act

To designate the facility of the United States Postal Service located at 7554 Pacific Avenue in Stockton, California, as the “Norman D. Shumway Post Office Building”.

July 14, 2003
[H.R. 1368]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 7554 Pacific Avenue in Stockton, California, shall be known and designated as the “Norman D. Shumway Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Norman D. Shumway Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1368:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 7, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–53
108th Congress

An Act

July 14, 2003
[H.R. 1465]

To designate the facility of the United States Postal Service located at 4832 East Highway 27 in Iron Station, North Carolina, as the “General Charles Gabriel Post Office”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 4832 East Highway 27 in Iron Station, North Carolina, shall be known and designated as the “General Charles Gabriel Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “General Charles Gabriel Post Office”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1465:

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 2, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–54
108th Congress

An Act

To designate the facility of the United States Postal Service located at 2318 Woodson Road in St. Louis, Missouri, as the “Timothy Michael Gaffney Post Office Building”.

July 14, 2003
[H.R. 1596]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 2318 Woodson Road in St. Louis, Missouri, shall be known and designated as the “Timothy Michael Gaffney Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Timothy Michael Gaffney Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1596:

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 6, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–55
108th Congress

An Act

July 14, 2003
[H.R. 1609]

To redesignate the facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, as the “Admiral Donald Davis Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, and known as the Brookfield Main Office, shall be known and designated as the “Admiral Donald Davis Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Admiral Donald Davis Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1609:

CONGRESSIONAL RECORD, Vol. 149 (2003):
May 6, 7, considered and passed House.
June 25, considered and passed Senate.



Public Law 108–56
108th Congress

An Act

To designate the facility of the United States Postal Service located at 1502 East Kiest Boulevard in Dallas, Texas, as the “Dr. Caesar A.W. Clark, Sr. Post Office Building”.

July 14, 2003
[H.R. 1740]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1502 East Kiest Boulevard in Dallas, Texas, shall be known and designated as the “Dr. Caesar A.W. Clark, Sr. Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Dr. Caesar A.W. Clark, Sr. Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 1740:

CONGRESSIONAL RECORD, Vol. 149 (2003):
May 6, considered and passed House.
June 25, considered and passed Senate.



Public Law 108–57
108th Congress

An Act

July 14, 2003
[H.R. 2030]

To designate the facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, as the “Patsy Takemoto Mink Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, shall be known and designated as the “Patsy Takemoto Mink Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Patsy Takemoto Mink Post Office Building”.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 2030 (S. 1145):

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 10, considered and passed House.

June 25, considered and passed Senate.



Public Law 108–58
108th Congress

An Act

To authorize the Congressional Hunger Center to award Bill Emerson and Mickey Leland Hunger Fellowships for fiscal years 2003 and 2004.

July 14, 2003
[H.R. 2474]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY AUTHORITY FOR CONGRESSIONAL HUNGER CENTER TO AWARD BILL EMERSON AND MICKEY LELAND HUNGER FELLOWSHIPS.

Notwithstanding the Congressional Hunger Fellows Act of 2002 (section 4404 of Public Law 107–171; 2 U.S.C. 1161), funds appropriated for fiscal years 2003 and 2004 for the purpose of providing the Bill Emerson and Mickey Leland Hunger Fellowships shall be made available to the Congressional Hunger Center for the purpose of awarding the fellowships, except that any such funds provided in excess of \$3,000,000 in fiscal year 2003 or \$3,000,000 in fiscal year 2004 shall be appropriated to the Congressional Hunger Fellows Trust Fund established by such Act.

Approved July 14, 2003.

LEGISLATIVE HISTORY—H.R. 2474:

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 25, considered and passed House.

June 27, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

July 14, Presidential statement.



Public Law 108–59
108th Congress

An Act

July 14, 2003

[S. 858]

To extend the Abraham Lincoln Bicentennial Commission, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ABRAHAM LINCOLN BICENTENNIAL COMMISSION.

(a) DUTIES.—Section 4 of the Abraham Lincoln Bicentennial Commission Act (36 U.S.C. note prec. 101; Public Law 106–173) is amended—

(1) in paragraph (1)(D), by striking “redesignation” and inserting “rededication”; and

(2) by adding at the end the following:

“(3) To recommend to Congress a plan to carry out the activities recommended under paragraph (2).

“(4) To carry out other related activities in support of the duties carried out under paragraphs (1) through (3).”.

(b) EXTENSION.—Section 8 of such Act (36 U.S.C. note prec. 101; Public Law 106–173) is amended—

(1) in subsection (a), by striking “The” and inserting “In addition to the interim report required under subsection (b), the”;

(2) in subsection (b)—

(A) in the subsection heading, by striking “FINAL REPORT.—” and inserting “REQUIRED INTERIM REPORT.—”;

(B) by striking the first sentence and inserting: “Not later than June 24, 2004, the Commission shall submit an interim report to Congress.”; and

(C) in the second sentence, by striking “final”; and
(3) by adding at the end the following:

Reports.
Deadline.

“(c) FINAL REPORT.—Not later than April 30, 2010, the Commission shall submit a final report to Congress. The final report shall contain final statements, recommendations, and information described under subsection (b) (1), (2), and (3).”.

Deadline.

Approved July 14, 2003.

LEGISLATIVE HISTORY—S. 858:

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 23, considered and passed Senate.

June 25, considered and passed House.



Public Law 108–60
108th Congress

An Act

July 17, 2003

[S. 709]

To award a congressional gold medal to Prime Minister Tony Blair.

31 USC 5111
note.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. FINDING.

Congress finds that Prime Minister Tony Blair of the United Kingdom has clearly demonstrated, during a very trying and historic time for our 2 countries, that he is a staunch and steadfast ally of the United States of America.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) **PRESENTATION AUTHORIZED.**—The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of Congress, of a gold medal of appropriate design, to Prime Minister Tony Blair, in recognition of his outstanding and enduring contributions to maintaining the security of all freedom-loving nations.

(b) **DESIGN AND STRIKING.**—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (referred to in this Act as the “Secretary”) shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 4. STATUS OF MEDALS.

(a) **NATIONAL MEDALS.**—The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

(b) **NUMISMATIC ITEMS.**—For purposes of section 5134 of title 31, United States Code, all medals struck under this Act shall be considered to be numismatic items.

SEC. 5. AUTHORITY TO USE FUND AMOUNTS; PROCEEDS OF SALE.

(a) **AUTHORITY TO USE FUND AMOUNTS.**—There is authorized to be charged against the United States Mint Public Enterprise Fund such amounts as may be necessary to pay for the costs of the medals struck pursuant to this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals authorized under section 3 shall be deposited into the United States Mint Public Enterprise Fund.

Approved July 17, 2003.

LEGISLATIVE HISTORY—S. 709 (H.R. 1511):
CONGRESSIONAL RECORD, Vol. 149 (2003):
May 14, considered and passed Senate.
July 14, considered and passed House.



Public Law 108–61
108th Congress

An Act

July 28, 2003
[H.R. 2330]

To sanction the ruling Burmese military junta, to strengthen Burma’s democratic forces and support and recognize the National League of Democracy as the legitimate representative of the Burmese people, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Burmese
Freedom and
Democracy Act
of 2003.
Foreign relations.
50 USC 1701
note.
50 USC 1701
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Burmese Freedom and Democracy Act of 2003”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The State Peace and Development Council (SPDC) has failed to transfer power to the National League for Democracy (NLD) whose parliamentarians won an overwhelming victory in the 1990 elections in Burma.

(2) The SPDC has failed to enter into meaningful, political dialogue with the NLD and ethnic minorities and has dismissed the efforts of United Nations Special Envoy Razali bin Ismail to further such dialogue.

(3) According to the State Department’s “Report to the Congress Regarding Conditions in Burma and U.S. Policy Toward Burma” dated March 28, 2003, the SPDC has become “more confrontational” in its exchanges with the NLD.

(4) On May 30, 2003, the SPDC, threatened by continued support for the NLD throughout Burma, brutally attacked NLD supporters, killed and injured scores of civilians, and arrested democracy advocate Aung San Suu Kyi and other activists.

(5) The SPDC continues egregious human rights violations against Burmese citizens, uses rape as a weapon of intimidation and torture against women, and forcibly conscripts child-soldiers for the use in fighting indigenous ethnic groups.

(6) The SPDC is engaged in ethnic cleansing against minorities within Burma, including the Karen, Karenni, and Shan people, which constitutes a crime against humanity and has directly led to more than 600,000 internally displaced people living within Burma and more than 130,000 people from Burma living in refugee camps along the Thai-Burma border.

(7) The ethnic cleansing campaign of the SPDC is in sharp contrast to the traditional peaceful coexistence in Burma of Buddhists, Muslims, Christians, and people of traditional beliefs.

Aung San Suu
Kyi.

(8) The SPDC has demonstrably failed to cooperate with the United States in stopping the flood of heroin and methamphetamines being grown, refined, manufactured, and transported in areas under the control of the SPDC serving to flood the region and much of the world with these illicit drugs.

(9) The SPDC provides safety, security, and engages in business dealings with narcotics traffickers under indictment by United States authorities, and other producers and traffickers of narcotics.

(10) The International Labor Organization (ILO), for the first time in its 82-year history, adopted in 2000, a resolution recommending that governments, employers, and workers organizations take appropriate measures to ensure that their relations with the SPDC do not abet the government-sponsored system of forced, compulsory, or slave labor in Burma, and that other international bodies reconsider any cooperation they may be engaged in with Burma and, if appropriate, cease as soon as possible any activity that could abet the practice of forced, compulsory, or slave labor.

(11) The SPDC has integrated the Burmese military and its surrogates into all facets of the economy effectively destroying any free enterprise system.

(12) Investment in Burmese companies and purchases from them serve to provide the SPDC with currency that is used to finance its instruments of terror and repression against the Burmese people.

(13) On April 15, 2003, the American Apparel and Footwear Association expressed its “strong support for a full and immediate ban on U.S. textiles, apparel and footwear imports from Burma” and called upon the United States Government to “impose an outright ban on U.S. imports” of these items until Burma demonstrates respect for basic human and labor rights of its citizens.

(14) The policy of the United States, as articulated by the President on April 24, 2003, is to officially recognize the NLD as the legitimate representative of the Burmese people as determined by the 1990 election.

(15) The United States must work closely with other nations, including Thailand, a close ally of the United States, to highlight attention to the SPDC’s systematic abuses of human rights in Burma, to ensure that nongovernmental organizations promoting human rights and political freedom in Burma are allowed to operate freely and without harassment, and to craft a multilateral sanctions regime against Burma in order to pressure the SPDC to meet the conditions identified in section 3(a)(3) of this Act.

SEC. 3. BAN AGAINST TRADE THAT SUPPORTS THE MILITARY REGIME OF BURMA.

50 USC 1701
note.

(a) GENERAL BAN.—

(1) **IN GENERAL.**—Notwithstanding any other provision of law, until such time as the President determines and certifies to Congress that Burma has met the conditions described in paragraph (3), beginning 30 days after the date of the enactment of this Act, the President shall ban the importation of any article that is a product of Burma.

Effective date.
President.

Applicability.

(2) BAN ON IMPORTS FROM CERTAIN COMPANIES.—The import restrictions contained in paragraph (1) shall apply to, among other entities—

(A) the SPDC, any ministry of the SPDC, a member of the SPDC or an immediate family member of such member;

(B) known narcotics traffickers from Burma or an immediate family member of such narcotics trafficker;

(C) the Union of Myanmar Economics Holdings Incorporated (UMEHI) or any company in which the UMEHI has a fiduciary interest;

(D) the Myanmar Economic Corporation (MEC) or any company in which the MEC has a fiduciary interest;

(E) the Union Solidarity and Development Association (USDA); and

(F) any successor entity for the SPDC, UMEHI, MEC, or USDA.

(3) CONDITIONS DESCRIBED.—The conditions described in this paragraph are the following:

(A) The SPDC has made substantial and measurable progress to end violations of internationally recognized human rights including rape, and the Secretary of State, after consultation with the ILO Secretary General and relevant nongovernmental organizations, reports to the appropriate congressional committees that the SPDC no longer systematically violates workers rights, including the use of forced and child labor, and conscription of child-soldiers.

(B) The SPDC has made measurable and substantial progress toward implementing a democratic government including—

(i) releasing all political prisoners;

(ii) allowing freedom of speech and the press;

(iii) allowing freedom of association;

(iv) permitting the peaceful exercise of religion;

and

(v) bringing to a conclusion an agreement between the SPDC and the democratic forces led by the NLD and Burma's ethnic nationalities on the transfer of power to a civilian government accountable to the Burmese people through democratic elections under the rule of law.

(C) Pursuant to section 706(2) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107–228), Burma has not been designated as a country that has failed demonstrably to make substantial efforts to adhere to its obligations under international counternarcotics agreements and to take other effective counternarcotics measures, including, but not limited to (i) the arrest and extradition of all individuals under indictment in the United States for narcotics trafficking, (ii) concrete and measurable actions to stem the flow of illicit drug money into Burma's banking system and economic enterprises, and (iii) actions to stop the manufacture and export of methamphetamines.

(4) APPROPRIATE CONGRESSIONAL COMMITTEES.—In this subsection, the term “appropriate congressional committees”

means the Committees on Foreign Relations and Appropriations of the Senate and the Committees on International Relations and Appropriations of the House of Representatives.

(b) **WAIVER AUTHORITIES.**—The President may waive the prohibitions described in this section for any or all articles that are a product of Burma if the President determines and notifies the Committees on Appropriations, Finance, and Foreign Relations of the Senate and the Committees on Appropriations, International Relations, and Ways and Means of the House of Representatives that to do so is in the national interest of the United States.

SEC. 4. FREEZING ASSETS OF THE BURMESE REGIME IN THE UNITED STATES.

50 USC 1701
note.

(a) **REPORTING REQUIREMENT.**—Not later than 60 days after the date of enactment of this Act, the President shall take such action as is necessary to direct, and promulgate regulations to the same, that any United States financial institution holding funds belonging to the SPDC or the assets of those individuals who hold senior positions in the SPDC or its political arm, the Union Solidarity Development Association, shall promptly report those funds or assets to the Office of Foreign Assets Control.

Deadline.
President.
Regulations.

(b) **ADDITIONAL AUTHORITY.**—The President may take such action as may be necessary to impose a sanctions regime to freeze such funds or assets, subject to such terms and conditions as the President determines to be appropriate.

(c) **DELEGATION.**—The President may delegate the duties and authorities under this section to such Federal officers or other officials as the President deems appropriate.

SEC. 5. LOANS AT INTERNATIONAL FINANCIAL INSTITUTIONS.

50 USC 1701
note.

The Secretary of the Treasury shall instruct the United States executive director to each appropriate international financial institution in which the United States participates, to oppose, and vote against the extension by such institution of any loan or financial or technical assistance to Burma until such time as the conditions described in section 3(a)(3) are met.

SEC. 6. EXPANSION OF VISA BAN.

50 USC 1701
note.

(a) **IN GENERAL.**—

(1) **VISA BAN.**—The President is authorized to deny visas and entry to the former and present leadership of the SPDC or the Union Solidarity Development Association.

(2) **UPDATES.**—The Secretary of State shall coordinate on a biannual basis with representatives of the European Union to allow officials of the United States and the European Union to ensure a high degree of coordination of lists of individuals banned from obtaining a visa by the European Union for the reason described in paragraph (1) and those banned from receiving a visa from the United States.

(b) **PUBLICATION.**—The Secretary of State shall post on the Department of State's website the names of individuals whose entry into the United States is banned under subsection (a).

Internet.

SEC. 7. CONDEMNATION OF THE REGIME AND DISSEMINATION OF INFORMATION.

50 USC 1701
note.

Congress encourages the Secretary of State to highlight the abysmal record of the SPDC to the international community and use all appropriate fora, including the Association of Southeast

Asian Nations Regional Forum and Asian Nations Regional Forum, to encourage other states to restrict financial resources to the SPDC and Burmese companies while offering political recognition and support to Burma's democratic movement including the National League for Democracy and Burma's ethnic groups.

50 USC 1701
note.

SEC. 8. SUPPORT DEMOCRACY ACTIVISTS IN BURMA.

(a) **IN GENERAL.**—The President is authorized to use all available resources to assist Burmese democracy activists dedicated to nonviolent opposition to the regime in their efforts to promote freedom, democracy, and human rights in Burma, including a listing of constraints on such programming.

Deadlines.

(b) **REPORTS.**—

(1) **FIRST REPORT.**—Not later than 3 months after the date of enactment of this Act, the Secretary of State shall provide the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and International Relations of the House of Representatives a comprehensive report on its short- and long-term programs and activities to support democracy activists in Burma, including a list of constraints on such programming.

(2) **REPORT ON RESOURCES.**—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall provide the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and International Relations of the House of Representatives a report identifying resources that will be necessary for the reconstruction of Burma, after the SPDC is removed from power, including—

- (A) the formation of democratic institutions;
- (B) establishing the rule of law;
- (C) establishing freedom of the press;
- (D) providing for the successful reintegration of military officers and personnel into Burmese society; and
- (E) providing health, educational, and economic development.

(3) **REPORT ON TRADE SANCTIONS.**—Not later than 90 days before the date on which the import restrictions contained in section 3(a)(1) are to expire, the Secretary of State, in consultation with the United States Trade Representative and the heads of appropriate agencies, shall submit to the Committees on Appropriations, Finance, and Foreign Relations of the Senate, and the Committees on Appropriations, International Relations, and Ways and Means of the House of Representatives, a report on—

(A) bilateral and multilateral measures undertaken by the United States Government and other governments to promote human rights and democracy in Burma;

(B) the extent to which actions related to trade with Burma taken pursuant to this Act have been effective in—

- (i) improving conditions in Burma, including human rights violations, arrest and detention of democracy activists, forced and child labor, and the status of dialogue between the SPDC and the NLD and ethnic minorities;

(ii) furthering the policy objections of the United States toward Burma; and

(C) the impact of actions relating to trade take pursuant to this Act on other national security, economic, and foreign policy interests of the United States, including relations with countries friendly to the United States.

SEC. 9. DURATION OF SANCTIONS.

50 USC 1701
note.

(a) **TERMINATION BY REQUEST FROM DEMOCRATIC BURMA.**—The President may terminate any provision in this Act upon the request of a democratically elected government in Burma, provided that all the conditions in section 3(a)(3) have been met.

(b) **CONTINUATION OF IMPORT SANCTIONS.**—

(1) **EXPIRATION.**—The import restrictions contained in section 3(a)(1) shall expire 1 year from the date of enactment of this Act unless renewed under paragraph (2) of this section.

(2) **RESOLUTION BY CONGRESS.**—The import restrictions contained in section 3(a)(1) may be renewed annually for a 1-year period if, prior to the anniversary of the date of enactment of this Act, and each year thereafter, a renewal resolution is enacted into law in accordance with subsection (c).

(3) **LIMITATION.**—The import restrictions contained in section 3(a)(1) may be renewed for a maximum of three years from the date of the enactment of this Act.

(c) **RENEWAL RESOLUTIONS.**—

(1) **IN GENERAL.**—For purposes of this section, the term “renewal resolution” means a joint resolution of the 2 Houses of Congress, the sole matter after the resolving clause of which is as follows: “That Congress approves the renewal of the import restrictions contained in section 3(a)(1) of the Burmese Freedom and Democracy Act of 2003.”

(2) **PROCEDURES.**—

Applicability.

(A) **IN GENERAL.**—A renewal resolution—

(i) may be introduced in either House of Congress by any member of such House at any time within the 90-day period before the expiration of the import restrictions contained in section 3(a)(1); and

(ii) the provisions of subparagraph (B) shall apply.

(B) **EXPEDITED CONSIDERATION.**—The provisions of section 152(b), (c), (d), (e), and (f) of the Trade Act of 1974 (19 U.S.C. 2192 (b), (c), (d), (e), and (f)) apply to a renewal resolution under this Act as if such resolution were a

resolution described in section 152(a) of the Trade Act of 1974.

Approved July 28, 2003.

LEGISLATIVE HISTORY—H.R. 2330 (S. 1215):

HOUSE REPORTS: No. 108–159, Pt. 1 (Comm. on International Relations) and Pt. 2 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 14, 15, considered and passed House.

July 16, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

July 28, Presidential statement.



Public Law 108–62
108th Congress

An Act

To authorize the Secretary of the Interior to grant an easement to facilitate access to the Lewis and Clark Interpretative Center in Nebraska City, Nebraska.

July 29, 2003
[H.R. 255]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO GRANT EASEMENT.

(a) **IN GENERAL.**—The Secretary of the Interior is authorized to grant an easement to Otoe County, Nebraska, for the purpose of constructing and maintaining an access road between the Lewis and Clark Interpretive Center in Nebraska City, Nebraska, and each of the following roads:

- (1) Nebraska State Highway 2.
- (2) Otoe County Road 67.

(b) **LOCATION OF ROAD.**—The access road referred to in subsection (a) shall not be located, in whole or in part, on private property.

SEC. 2. USE OF FEDERAL FUNDS.

No funds from the Department of the Interior may be used for design, construction, maintenance, or operation of the access road referred to in subsection (a) of section 1.

Approved July 29, 2003.

LEGISLATIVE HISTORY—H.R. 255:

SENATE REPORTS: No. 108–99 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 14, considered and passed House.

July 17, considered and passed Senate.



Public Law 108–63
108th Congress

An Act

July 29, 2003
[H.R. 733]

To authorize the Secretary of the Interior to acquire the McLoughlin House in Oregon City, Oregon, for inclusion in Fort Vancouver National Historic Site, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

McLoughlin
House Addition
to Fort
Vancouver
National Historic
Site Act.
16 USC 450ff
note.

SECTION 1. SHORT TITLE; DEFINITIONS.

(a) **SHORT TITLE.**—This Act may be cited as the “McLoughlin House Addition to Fort Vancouver National Historic Site Act”.

(b) **DEFINITIONS.**—For the purposes of this Act, the following definitions apply:

(1) **CITY.**—The term “City” means Oregon City, Oregon.

(2) **MCLOUGHLIN HOUSE.**—The term “McLoughlin House” means the McLoughlin House National Historic Site which is described in the Acting Assistant Secretary of the Interior’s Order of June 27, 1941, and generally depicted on the map entitled “McLoughlin House, Fort Vancouver National Historic Site”, numbered 389/92,002, and dated 5/01/03, and includes the McLoughlin House, the Barclay House, and other associated real property, improvements, and personal property.

(3) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

SEC. 2. MCLOUGHLIN HOUSE ADDITION TO FORT VANCOUVER.

(a) **ACQUISITION.**—The Secretary is authorized to acquire the McLoughlin House, from willing sellers only, by donation, purchase with donated or appropriated funds, or exchange, except that lands or interests in lands owned by the City may be acquired by donation only.

(b) **MAP AVAILABILITY.**—The map identifying the McLoughlin House referred to in section 1(b)(2) shall be on file and available for inspection in the appropriate offices of the National Park Service, Department of the Interior.

(c) **BOUNDARIES; ADMINISTRATION.**—Upon acquisition of the McLoughlin House, the acquired property shall be included within the boundaries of, and be administered as part of, the Fort Vancouver National Historic Site in accordance with all applicable laws and regulations.

(d) **NAME CHANGE.**—Upon acquisition of the McLoughlin House, the Secretary shall change the name of the site from the “McLoughlin House National Historic Site” to the “McLoughlin House”.

(e) **FEDERAL LAWS.**—After the McLoughlin House is acquired and added to Fort Vancouver National Historic Site, any reference

in a law, map, regulation, document, paper, or other record of the United States to the “McLoughlin House National Historic Site” (other than this Act) shall be deemed a reference to the “McLoughlin House”, a unit of Fort Vancouver National Historic Site.

Approved July 29, 2003.

LEGISLATIVE HISTORY—H.R. 733:

SENATE REPORTS: No. 108–66 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 8, considered and passed House.

June 16, considered and passed Senate, amended.

July 16, House concurred in Senate amendments.



Public Law 108–64
108th Congress

An Act

July 29, 2003
[H.R. 1577]

To designate the visitor center in Organ Pipe Cactus National Monument in Arizona as the “Kris Eggle Visitor Center”, and for other purposes.

16 USC 431 note. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. REDESIGNATION.

(a) **FINDING.**—Congress finds that in August 2002, Kris Eggle, a 28-year-old park ranger in Organ Pipe Cactus National Monument, was murdered in the line of duty along the border between the United States and Mexico.

(b) **DEDICATION.**—Congress dedicates the visitor center in Organ Pipe Cactus National Monument to Kris Eggle and to promoting awareness of the risks taken each day by all public land management law enforcement officers.

(c) **REDESIGNATION.**—The visitor center in Organ Pipe Cactus National Monument in Arizona is hereby designated as the “Kris Eggle Visitor Center”.

(d) **REFERENCE.**—Any reference to the visitor center in Organ Pipe Cactus National Monument in Arizona, in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the “Kris Eggle Visitor Center”.

(e) **SIGNAGE.**—The Secretary of the Interior shall post interpretive signs at the visitor center and at the trailhead of the Baker Mine-Milton Mine Loop that—

(1) describe the important role of public law enforcement officers in protecting park visitors;

(2) refer to the tragic loss of Kris Eggle in underscoring the importance of these officers;

(3) refer to the dedication of the trail and the visitor center by Congress; and

(4) include a copy of this Act and an image of Kris Eggle.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

Approved July 29, 2003.

LEGISLATIVE HISTORY—H.R. 1577:

SENATE REPORTS: No. 108–100 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 14, considered and passed House.

July 17, considered and passed Senate.



Public Law 108–65
108th Congress

An Act

To redesignate the facility of the United States Postal Service located at 101 South Vine Street in Glenwood, Iowa, as the “William J. Scherle Post Office Building”.

July 29, 2003
[S. 1399]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WILLIAM J. SCHERLE POST OFFICE BUILDING.

(a) REDESIGNATION.—The facility of the United States Postal Service located at 101 South Vine Street in Glenwood, Iowa, and known as the Glenwood Main Office, shall be known and designated as the “William J. Scherle Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the William J. Scherle Post Office Building.

Approved July 29, 2003.

LEGISLATIVE HISTORY—S. 1399:

CONGRESSIONAL RECORD, Vol. 149 (2003):
July 17, considered and passed Senate.
July 21, considered and passed House.



Public Law 108–66
108th Congress

An Act

July 30, 2003
[S. 246]

To provide that certain Bureau of Land Management land shall be held in trust for the Pueblo of Santa Clara and the Pueblo of San Ildefonso in the State of New Mexico.

Native
Americans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

In this Act:

(1) **AGREEMENT.**—The term “Agreement” means the agreement entitled “Agreement to Affirm Boundary Between Pueblo of Santa Clara and Pueblo of San Ildefonso Aboriginal Lands Within Garcia Canyon Tract”, entered into by the Governors on December 20, 2000.

(2) **BOUNDARY LINE.**—The term “boundary line” means the boundary line established under section 4(a).

(3) **GOVERNORS.**—The term “Governors” means—

(A) the Governor of the Pueblo of Santa Clara, New Mexico; and

(B) the Governor of the Pueblo of San Ildefonso, New Mexico.

(4) **INDIAN TRIBE.**—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) **PUEBLOS.**—The term “Pueblos” means—

(A) the Pueblo of Santa Clara, New Mexico; and

(B) the Pueblo of San Ildefonso, New Mexico.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(7) **TRUST LAND.**—The term “trust land” means the land held by the United States in trust under section 2(a) or 3(a).

SEC. 2. TRUST FOR THE PUEBLO OF SANTA CLARA, NEW MEXICO.

(a) **IN GENERAL.**—All right, title, and interest of the United States in and to the land described in subsection (b), including improvements on, appurtenances to, and mineral rights (including rights to oil and gas) to the land, shall be held by the United States in trust for the Pueblo of Santa Clara, New Mexico, as part of the Santa Clara Reservation.

(b) **DESCRIPTION OF LAND.**—The land referred to in subsection (a) consists of approximately 2,484 acres of Bureau of Land Management land located in Rio Arriba County, New Mexico, and more particularly described as—

(1) the portion of T. 20 N., R. 7 E., Sec. 22, New Mexico Principal Meridian, that is located north of the boundary line;

(2) the southern half of T. 20 N., R. 7 E., Sec. 23, New Mexico Principal Meridian;

(3) the southern half of T. 20 N., R. 7 E., Sec. 24, New Mexico Principal Meridian;

(4) T. 20 N., R. 7 E., Sec. 25, excluding the 5-acre tract in the southeast quarter owned by the Pueblo of San Ildefonso;

(5) the portion of T. 20 N., R. 7 E., Sec. 26, New Mexico Principal Meridian, that is located north and east of the boundary line;

(6) the portion of T. 20 N., R. 7 E., Sec. 27, New Mexico Principal Meridian, that is located north of the boundary line;

(7) the portion of T. 20 N., R. 8 E., Sec. 19, New Mexico Principal Meridian, that is not included in the Santa Clara Pueblo Grant or the Santa Clara Indian Reservation; and

(8) the portion of T. 20 N., R. 8 E., Sec. 30, that is not included in the Santa Clara Pueblo Grant or the San Ildefonso Grant.

SEC. 3. TRUST FOR THE PUEBLO OF SAN ILDEFONSO, NEW MEXICO.

(a) IN GENERAL.—All right, title, and interest of the United States in and to the land described in subsection (b), including improvements on, appurtenances to, and mineral rights (including rights to oil and gas) to the land, shall be held by the United States in trust for the Pueblo of San Ildefonso, New Mexico, as part of the San Ildefonso Reservation.

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) consists of approximately 2,000 acres of Bureau of Land Management land located in Rio Arriba County and Santa Fe County in the State of New Mexico, and more particularly described as—

(1) the portion of T. 20 N., R. 7 E., Sec. 22, New Mexico Principal Meridian, that is located south of the boundary line;

(2) the portion of T. 20 N., R. 7 E., Sec. 26, New Mexico Principal Meridian, that is located south and west of the boundary line;

(3) the portion of T. 20 N., R. 7 E., Sec. 27, New Mexico Principal Meridian, that is located south of the boundary line;

(4) T. 20 N., R. 7 E., Sec. 34, New Mexico Principal Meridian; and

(5) the portion of T. 20 N., R. 7 E., Sec. 35, New Mexico Principal Meridian, that is not included in the San Ildefonso Pueblo Grant.

SEC. 4. SURVEY AND LEGAL DESCRIPTIONS.

(a) SURVEY.—Not later than 180 days after the date of enactment of this Act, the Office of Cadastral Survey of the Bureau of Land Management shall, in accordance with the Agreement, complete a survey of the boundary line established under the Agreement for the purpose of establishing, in accordance with sections 2(b) and 3(b), the boundaries of the trust land. Deadline.

(b) LEGAL DESCRIPTIONS.—

(1) PUBLICATION.—On approval by the Governors of the survey completed under subsection (a), the Secretary shall publish in the Federal Register— Federal Register, publication.

(A) a legal description of the boundary line; and

(B) legal descriptions of the trust land.

(2) TECHNICAL CORRECTIONS.—Before the date on which the legal descriptions are published under paragraph (1)(B),

the Secretary may correct any technical errors in the descriptions of the trust land provided in sections 2(b) and 3(b) to ensure that the descriptions are consistent with the terms of the Agreement.

(3) EFFECT.—Beginning on the date on which the legal descriptions are published under paragraph (1)(B), the legal descriptions shall be the official legal descriptions of the trust land.

SEC. 5. ADMINISTRATION OF TRUST LAND.

(a) APPLICABLE LAW.—The trust land shall be administered in accordance with laws generally applicable to property held in trust by the United States for Indian tribes.

(b) PUEBLO LANDS ACT.—The following shall be subject to section 17 of the Act of June 7, 1924 (25 U.S.C. 331 note; commonly known as the “Pueblo Lands Act”):

(1) The trust land.

(2) Any land owned as of the date of enactment of this Act or acquired after the date of enactment of this Act by the Pueblo of Santa Clara in the Santa Clara Pueblo Grant.

(3) Any land owned as of the date of enactment of this Act or acquired after the date of enactment of this Act by the Pueblo of San Ildefonso in the San Ildefonso Pueblo Grant.

(c) USE OF TRUST LAND.—Subject to criteria developed by the Pueblos in concert with the Secretary, the trust land may be used only for traditional and customary uses or stewardship conservation for the benefit of the Pueblo for which the trust land is held in trust. Beginning on the date of enactment of this Act, the trust land shall not be used for any new commercial developments.

SEC. 6. EFFECT.

Nothing in this Act—

(1) affects any valid right-of-way, lease, permit, mining claim, grazing permit, water right, or other right or interest of any person or entity (other than the United States) in or to the trust land that is in existence before the date of enactment of this Act;

(2) enlarges, impairs, or otherwise affects a right or claim of the Pueblos to any land or interest in land based on Aboriginal or Indian title that is in existence before the date of enactment of this Act;

(3) constitutes an express or implied reservation of water or water right for any purpose with respect to the trust land;
or

(4) affects any water right of the Pueblos in existence before the date of enactment of this act.

Approved July 30, 2003.

LEGISLATIVE HISTORY—S. 246:

SENATE REPORTS: No. 108–60 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 16, considered and passed Senate.

July 16, considered and passed House.



Public Law 108–67
108th Congress

An Act

Aug. 1, 2003
[H.R. 74]

To direct the Secretary of Agriculture to convey certain land in the Lake Tahoe Basin Management Unit, Nevada, to the Secretary of the Interior, in trust for the Washoe Indian Tribe of Nevada and California.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the ancestral homeland of the Washoe Tribe of Nevada and California (referred to in this Act as the “Tribe”) included an area of approximately 5,000 square miles in and around Lake Tahoe, California and Nevada, and Lake Tahoe was the heart of the territory;

(2) in 1997, Federal, State, and local governments, together with many private landholders, recognized the Washoe people as indigenous people of Lake Tahoe Basin through a series of meetings convened by those governments at 2 locations in Lake Tahoe;

(3) the meetings were held to address protection of the extraordinary natural, recreational, and ecological resources in the Lake Tahoe region;

(4) the resulting multiagency agreement includes objectives that support the traditional and customary uses of National Forest System land by the Tribe; and

(5) those objectives include the provision of access by members of the Tribe to the shore of Lake Tahoe in order to reestablish traditional and customary cultural practices.

(b) PURPOSES.—The purposes of this Act are—

(1) to implement the joint local, State, tribal, and Federal objective of returning the Tribe to Lake Tahoe; and

(2) to ensure that members of the Tribe have the opportunity to engage in traditional and customary cultural practices on the shore of Lake Tahoe to meet the needs of spiritual renewal, land stewardship, Washoe horticulture and ethnobotany, subsistence gathering, traditional learning, and reunification of tribal and family bonds.

SEC. 2. CONVEYANCE ON CONDITION SUBSEQUENT.

Subject to valid existing rights, the easement reserved under section 3, and the condition stated in section 4, the Secretary of Agriculture shall convey to the Secretary of the Interior, in trust for the Tribe, for no consideration, all right, title, and interest in the parcel of land comprising approximately 24.3 acres, located within the Lake Tahoe Basin Management Unit north of Skunk

Harbor, Nevada, and more particularly described as Mount Diablo Meridian, T15N, R18E, section 27, lot 3.

SEC. 3. EASEMENT.

(a) **IN GENERAL.**—The conveyance under section 2 shall be made subject to reservation to the United States of a nonexclusive easement for public and administrative access over Forest Development Road #15N67 to National Forest System land, to be administered by the Secretary of Agriculture.

(b) **ACCESS BY INDIVIDUALS WITH DISABILITIES.**—The Secretary of Agriculture shall provide a reciprocal easement to the Tribe permitting vehicular access to the parcel over Forest Development Road #15N67 to—

(1) members of the Tribe for administrative and safety purposes; and

(2) members of the Tribe who, due to age, infirmity, or disability, would have difficulty accessing the conveyed parcel on foot.

SEC. 4. CONDITION ON USE OF LAND.

(a) **IN GENERAL.**—In using the parcel conveyed under section 2, the Tribe and members of the Tribe—

(1) shall limit the use of the parcel to traditional and customary uses and stewardship conservation for the benefit of the Tribe;

(2) shall not permit any permanent residential or recreational development on, or commercial use of, the parcel (including commercial development, tourist accommodations, gaming, sale of timber, or mineral extraction); and

(3) shall comply with environmental requirements that are no less protective than environmental requirements that apply under the Regional Plan of the Tahoe Regional Planning Agency.

(b) **TERMINATION AND REVERSION.**—If the Secretary of the Interior, after notice to the Tribe and an opportunity for a hearing, based on monitoring of use of the parcel by the Tribe, makes a finding that the Tribe has used or permitted the use of the parcel in violation of subsection (a) and the Tribe fails to take corrective or remedial action directed by the Secretary of the Interior—

(1) title to the parcel in the Secretary of the Interior, in trust for the Tribe, shall terminate; and

(2) title to the parcel shall revert to the Secretary of Agriculture.

Approved August 1, 2003.

LEGISLATIVE HISTORY—H.R. 74 (S. 490):

HOUSE REPORTS: No. 108–185 (Comm. on Resources).

SENATE REPORTS: No. 108–91 accompanying S. 490 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 16, considered and passed House.

July 17, considered and passed Senate.



Public Law 108–68
108th Congress

An Act

To amend the PROTECT Act to clarify certain volunteer liability.

Aug. 1, 2003

[S. 1280]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO THE PROTECT ACT.

Section 108 of the PROTECT Act (Public Law 108–21) is amended by adding at the end the following: *Ante*, p. 655.

“(e) **LIMITATION ON LIABILITY.**—In connection with the Pilot Programs established under this section, in reliance upon the fitness criteria established under section 108(a)(3)(G)(i), and except upon proof of actual malice or intentional misconduct, the National Center for Missing and Exploited Children, or a director, officer, employee, or agent of the Center shall not be liable in any civil action for damages—

“(1) arising from any act or communication by the Center, the director, officer, employee, or agent that results in or contributes to a decision that an individual is unfit to serve as a volunteer for any volunteer organization;

“(2) alleging harm arising from a decision based on the information in an individual’s criminal history record that an individual is fit to serve as a volunteer for any volunteer organization unless the Center, the director, officer, employee, or agent is furnished with an individual’s criminal history records which they know to be inaccurate or incomplete, or which they know reflect a lesser crime than that for which the individual was arrested; and

“(3) alleging harm arising from a decision that, based on the absence of criminal history information, an individual is fit to serve as a volunteer for any volunteer organization unless the Center, the director, officer, employee, or agent knows

that criminal history records exist and have not been furnished as required under this section.”.

Approved August 1, 2003.

LEGISLATIVE HISTORY—S. 1280:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 14, considered and passed Senate.

July 21, considered and passed House.



Public Law 108–69
108th Congress

An Act

Making emergency supplemental appropriations for the fiscal year ending September 30, 2003.

Aug. 8, 2003
[H.R. 2859]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2003, namely:

Emergency
Supplemental
Appropriations
for Disaster
Relief Act, 2003.

DEPARTMENT OF HOMELAND SECURITY

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

For an additional amount for “Disaster Relief” for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$983,600,000, to remain available until expended: *Provided*, That this amount is designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004.

This Act may be cited as the “Emergency Supplemental Appropriations for Disaster Relief Act, 2003”.

Approved August 8, 2003.

LEGISLATIVE HISTORY—H.R. 2859:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 25, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–70
108th Congress

An Act

Aug. 14, 2003
[H.R. 1018]

To designate the building located at 1 Federal Plaza in New York, New York,
as the “James L. Watson United States Court of International Trade Building”.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

28 USC app.

SECTION 1. DESIGNATION.

The building located at 1 Federal Plaza in New York, New
York, shall be known and designated as the “James L. Watson
United States Court of International Trade Building”.

28 USC app.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper,
or other record of the United States to the building referred to
in section 1 shall be deemed to be a reference to the “James
L. Watson United States Court of International Trade Building”.

Approved August 14, 2003.

LEGISLATIVE HISTORY—H.R. 1018:

HOUSE REPORTS: No. 108–85 (Comm. on Transportation and Infrastructure).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 19, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–71
108th Congress

An Act

To designate the facility of the United States Postal Service located at 9350 East Corporate Hill Drive in Wichita, Kansas, as the “Garner E. Shriver Post Office Building”.

Aug. 14, 2003
[H.R. 1761]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 9350 East Corporate Hill Drive in Wichita, Kansas, shall be known and designated as the “Garner E. Shriver Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Garner E. Shriver Post Office Building”.

Approved August 14, 2003.

LEGISLATIVE HISTORY—H.R. 1761:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 8, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–72
108th Congress

An Act

Aug. 15, 2003
[H.R. 2195]

To provide for additional space and resources for national collections held by the Smithsonian Institution, and for other purposes.

Smithsonian
Facilities
Authorization
Act.
20 USC 41 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Smithsonian Facilities Authorization Act”.

SEC. 2. ADDITIONAL SPACE AND RESOURCES FOR NATIONAL COLLECTIONS HELD BY THE SMITHSONIAN INSTITUTION.

(a) IN GENERAL.—Public Law 94–98 (20 U.S.C. 50 note; 89 Stat. 480) is amended by adding at the end the following:

“SEC. 4. ADDITIONAL SPACE AND RESOURCES FOR NATIONAL COLLECTIONS HELD BY THE SMITHSONIAN INSTITUTION.

“(a) IN GENERAL.—The Board of Regents of the Smithsonian Institution may plan, design, construct, and equip additional special use storage and laboratory space at the museum support facility of the Smithsonian Institution in Suitland, Maryland, to accommodate the care, preservation, conservation, deposit, and study of national collections held in trust by the Institution.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

“(1) \$2,000,000 for fiscal year 2003;

“(2) \$10,000,000 for fiscal year 2004; and

“(3) such sums as are necessary for each of fiscal years 2005 through 2008.”.

(b) CONFORMING AMENDMENT.—Section 3 of Public Law 94–98 (20 U.S.C. 50 note; 89 Stat. 480) is amended in the first sentence by striking “the purposes of this Act.” and inserting “this Act (other than section 4).”.

20 USC 75b note.

SEC. 3. PATENT OFFICE BUILDING IMPROVEMENTS.

(a) AUTHORIZATION OF USE OF FUNDS.—

(1) IN GENERAL.—The Board of Regents of the Smithsonian Institution may plan, design, and construct improvements to the interior and exterior of the Patent Office Building (including the construction of a roof covering for the courtyard), using funds available to the Institution from nonappropriated sources.

(2) DEFINITION.—In this section, the term “Patent Office Building” means the building transferred to the Smithsonian Institution pursuant to Public Law 85–357.

(b) DESIGN AND SPECIFICATIONS.—The design and specifications for any exterior alterations authorized by subsection (a) shall be—

(1) submitted by the Secretary of the Smithsonian Institution (referred to in this section as the “Secretary”) to the Commission of Fine Arts for comments and recommendations; and

(2) subject to the review and approval of the National Capital Planning Commission in accordance with section 8722 of title 40, United States Code, and section 16 of the Act of June 20, 1938 (sec. 6–641.15, D.C. Official Code).

(c) **AUTHORITY OF HISTORIC PRESERVATION AGENCIES.**—

(1) **IN GENERAL.**—The Secretary shall—

(A) take into account the effect of the improvements authorized by subsection (a) on the historic character of the Patent Office Building; and

(B) provide the Advisory Council on Historic Preservation a reasonable opportunity to comment with regard to such improvements.

(2) **STATUS OF SMITHSONIAN.**—In carrying out this subsection, and in carrying out other projects in the District of Columbia which are subject to the review and approval of the National Capital Planning Commission in accordance with section 16 of the Act of June 20, 1938 (sec. 6–641.15, D.C. Official Code), the Smithsonian Institution shall be deemed to be an agency for purposes of compliance with regulations promulgated by the Advisory Council on Historic Preservation pursuant to section 106 of the National Historic Preservation Act (16 U.S.C. 470f).

SEC. 4. CONTRACTING AUTHORITY OF SECRETARY.

41 USC 253l–8.

(a) **IN GENERAL.**—The Secretary of the Smithsonian Institution may—

(1) enter into multi-year contracts for the acquisition of property and services under the authority of section 304B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c); and

(2) enter into contracts for the acquisition of severable services for a period that begins in one fiscal year and ends in the next fiscal year under the authority of section 303L of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253l).

(b) **EFFECTIVE DATE.**—This section shall apply to contracts entered into on or after the date of the enactment of this Act.

Applicability.

SEC. 5. VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

5 USC 3521 note.

The Secretary of the Smithsonian Institution may establish a program for making voluntary separation incentive payments for employees of the Smithsonian Institution which is substantially similar to the program established under subchapter II of chapter 35 of title 5, United States Code (as added by section 1313(a) of the Homeland Security Act of 2002).

SEC. 6. SENSE OF CONGRESS REGARDING JAZZ APPRECIATION MONTH.

(a) **FINDINGS.**—Congress finds the following:

(1) On December 4, 1987, Congress approved House Concurrent Resolution 57, designating jazz as “a rare and valuable national American treasure”.

(2) Jazz has inspired some of the Nation's leading creative artists and ranks as one of the greatest cultural exports of the United States.

(3) Jazz is an original American art form which has inspired dancers, choreographers, poets, novelists, filmmakers, classical composers, and musicians in many other kinds of music.

(4) Jazz has become an international language that bridges cultural differences and brings people of all races, ages, and backgrounds together.

(5) The jazz heritage of the United States should be appreciated as broadly as possible and should be part of the educational curriculum for children in the United States.

(6) The Smithsonian Institution has played a vital role in the preservation of American culture, including art and music.

(7) The Smithsonian Institution's National Museum of American History has established April as Jazz Appreciation Month to pay tribute to jazz as both a historic and living American art form.

(8) The Smithsonian Institution's National Museum of American History has received great contributions toward this effort from other governmental agencies and cultural organizations.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Smithsonian Institution's National Museum of American History should be commended for establishing a Jazz Appreciation Month; and

(2) musicians, schools, colleges, libraries, concert halls, museums, radio and television stations, and other organizations should develop programs to explore, perpetuate, and honor jazz as a national and world treasure.

Approved August 15, 2003.

LEGISLATIVE HISTORY—H.R. 2195:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 15, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–73
108th Congress

An Act

To extend for six months the period for which chapter 12 of title 11 of the United States Code is reenacted.

Aug. 15, 2003
[H.R. 2465]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Family Farmer Bankruptcy Relief Act of 2003”.

Family Farmer
Bankruptcy
Relief Act of
2003.
11 USC 101 note.

SEC. 2. SIX-MONTH EXTENSION OF PERIOD FOR WHICH CHAPTER 12 OF TITLE 11, UNITED STATES CODE, IS REENACTED.

(a) AMENDMENTS.—Section 149 of title I of division C of Public Law 105–277 (11 U.S.C. 1201 note) is amended—

11 USC
1201–1208,
1221–1231.

(1) by striking “July 1, 2003” each place it appears and inserting “January 1, 2004”; and

(2) in subsection (a)—

(A) by striking “December 31, 2002” and inserting “June 30, 2003”; and

(B) by striking “January 1, 2003” and inserting “July 1, 2003”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on July 1, 2003.

11 USC 1201
note.

Approved August 15, 2003.

LEGISLATIVE HISTORY—H.R. 2465 (S. 1323):

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 23, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–74
108th Congress

An Act

Aug. 15, 2003
[H.R. 2854]

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children’s Health Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AVAILABILITY OF SCHIP ALLOTMENTS FOR FISCAL YEARS 1998 THROUGH 2001.

(a) EXTENDING AVAILABILITY OF SCHIP ALLOTMENTS FOR FISCAL YEARS 1998 THROUGH 2001.—

(1) RETAINED AND REDISTRIBUTED ALLOTMENTS FOR FISCAL YEARS 1998 AND 1999.—Paragraphs (2)(A)(i) and (2)(A)(ii) of section 2104(g) of the Social Security Act (42 U.S.C. 1397dd(g)) are each amended by striking “fiscal year 2002” and inserting “fiscal year 2004”.

(2) EXTENSION AND REVISION OF RETAINED AND REDISTRIBUTED ALLOTMENTS FOR FISCAL YEAR 2000.—

(A) PERMITTING AND EXTENDING RETENTION OF PORTION OF FISCAL YEAR 2000 ALLOTMENT.—Paragraph (2) of such section 2104(g) is amended—

(i) in the heading, by striking “AND 1999” and inserting “THROUGH 2000”; and

(ii) by adding at the end of subparagraph (A) the following:

“(iii) FISCAL YEAR 2000 ALLOTMENT.—Of the amounts allotted to a State pursuant to this section for fiscal year 2000 that were not expended by the State by the end of fiscal year 2002, 50 percent of that amount shall remain available for expenditure by the State through the end of fiscal year 2004.”.

(B) REDISTRIBUTED ALLOTMENTS.—Paragraph (1) of such section 2104(g) is amended—

(i) in subparagraph (A), by inserting “or for fiscal year 2000 by the end of fiscal year 2002,” after “fiscal year 2001,”;

(ii) in subparagraph (A), by striking “1998 or 1999” and inserting “1998, 1999, or 2000”;

(iii) in subparagraph (A)(i)—

(I) by striking “or” at the end of subclause (I),

(II) by striking the period at the end of subclause (II) and inserting “; or”; and

(III) by adding at the end the following new subclause:

“(III) the fiscal year 2000 allotment, the amount specified in subparagraph (C)(i) (less the total of the amounts under clause (ii) for such fiscal year), multiplied by the ratio of the amount specified in subparagraph (C)(ii) for the State to the amount specified in subparagraph (C)(iii).”;

(iv) in subparagraph (A)(ii), by striking “or 1999” and inserting “, 1999, or 2000”;

(v) in subparagraph (B), by striking “with respect to fiscal year 1998 or 1999”;

(vi) in subparagraph (B)(ii)—

(I) by inserting “with respect to fiscal year 1998, 1999, or 2000,” after “subsection (e),”; and

(II) by striking “2002” and inserting “2004”;

and

(vii) by adding at the end the following new subparagraph:

“(C) AMOUNTS USED IN COMPUTING REDISTRIBUTIONS FOR FISCAL YEAR 2000.—For purposes of subparagraph (A)(i)(III)—

“(i) the amount specified in this clause is the amount specified in paragraph (2)(B)(i)(I) for fiscal year 2000, less the total amount remaining available pursuant to paragraph (2)(A)(iii);

“(ii) the amount specified in this clause for a State is the amount by which the State’s expenditures under this title in fiscal years 2000, 2001, and 2002 exceed the State’s allotment for fiscal year 2000 under subsection (b); and

“(iii) the amount specified in this clause is the sum, for all States entitled to a redistribution under subparagraph (A) from the allotments for fiscal year 2000, of the amounts specified in clause (ii).”.

(C) CONFORMING AMENDMENTS.—Such section 2104(g) 42 USC 1397dd. is further amended—

(i) in its heading, by striking “AND 1999” and inserting “, 1999, AND 2000”; and

(ii) in paragraph (3)—

(I) by striking “or fiscal year 1999” and inserting “, fiscal year 1999, or fiscal year 2000”; and

(II) by striking “or November 30, 2001” and inserting “November 30, 2001, or November 30, 2002”, respectively.

(3) EXTENSION AND REVISION OF RETAINED AND REDISTRIBUTED ALLOTMENTS FOR FISCAL YEAR 2001.—

(A) PERMITTING AND EXTENDING RETENTION OF PORTION OF FISCAL YEAR 2001 ALLOTMENT.—Paragraph (2) of such section 2104(g), as amended in paragraph (2)(A)(ii), is further amended—

(i) in the heading, by striking “2000” and inserting “2001”; and

(ii) by adding at the end of subparagraph (A) the following:

“(iv) FISCAL YEAR 2001 ALLOTMENT.—Of the amounts allotted to a State pursuant to this section for fiscal year 2001 that were not expended by the

42 USC 1397dd.

State by the end of fiscal year 2003, 50 percent of that amount shall remain available for expenditure by the State through the end of fiscal year 2005.”.

(B) REDISTRIBUTED ALLOTMENTS.—Paragraph (1) of such section 2104(g), as amended in paragraph (2)(B), is further amended—

(i) in subparagraph (A), by inserting “or for fiscal year 2001 by the end of fiscal year 2003,” after “fiscal year 2002,”;

(ii) in subparagraph (A), by striking “1999, or 2000” and inserting “1999, 2000, or 2001”;

(iii) in subparagraph (A)(i)—

(I) by striking “or” at the end of subclause (II),

(II) by striking the period at the end of subclause (III) and inserting “; or”; and

(III) by adding at the end the following new subclause:

“(IV) the fiscal year 2001 allotment, the amount specified in subparagraph (D)(i) (less the total of the amounts under clause (ii) for such fiscal year), multiplied by the ratio of the amount specified in subparagraph (D)(ii) for the State to the amount specified in subparagraph (D)(iii).”;

(iv) in subparagraph (A)(ii), by striking “or 2000” and inserting “2000, or 2001”;

(v) in subparagraph (B)—

(I) by striking “and” at the end of clause (ii);

(II) by redesignating clause (iii) as clause (iv);

and

(III) by inserting after clause (ii) the following new clause:

“(iii) notwithstanding subsection (e), with respect to fiscal year 2001, shall remain available for expenditure by the State through the end of fiscal year 2005; and”; and

(vi) by adding at the end the following new subparagraph:

“(D) AMOUNTS USED IN COMPUTING REDISTRIBUTIONS FOR FISCAL YEAR 2001.—For purposes of subparagraph (A)(i)(IV)—

“(i) the amount specified in this clause is the amount specified in paragraph (2)(B)(i)(I) for fiscal year 2001, less the total amount remaining available pursuant to paragraph (2)(A)(iv);

“(ii) the amount specified in this clause for a State is the amount by which the State’s expenditures under this title in fiscal years 2001, 2002, and 2003 exceed the State’s allotment for fiscal year 2001 under subsection (b); and

“(iii) the amount specified in this clause is the sum, for all States entitled to a redistribution under subparagraph (A) from the allotments for fiscal year 2001, of the amounts specified in clause (ii).”.

(C) CONFORMING AMENDMENTS.—Such section 2104(g) is further amended—

(i) in its heading, by striking “AND 2000” and inserting “2000, AND 2001”; and

(ii) in paragraph (3)—

(I) by striking “or fiscal year 2000” and inserting “fiscal year 2000, or fiscal year 2001”; and

(II) by striking “or November 30, 2002,” and inserting “November 30, 2002, or November 30, 2003,” respectively.

(4) EFFECTIVE DATE.—This subsection, and the amendments made by this subsection, shall be effective as if this subsection had been enacted on September 30, 2002, and amounts under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) from allotments for fiscal years 1998 through 2000 are available for expenditure on and after October 1, 2002, under the amendments made by this subsection as if this subsection had been enacted on September 30, 2002.

42 USC 1397dd
note.

(b) AUTHORITY FOR QUALIFYING STATES TO USE PORTION OF SCHIP FUNDS FOR MEDICAID EXPENDITURES.—Section 2105 of the Social Security Act (42 U.S.C. 1397ee) is amended by adding at the end the following:

“(g) AUTHORITY FOR QUALIFYING STATES TO USE CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—

“(1) STATE OPTION.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, a qualifying State (as defined in paragraph (2)) may elect to use not more than 20 percent of any allotment under section 2104 for fiscal year 1998, 1999, 2000, or 2001 (insofar as it is available under subsections (e) and (g) of such section) for payments under title XIX in accordance with subparagraph (B), instead of for expenditures under this title.

“(B) PAYMENTS TO STATES.—

“(i) IN GENERAL.—In the case of a qualifying State that has elected the option described in subparagraph (A), subject to the availability of funds under such subparagraph with respect to the State, the Secretary shall pay the State an amount each quarter equal to the additional amount that would have been paid to the State under title XIX with respect to expenditures described in clause (ii) if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).

“(ii) EXPENDITURES DESCRIBED.—For purposes of this subparagraph, the expenditures described in this clause are expenditures, made after the date of the enactment of this subsection and during the period in which funds are available to the qualifying State for use under subparagraph (A), for medical assistance under title XIX to individuals who have not attained age 19 and whose family income exceeds 150 percent of the poverty line.

“(iii) NO IMPACT ON DETERMINATION OF BUDGET NEUTRALITY FOR WAIVERS.—In the case of a qualifying State that uses amounts paid under this subsection for expenditures described in clause (ii) that are

incurred under a waiver approved for the State, any budget neutrality determinations with respect to such waiver shall be determined without regard to such amounts paid.

“(2) QUALIFYING STATE.—In this subsection, the term ‘qualifying State’ means a State that, on and after April 15, 1997, has an income eligibility standard that is at least 185 percent of the poverty line with respect to any 1 or more categories of children (other than infants) who are eligible for medical assistance under section 1902(a)(10)(A) or, in the case of a State that has a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on July 1, 1995, has an income eligibility standard under such waiver for children that is at least 185 percent of the poverty line, or, in the case of a State that has a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on January 1, 1994, has an income eligibility standard under such waiver for children who lack health insurance that is at least 185 percent of the poverty line.

“(3) CONSTRUCTION.—Nothing in paragraphs (1) and (2) shall be construed as modifying the requirements applicable to States implementing State child health plans under this title.”.

SEC. 2. TECHNICAL CORRECTION.

(a) TEMPORARY INCREASE OF THE MEDICAID FMAP.—Subparagraphs (A) and (B) of section 401(a)(6) of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (Public Law 108-27) are amended to read as follows:

“(A) IN GENERAL.—Subject to subparagraph (B), a State is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) for any date after September 2, 2003, only if the eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) applied as of such date is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.

“(B) STATE REINSTATEMENT OF ELIGIBILITY PERMITTED.—A State that has restricted eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) for any date after September 2, 2003, is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) for subsequent dates in which the State has reinstated eligibility that is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.”.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment

Ante, p. 765.

42 USC 1396d
note.

of section 401 of the Jobs and Growth Tax Relief Reconciliation
Act of 2003 (Public Law 108–27).

Approved August 15, 2003.

LEGISLATIVE HISTORY—H.R. 2854 (S. 312):

SENATE REPORTS: No. 108–78 accompanying S. 312 (Comm. on Finance).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 25, considered and passed House.

July 31, considered and passed Senate.



Public Law 108–75
108th Congress

An Act

Aug. 15, 2003
[S. 1015]

To authorize grants through the Centers for Disease Control and Prevention for mosquito control programs to prevent mosquito-borne diseases, and for other purposes.

Mosquito
Abatement for
Safety and
Health Act.
42 USC 201 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Mosquito Abatement for Safety and Health Act”.

SEC. 2. GRANTS REGARDING PREVENTION OF MOSQUITO-BORNE DISEASES.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.), as amended by section 4 of Public Law 107–84 and section 312 of Public Law 107–188, is amended—

42 USC 247b–20.

(1) by transferring section 317R from the current placement of the section and inserting the section after section 317Q; and

(2) by inserting after section 317R (as so transferred) the following:

42 USC 247b–21.

“SEC. 317S. MOSQUITO-BORNE DISEASES; COORDINATION GRANTS TO STATES; ASSESSMENT AND CONTROL GRANTS TO POLITICAL SUBDIVISIONS.

“(a) COORDINATION GRANTS TO STATES; ASSESSMENT GRANTS TO POLITICAL SUBDIVISIONS.—

“(1) IN GENERAL.—With respect to mosquito control programs to prevent and control mosquito-borne diseases (referred to in this section as ‘control programs’), the Secretary, acting through the Director of the Centers for Disease Control and Prevention, may make grants to States for the purpose of—

“(A) coordinating control programs in the State involved; and

“(B) assisting such State in making grants to political subdivisions of the State to conduct assessments to determine the immediate needs in such subdivisions for control programs, and to develop, on the basis of such assessments, plans for carrying out control programs in the subdivisions.

“(2) PREFERENCE IN MAKING GRANTS.—In making grants under paragraph (1), the Secretary shall give preference to States that have one or more political subdivisions with an incidence, prevalence, or high risk of mosquito-borne disease, or a population of infected mosquitoes, that is substantial relative to political subdivisions in other States.

“(3) CERTAIN REQUIREMENTS.—A grant may be made under paragraph (1) only if—

“(A) the State involved has developed, or agrees to develop, a plan for coordinating control programs in the State, and the plan takes into account any assessments or plans described in subsection (b)(3) that have been conducted or developed, respectively, by political subdivisions in the State;

“(B) in developing such plan, the State consulted or will consult (as the case may be under subparagraph (A)) with political subdivisions in the State that are carrying out or planning to carry out control programs;

“(C) the State agrees to monitor control programs in the State in order to ensure that the programs are carried out in accordance with such plan, with priority given to coordination of control programs in political subdivisions described in paragraph (2) that are contiguous;

“(D) the State agrees that the State will make grants to political subdivisions as described in paragraph (1)(B), and that such a grant will not exceed \$10,000; and

“(E) the State agrees that the grant will be used to supplement, and not supplant, State and local funds available for the purpose described in paragraph (1).

“(4) REPORTS TO SECRETARY.—A grant may be made under paragraph (1) only if the State involved agrees that, promptly after the end of the fiscal year for which the grant is made, the State will submit to the Secretary a report that—

“(A) describes the activities of the State under the grant; and

“(B) contains an evaluation of whether the control programs of political subdivisions in the State were effectively coordinated with each other, which evaluation takes into account any reports that the State received under subsection (b)(5) from such subdivisions.

“(5) NUMBER OF GRANTS.—A State may not receive more than one grant under paragraph (1).

“(b) PREVENTION AND CONTROL GRANTS TO POLITICAL SUBDIVISIONS.—

“(1) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may make grants to political subdivisions of States or consortia of political subdivisions of States, for the operation of control programs.

“(2) PREFERENCE IN MAKING GRANTS.—In making grants under paragraph (1), the Secretary shall give preference to a political subdivision or consortium of political subdivisions that—

“(A) has—

“(i) a history of elevated incidence or prevalence of mosquito-borne disease;

“(ii) a population of infected mosquitoes; or

“(iii) met criteria determined by the Secretary to suggest an increased risk of elevated incidence or prevalence of mosquito-borne disease in the pending fiscal year;

“(B) demonstrates to the Secretary that such political subdivision or consortium of political subdivisions will, if

appropriate to the mosquito circumstances involved, effectively coordinate the activities of the control programs with contiguous political subdivisions;

“(C) demonstrates to the Secretary (directly or through State officials) that the State in which such a political subdivision or consortium of political subdivisions is located has identified or will identify geographic areas in such State that have a significant need for control programs and will effectively coordinate such programs in such areas; and

“(D) is located in a State that has received a grant under subsection (a).

“(3) REQUIREMENT OF ASSESSMENT AND PLAN.—A grant may be made under paragraph (1) only if the political subdivision or consortium of political subdivisions involved—

“(A) has conducted an assessment to determine the immediate needs in such subdivision or consortium for a control program, including an entomological survey of potential mosquito breeding areas; and

“(B) has, on the basis of such assessment, developed a plan for carrying out such a program.

“(4) REQUIREMENT OF MATCHING FUNDS.—

“(A) IN GENERAL.—With respect to the costs of a control program to be carried out under paragraph (1) by a political subdivision or consortium of political subdivisions, a grant under such paragraph may be made only if the subdivision or consortium agrees to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than $\frac{1}{3}$ of such costs (\$1 for each \$2 of Federal funds provided in the grant).

“(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in subparagraph (A) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(C) WAIVER.—The Secretary may waive the requirement established in subparagraph (A) if the Secretary determines that extraordinary economic conditions in the political subdivision or consortium of political subdivisions involved justify the waiver.

“(5) REPORTS TO SECRETARY.—A grant may be made under paragraph (1) only if the political subdivision or consortium of political subdivisions involved agrees that, promptly after the end of the fiscal year for which the grant is made, the subdivision or consortium will submit to the Secretary, and to the State within which the subdivision or consortium is located, a report that describes the control program and contains an evaluation of whether the program was effective.

“(6) AMOUNT OF GRANT; NUMBER OF GRANTS.—

“(A) AMOUNT OF GRANT.—

“(i) SINGLE POLITICAL SUBDIVISION.—A grant under paragraph (1) awarded to a political subdivision for a fiscal year may not exceed \$100,000.

“(ii) CONSORTIUM.—A grant under paragraph (1) awarded to a consortium of 2 or more political subdivisions may not exceed \$110,000 for each political subdivision. A consortium is not required to provide matching funds under paragraph (4) for any amounts received by such consortium in excess of amounts each political subdivision would have received separately.

“(iii) WAIVER OF REQUIREMENT.—A grant may exceed the maximum amount in clause (i) or (ii) if the Secretary determines that the geographical area covered by a political subdivision or consortium awarded a grant under paragraph (1) has an extreme need due to the size or density of—

“(I) the human population in such geographical area; or

“(II) the mosquito population in such geographical area.

“(B) NUMBER OF GRANTS.—A political subdivision or a consortium of political subdivisions may not receive more than one grant under paragraph (1).

“(c) APPLICATIONS FOR GRANTS.—A grant may be made under subsection (a) or (b) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

“(d) TECHNICAL ASSISTANCE.—Amounts appropriated under subsection (f) may be used by the Secretary to provide training and technical assistance with respect to the planning, development, and operation of assessments and plans under subsection (a) and control programs under subsection (b). The Secretary may provide such technical assistance directly or through awards of grants or contracts to public and private entities.

“(e) DEFINITION OF POLITICAL SUBDIVISION.—In this section, the term ‘political subdivision’ means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs. If State law recognizes an entity of general government that functions in lieu of, and is not within, a county, parish, or borough, the Secretary may recognize an area under the jurisdiction of such other entities of general government as a political subdivision for purposes of this section.

“(f) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated \$100,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

“(2) PUBLIC HEALTH EMERGENCIES.—In the case of control programs carried out in response to a mosquito-borne disease that constitutes a public health emergency, the authorization of appropriations under paragraph (1) is in addition to applicable authorizations of appropriations under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

“(3) FISCAL YEAR 2004 APPROPRIATIONS.—For fiscal year 2004, 50 percent or more of the funds appropriated under

paragraph (1) shall be used to award grants to political subdivisions or consortia of political subdivisions under subsection (b).”.

SEC. 3. RESEARCH PROGRAM OF NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES.

Subpart 12 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following section:

“METHODS OF CONTROLLING CERTAIN INSECT AND VERMIN POPULATIONS

42 USC 285l–6.

“SEC. 463B. The Director of the Institute shall conduct or support research to identify or develop methods of controlling insect and vermin populations that transmit to humans diseases that have significant adverse health consequences.”.

Deadline.

SEC. 4. REPORT.

Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services, after consultation with the Administrator of the Environmental Protection Agency shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report containing the following:

West Nile Virus.

(1) A description of the status of the development of protocols for ensuring the safety of the blood supply of the United States with respect to West Nile Virus, including—

(A) the status of the development of screening mechanisms;

(B) changes in donor screening protocols; and

(C) the implementation of surveillance systems for the transmission of the virus via the blood supply.

(2) Recommendations for improvements to be made to the safety of the blood supply based on the development of protocols pursuant to paragraph (1), including the need for expedited review of screening mechanisms or other protocols.

(3) The benefits and risks of the spraying of insecticides as a public health intervention, including recommendations and guidelines for such spraying.

(4) The overall role of public health pesticides and the development of standards for the use of such pesticides compared to the standards when such pesticides are used for agricultural purposes.

Approved August 15, 2003.

LEGISLATIVE HISTORY—S. 1015 (H.R. 342):

HOUSE REPORTS: No. 108–12 accompanying H.R. 342 (Comm. on Energy and Commerce).

SENATE REPORTS: No. 108–69 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 16, considered and passed Senate.

July 25, considered and passed House.



Public Law 108–76
108th Congress

An Act

Aug. 18, 2003
[H.R. 1412]

To provide the Secretary of Education with specific waiver authority to respond to a war or other military operation or national emergency.

Higher Education
Relief
Opportunities for
Students Act of
2003.
20 USC 1070
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS; REFERENCE.

(a) **SHORT TITLE.**—This Act may be cited as the “Higher Education Relief Opportunities for Students Act of 2003”.

(b) **FINDINGS.**—The Congress finds the following:

(1) There is no more important cause than that of our nation’s defense.

(2) The United States will protect the freedom and secure the safety of its citizens.

(3) The United States military is the finest in the world and its personnel are determined to lead the world in pursuit of peace.

(4) Hundreds of thousands of Army, Air Force, Marine Corps, Navy, and Coast Guard reservists and members of the National Guard have been called to active duty or active service.

(5) The men and women of the United States military put their lives on hold, leave their families, jobs, and postsecondary education in order to serve their country and do so with distinction.

(6) There is no more important cause for this Congress than to support the members of the United States military and provide assistance with their transition into and out of active duty and active service.

(c) **REFERENCE.**—References in this Act to “the Act” are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

20 USC 1070
note.

SEC. 2. WAIVER AUTHORITY FOR RESPONSE TO MILITARY CONTINGENCIES AND NATIONAL EMERGENCIES.

(a) **WAIVERS AND MODIFICATIONS.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of law, unless enacted with specific reference to this section, the Secretary of Education (referred to in this Act as the “Secretary”) may waive or modify any statutory or regulatory provision applicable to the student financial assistance programs under title IV of the Act as the Secretary deems necessary in connection with a war or other military operation or national emergency to provide the waivers or modifications authorized by paragraph (2).

(2) ACTIONS AUTHORIZED.—The Secretary is authorized to waive or modify any provision described in paragraph (1) as may be necessary to ensure that—

(A) recipients of student financial assistance under title IV of the Act who are affected individuals are not placed in a worse position financially in relation to that financial assistance because of their status as affected individuals;

(B) administrative requirements placed on affected individuals who are recipients of student financial assistance are minimized, to the extent possible without impairing the integrity of the student financial assistance programs, to ease the burden on such students and avoid inadvertent, technical violations or defaults;

(C) the calculation of “annual adjusted family income” and “available income”, as used in the determination of need for student financial assistance under title IV of the Act for any such affected individual (and the determination of such need for his or her spouse and dependents, if applicable), may be modified to mean the sums received in the first calendar year of the award year for which such determination is made, in order to reflect more accurately the financial condition of such affected individual and his or her family;

(D) the calculation under section 484B(b)(2) of the Act (20 U.S.C. 1091b(b)(2)) of the amount a student is required to return in the case of an affected individual may be modified so that no overpayment will be required to be returned or repaid if the institution has documented (i) the student’s status as an affected individual in the student’s file, and (ii) the amount of any overpayment discharged; and

(E) institutions of higher education, eligible lenders, guaranty agencies, and other entities participating in the student assistance programs under title IV of the Act that are located in areas that are declared disaster areas by any Federal, State or local official in connection with a national emergency, or whose operations are significantly affected by such a disaster, may be granted temporary relief from requirements that are rendered infeasible or unreasonable by a national emergency, including due diligence requirements and reporting deadlines.

(b) NOTICE OF WAIVERS OR MODIFICATIONS.—

(1) IN GENERAL.—Notwithstanding section 437 of the General Education Provisions Act (20 U.S.C. 1232) and section 553 of title 5, United States Code, the Secretary shall, by notice in the Federal Register, publish the waivers or modifications of statutory and regulatory provisions the Secretary deems necessary to achieve the purposes of this section.

Federal Register,
publication.

(2) TERMS AND CONDITIONS.—The notice under paragraph (1) shall include the terms and conditions to be applied in lieu of such statutory and regulatory provisions.

(3) CASE-BY-CASE BASIS.—The Secretary is not required to exercise the waiver or modification authority under this section on a case-by-case basis.

(c) IMPACT REPORT.—The Secretary shall, not later than 15 months after first exercising any authority to issue a waiver or

Deadline.

modification under subsection (a), report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate on the impact of any waivers or modifications issued pursuant to subsection (a) on affected individuals and the programs under title IV of the Act, and the basis for such determination, and include in such report the Secretary's recommendations for changes to the statutory or regulatory provisions that were the subject of such waiver or modification.

(d) **NO DELAY IN WAIVERS AND MODIFICATIONS.**—Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to the waivers and modifications authorized or required by this Act.

20 USC 1070
note.

SEC. 3. TUITION REFUNDS OR CREDITS FOR MEMBERS OF ARMED FORCES.

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) all institutions offering postsecondary education should provide a full refund to students who are affected individuals for that portion of a period of instruction such student was unable to complete, or for which such individual did not receive academic credit, because he or she was called up for active duty or active service; and

(2) if affected individuals withdraw from a course of study as a result of such active duty or active service, such institutions should make every effort to minimize deferral of enrollment or reapplication requirements and should provide the greatest flexibility possible with administrative deadlines related to those applications.

(b) **DEFINITION OF FULL REFUND.**—For purposes of this section, a full refund includes a refund of required tuition and fees, or a credit in a comparable amount against future tuition and fees.

20 USC 1070
note.

SEC. 4. USE OF PROFESSIONAL JUDGMENT.

A financial aid administrator shall be considered to be making a necessary adjustment in accordance with section 479A(a) of the Act if the administrator makes adjustments with respect to the calculation of the expected student or parent contribution (or both) of an affected individual, and adequately documents the need for the adjustment.

20 USC 1070
note.

SEC. 5. DEFINITIONS.

In this Act:

(1) **ACTIVE DUTY.**—The term “active duty” has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

(2) **AFFECTED INDIVIDUAL.**—The term “affected individual” means an individual who—

(A) is serving on active duty during a war or other military operation or national emergency;

(B) is performing qualifying National Guard duty during a war or other military operation or national emergency;

(C) resides or is employed in an area that is declared a disaster area by any Federal, State, or local official in connection with a national emergency; or

(D) suffered direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Secretary.

(3) MILITARY OPERATION.—The term “military operation” means a contingency operation as such term is defined in section 101(a)(13) of title 10, United States Code.

(4) NATIONAL EMERGENCY.—The term “national emergency” means a national emergency declared by the President of the United States.

(5) SERVING ON ACTIVE DUTY.—The term “serving on active duty during a war or other military operation or national emergency” shall include service by an individual who is—

(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with a war or other military operation or national emergency, regardless of the location at which such active duty service is performed; and

(B) any other member of an Armed Force on active duty in connection with such war, operation, or emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

(6) QUALIFYING NATIONAL GUARD DUTY.—The term “qualifying National Guard duty during a war or other military operation or national emergency” means service as a member of the National Guard on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, in connection with a war, another military operation, or a national emergency declared by the President and supported by Federal funds.

20 USC 1070
note.

SEC. 6. TERMINATION OF AUTHORITY.

The provisions of this Act shall cease to be effective at the close of September 30, 2005.

Approved August 18, 2003.

LEGISLATIVE HISTORY—H.R. 1412:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 1, considered and passed House.

July 31, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Aug. 18, Presidential statement.



Public Law 108–77
108th Congress

An Act

To implement the United States-Chile Free Trade Agreement.

Sept. 3, 2003

[H.R. 2738]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “United States-Chile Free Trade Agreement Implementation Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

- Sec. 101. Approval and entry into force of the Agreement.
- Sec. 102. Relationship of the agreement to United States and State law.
- Sec. 103. Consultation and layover provisions for, and effective date of, proclaimed actions.
- Sec. 104. Implementing actions in anticipation of entry into force and initial regulations.
- Sec. 105. Administration of dispute settlement proceedings.
- Sec. 106. Arbitration of claims.
- Sec. 107. Effective dates; effect of termination.

TITLE II—CUSTOMS PROVISIONS

- Sec. 201. Tariff modifications.
- Sec. 202. Rules of origin.
- Sec. 203. Drawback.
- Sec. 204. Customs user fees.
- Sec. 205. Disclosure of incorrect information; denial of preferential tariff treatment; false certificates of origin.
- Sec. 206. Reliquidation of entries.
- Sec. 207. Recordkeeping requirements.
- Sec. 208. Enforcement of textile and apparel rules of origin.
- Sec. 209. Conforming amendments.
- Sec. 210. Regulations.

TITLE III—RELIEF FROM IMPORTS

- Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefiting From the Agreement

- Sec. 311. Commencing of action for relief.
- Sec. 312. Commission action on petition.
- Sec. 313. Provision of relief.
- Sec. 314. Termination of relief authority.
- Sec. 315. Compensation authority.
- Sec. 316. Confidential business information.

Subtitle B—Textile and Apparel Safeguard Measures

- Sec. 321. Commencement of action for relief.

United States-
Chile Free Trade
Agreement
Implementation
Act.
19 USC 3805
note.

- Sec. 322. Determination and provision of relief.
- Sec. 323. Period of relief.
- Sec. 324. Articles exempt from relief.
- Sec. 325. Rate after termination of import relief.
- Sec. 326. Termination of relief authority.
- Sec. 327. Compensation authority.
- Sec. 328. Business confidential information.

TITLE IV—TEMPORARY ENTRY OF BUSINESS PERSONS

- Sec. 401. Nonimmigrant traders and investors.
- Sec. 402. Nonimmigrant professionals; labor attestation.
- Sec. 403. Labor disputes.
- Sec. 404. Conforming amendments.

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note.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States and the Republic of Chile entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002;

(2) to strengthen and develop economic relations between the United States and Chile for their mutual benefit;

(3) to establish free trade between the 2 nations through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

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note.

SEC. 3. DEFINITIONS.

In this Act:

(1) **AGREEMENT.**—The term “Agreement” means the United States-Chile Free Trade Agreement approved by the Congress under section 101(a)(1).

(2) **HTS.**—The term “HTS” means the Harmonized Tariff Schedule of the United States.

(3) **TEXTILE OR APPAREL GOOD.**—The term “textile or apparel good” means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

19 USC 3805
note.

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) **APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.**—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), the Congress approves—

(1) the United States-Chile Free Trade Agreement entered into on June 6, 2003, with the Government of Chile and submitted to the Congress on July 15, 2003; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to the Congress on July 15, 2003.

(b) **CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.**—At such time as the President determines that Chile has taken

measures necessary to bring it into compliance with the provisions of the Agreement that take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Chile providing for the entry into force, on or after January 1, 2004, of the Agreement for the United States.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

19 USC 3805
note.

(a) RELATIONSHIP TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States,
or

(B) to limit any authority conferred under any law of the United States,
unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term “State law” includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of Congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 103. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

President.
19 USC 3805
note.

(a) CONSULTATION AND LAYOVER REQUIREMENTS.—If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the United States International Trade Commission;

Reports.

(2) the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met has expired; and

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

Federal Register,
publication.

(b) **EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.**—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under subsection (a) may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

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note.

SEC. 104. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) **IMPLEMENTING ACTIONS.**—

(1) **PROCLAMATION AUTHORITY.**—After the date of enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations, as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date of entry into force.

(2) **WAIVER OF 15-DAY RESTRICTION.**—The 15-day restriction contained in section 103(b) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

Deadlines.

(b) **INITIAL REGULATIONS.**—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action referred to in section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date of entry into force of the Agreement. In the case of any implementing action that takes effect on a date after the date of entry into force of the Agreement, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

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note.

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) **ESTABLISHMENT OR DESIGNATION OF OFFICE.**—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 22 of the Agreement. The office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for each fiscal year after fiscal year 2003 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 22 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

19 USC 3805
note.

(a) **SUBMISSION OF CERTAIN CLAIMS.**—The United States is authorized to resolve any claim against the United States covered by article 10.15(1)(a)(i)(C) or 10.15(1)(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

(b) **CONTRACT CLAUSES.**—All contracts executed by any agency of the United States on or after the date of entry into force of the Agreement shall contain a clause specifying the law that will apply to resolve any breach of contract claim.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

19 USC 3805
note.

(a) **EFFECTIVE DATES.**—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date the Agreement enters into force.

(b) **EXCEPTIONS.**—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) **TERMINATION OF THE AGREEMENT.**—On the date on which the Agreement ceases to be in force, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to be effective.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

19 USC 3805
note.

(a) **TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.**—

(1) **PROCLAMATION AUTHORITY.**—The President may proclaim—

- (A) such modifications or continuation of any duty,
- (B) such continuation of duty-free or excise treatment,

or

- (C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 3.3, 3.7, 3.9, article 3.20 (8), (9), (10), and (11), and Annex 3.3 of the Agreement.

(2) **EFFECT ON CHILEAN GSP STATUS.**—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall terminate the designation of Chile as a beneficiary developing country for purposes of title V of the Trade Act of 1974 on the date of entry into force of the Agreement.

President.
Termination
date.

(b) **OTHER TARIFF MODIFICATIONS.**—Subject to the consultation and layover provisions of section 103(a), the President may proclaim—

- (1) such modifications or continuation of any duty,
- (2) such modifications as the United States may agree to with Chile regarding the staging of any duty treatment set forth in Annex 3.3 of the Agreement,
- (3) such continuation of duty-free or excise treatment,
- (4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Chile provided for by the Agreement.

(c) ADDITIONAL TARIFFS ON AGRICULTURAL SAFEGUARD GOODS.—

(1) IN GENERAL.—In addition to any duty proclaimed under subsection (a) or (b), and subject to paragraphs (3) through (5), the Secretary of the Treasury shall assess a duty, in the amount prescribed under paragraph (2), on an agricultural safeguard good if the Secretary of the Treasury determines that the unit import price of the good when it enters the United States, determined on an F.O.B. basis, is less than the trigger price indicated for that good in Annex 3.18 of the Agreement or any amendment thereto.

(2) CALCULATION OF ADDITIONAL DUTY.—The amount of the additional duty assessed under this subsection shall be determined as follows:

(A) If the difference between the unit import price and the trigger price is less than, or equal to, 10 percent of the trigger price, no additional duty shall be imposed.

(B) If the difference between the unit import price and the trigger price is greater than 10 percent, but less than or equal to 40 percent, of the trigger price, the additional duty shall be equal to 30 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

(C) If the difference between the unit import price and the trigger price is greater than 40 percent, but less than or equal to 60 percent, of the trigger price, the additional duty shall be equal to 50 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

(D) If the difference between the unit import price and the trigger price is greater than 60 percent, but less than or equal to 75 percent, of the trigger price, the additional duty shall be equal to 70 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

(E) If the difference between the unit import price and the trigger price is greater than 75 percent of the trigger price, the additional duty shall be equal to 100 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

(3) EXCEPTIONS.—No additional duty under this subsection shall be assessed on an agricultural safeguard good if, at the time of entry, the good is subject to import relief under—

(A) subtitle A of title III of this Act; or

(B) chapter 1 of title II of the Trade Act of 1974

(19 U.S.C. 2251 et seq.).

(4) TERMINATION.—This subsection shall cease to apply on the date that is 12 years after the date on which the Agreement enters into force.

Applicability.

(5) **TARIFF-RATE QUOTAS.**—If an agricultural safeguard good is subject to a tariff-rate quota, and the in-quota duty rate for the good proclaimed pursuant to subsection (a) or (b) is zero, any additional duty assessed under this subsection shall be applied only to over-quota imports of the good. Applicability.

(6) **NOTICE.**—Not later than 60 days after the Secretary of the Treasury first assesses additional duties on an agricultural safeguard good under this subsection, the Secretary shall notify the Government of Chile in writing of such action and shall provide to the Government of Chile data supporting the assessment of additional duties. Deadline.

(7) **MODIFICATION OF TRIGGER PRICES.**—Not later than 60 calendar days before agreeing with the Government of Chile pursuant to article 3.18(2)(b) of the Agreement on a modification to a trigger price for a good listed in Annex 3.18 of the Agreement, the President shall notify the Committees on Ways and Means and Agriculture of the House of Representatives and the Committees on Finance and Agriculture of the Senate of the proposed modification and the reasons therefor. Deadline.
President.

(8) **DEFINITIONS.**—In this subsection:

(A) **AGRICULTURAL SAFEGUARD GOOD.**—The term “agricultural safeguard good” means a good—

(i) that qualifies as an originating good under section 202;

(ii) that is included in the United States Agricultural Safeguard Product List set forth in Annex 3.18 of the Agreement; and

(iii) for which a claim for preferential tariff treatment under the Agreement has been made.

(B) **F.O.B.**—The term “F.O.B.” means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer.

(C) **UNIT IMPORT PRICE.**—The term “unit import price” means the price expressed in dollars per kilogram.

(d) **CONVERSION TO AD VALOREM RATES.**—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States to Annex 3.3 of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

SEC. 202. RULES OF ORIGIN.

(a) **ORIGINATING GOODS.**—

(1) **IN GENERAL.**—For purposes of this Act and for purposes of implementing the tariff treatment provided for under the Agreement, except as otherwise provided in this section, a good is an originating good if—

(A) the good is wholly obtained or produced entirely in the territory of Chile, the United States, or both;

(B) the good—

(i) is produced entirely in the territory of Chile, the United States, or both, and

(I) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4.1 of the Agreement, or

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note.

- (II) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 4.1 of the Agreement; and
 - (ii) satisfies all other applicable requirements of this section; or
 - (C) the good is produced entirely in the territory of Chile, the United States, or both, exclusively from materials described in subparagraph (A) or (B).
- (2) SIMPLE COMBINATION OR MERE DILUTION.—A good shall not be considered to be an originating good and a material shall not be considered to be an originating material by virtue of having undergone—
 - (A) simple combining or packaging operations; or
 - (B) mere dilution with water or another substance that does not materially alter the characteristics of the good or material.
- (b) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—
 - (1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a good that does not undergo a change in tariff classification pursuant to Annex 4.1 of the Agreement is an originating good if—
 - (A) the value of all nonoriginating materials that are used in the production of the good and do not undergo the applicable change in tariff classification does not exceed 10 percent of the adjusted value of the good;
 - (B) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement; and
 - (C) the good meets all other applicable requirements of this section.
 - (2) EXCEPTIONS.—Paragraph (1) does not apply to the following:
 - (A) A nonoriginating material provided for in chapter 4 of the HTS, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90 of the HTS, that is used in the production of a good provided for in chapter 4 of the HTS.
 - (B) A nonoriginating material provided for in chapter 4 of the HTS, or nonoriginating dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 of the HTS, that are used in the production of the following goods:
 - (i) Infant preparations containing over 10 percent in weight of milk solids provided for in subheading 1901.10 of the HTS.
 - (ii) Mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, provided for in subheading 1901.20 of the HTS.
 - (iii) Dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90 of the HTS.
 - (iv) Goods provided for in heading 2105 of the HTS.
 - (v) Beverages containing milk provided for in subheading 2202.90 of the HTS.

(vi) Animal feeds containing over 10 percent by weight of milk solids provided for in subheading 2309.90 of the HTS.

(C) A nonoriginating material provided for in heading 0805 of the HTS, or any of subheadings 2009.11.00 through 2009.39 of the HTS, that is used in the production of a good provided for in any of subheadings 2009.11.00 through 2009.39 of the HTS, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, provided for in subheading 2106.90 or 2202.90 of the HTS.

(D) A nonoriginating material provided for in chapter 15 of the HTS that is used in the production of a good provided for in any of headings 1501.00.00 through 1508, 1512, 1514, and 1515 of the HTS.

(E) A nonoriginating material provided for in heading 1701 of the HTS that is used in the production of a good provided for in any of headings 1701 through 1703 of the HTS.

(F) A nonoriginating material provided for in chapter 17 of the HTS or in heading 1805.00.00 of the HTS that is used in the production of a good provided for in subheading 1806.10 of the HTS.

(G) A nonoriginating material provided for in any of headings 2203 through 2208 of the HTS that is used in the production of a good provided for in heading 2207 or 2208 of the HTS.

(H) A nonoriginating material used in the production of a good provided for in any of chapters 1 through 21 of the HTS, unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

(3) GOODS PROVIDED FOR IN CHAPTERS 50 THROUGH 63 OF THE HTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a good provided for in any of chapters 50 through 63 of the HTS that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4.1 of the Agreement, shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of Chile or the United States.

(c) ACCUMULATION.—

(1) ORIGINATING GOODS INCORPORATED IN GOODS OF OTHER COUNTRY.—Originating goods or materials of Chile or the United States that are incorporated into a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PROCEDURES.—A good that is produced in the territory of Chile, the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (a) and all other applicable requirements of this section.

(d) REGIONAL VALUE-CONTENT.—

(1) IN GENERAL.—For purposes of subsection (a)(2), the regional value-content of a good referred to in Annex 4.1 of the Agreement shall be calculated, at the choice of the person claiming preferential tariff treatment for the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3), unless otherwise provided in Annex 4.1 of the Agreement.

(2) BUILD-DOWN METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$\text{RVC} = \frac{\text{AV} - \text{VNM}}{\text{AV}} \times 100$$

(B) DEFINITIONS.—For purposes of subparagraph (A):

(i) The term “RVC” means the regional value-content, expressed as a percentage.

(ii) The term “AV” means the adjusted value.

(iii) The term “VNM” means the value of nonoriginating materials used by the producer in the production of the good.

(3) BUILD-UP METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$\text{RVC} = \frac{\text{VOM}}{\text{AV}} \times 100$$

(B) DEFINITIONS.—For purposes of subparagraph (A):

(i) The term “RVC” means the regional value-content, expressed as a percentage.

(ii) The term “AV” means the adjusted value.

(iii) The term “VOM” means the value of originating materials used by the producer in the production of the good.

(e) VALUE OF MATERIALS.—

(1) IN GENERAL.—For purposes of calculating the regional value-content of a good under subsection (d), and for purposes of applying the de minimis rules under subsection (b), the value of a material is—

(A) in the case of a material that is imported by the producer of the good, the adjusted value of the material with respect to that importation;

(B) in the case of a material acquired in the territory in which the good is produced, except for a material to which subparagraph (C) applies, the producer’s price actually paid or payable for the material;

(C) in the case of a material provided to the producer without charge, or at a price reflecting a discount or similar reduction, the sum of—

(i) all expenses incurred in the growth, production, or manufacture of the material, including general expenses; and

(ii) an amount for profit; or

(D) in the case of a material that is self-produced, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIALS.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Chile, the United States, or both, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproduct.

(B) NONORIGINATING MATERIALS.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Chile, the United States, or both, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(iv) The cost of originating materials used in the production of the nonoriginating material in the territory of Chile or the United States.

(f) ACCESSORIES, SPARE PARTS, OR TOOLS.—Accessories, spare parts, or tools delivered with a good that form part of the good's standard accessories, spare parts, or tools shall be regarded as a material used in the production of the good, if—

(1) the accessories, spare parts, or tools are classified with and not invoiced separately from the good; and

(2) the quantities and value of the accessories, spare parts, or tools are customary for the good.

(g) FUNGIBLE GOODS AND MATERIALS.—

(1) IN GENERAL.—

(A) CLAIM FOR PREFERENTIAL TREATMENT.—A person claiming preferential tariff treatment for a good may claim that a fungible good or material is originating either based on the physical segregation of each fungible good or material or by using an inventory management method.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term “inventory management method” means—

- (i) averaging;
- (ii) “last-in, first-out”;
- (iii) “first-in, first-out”; or
- (iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Chile or the United States); or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for particular fungible goods or materials shall continue to use that method for those goods or materials throughout the fiscal year of that person.

(h) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4.1 of the Agreement, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(i) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers for shipment shall be disregarded in determining whether—

(1) the nonoriginating materials used in the production of the good undergo an applicable change in tariff classification set out in Annex 4.1 of the Agreement; and

(2) the good satisfies a regional value-content requirement.

(j) INDIRECT MATERIALS.—An indirect material shall be considered to be an originating material without regard to where it is produced.

(k) TRANSIT AND TRANSSHIPMENT.—A good that has undergone production necessary to qualify as an originating good under subsection (a) shall not be considered to be an originating good if, subsequent to that production, the good undergoes further production or any other operation outside the territory of Chile or the United States, other than unloading, reloading, or any other process necessary to preserve the good in good condition or to transport the good to the territory of Chile or the United States.

(l) TEXTILE AND APPAREL GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 4.1 of the Agreement, textile and apparel goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the Harmonized System shall not be considered to be originating goods unless each of the goods in the set is an originating good or the total value of the nonoriginating

goods in the set does not exceed 10 percent of the value of the set determined for purposes of assessing customs duties.

(m) APPLICATION AND INTERPRETATION.—In this section:

(1) The basis for any tariff classification is the HTS.

(2) Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether Chile or the United States). Records.

(n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term “adjusted value” means the value determined in accordance with articles 1 through 8, article 15, and the corresponding interpretive notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, except that such value may be adjusted to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation.

(2) FUNGIBLE GOODS OR FUNGIBLE MATERIALS.—The terms “fungible goods” and “fungible materials” mean goods or materials, as the case may be, that are interchangeable for commercial purposes and the properties of which are essentially identical.

(3) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term “generally accepted accounting principles” means the principles, rules, and procedures, including both broad and specific guidelines, that define the accounting practices accepted in the territory of Chile or the United States, as the case may be.

(4) GOODS WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF CHILE, THE UNITED STATES, OR BOTH.—The term “goods wholly obtained or produced entirely in the territory of Chile, the United States, or both” means—

(A) mineral goods extracted in the territory of Chile, the United States, or both;

(B) vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of Chile, the United States, or both;

(C) live animals born and raised in the territory of Chile, the United States, or both;

(D) goods obtained from hunting, trapping, or fishing in the territory of Chile, the United States, or both;

(E) goods (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with Chile or the United States and flying the flag of that country;

(F) goods produced on board factory ships from the goods referred to in subparagraph (E), if such factory ships are registered or recorded with Chile or the United States and fly the flag of that country;

(G) goods taken by Chile or the United States or a person of Chile or the United States from the seabed or beneath the seabed outside territorial waters, if Chile or the United States has rights to exploit such seabed;

(H) goods taken from outer space, if the goods are obtained by Chile or the United States or a person of

Chile or the United States and not processed in the territory of a country other than Chile or the United States;

(I) waste and scrap derived from—

(i) production in the territory of Chile, the United States, or both; or

(ii) used goods collected in the territory of Chile, the United States, or both, if such goods are fit only for the recovery of raw materials;

(J) recovered goods derived in the territory of Chile or the United States from used goods, and used in the territory of that country in the production of remanufactured goods; and

(K) goods produced in the territory of Chile, the United States, or both, exclusively—

(i) from goods referred to in any of subparagraphs

(A) through (I), or

(ii) from the derivatives of goods referred to in clause (i),

at any stage of production.

(5) HARMONIZED SYSTEM.—The term “Harmonized System” means the Harmonized Commodity Description and Coding System.

(6) INDIRECT MATERIAL.—The term “indirect material” means a good used in the production, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment or buildings;

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production.

(7) MATERIAL.—The term “material” means a good that is used in the production of another good, including a part, ingredient, or indirect material.

(8) MATERIAL THAT IS SELF-PRODUCED.—The term “material that is self-produced” means a material that is an originating good produced by a producer of a good and used in the production of that good.

(9) NONORIGINATING GOOD OR NONORIGINATING MATERIAL.—The terms “nonoriginating good” and “nonoriginating material” mean a good or material, as the case may be, that does not qualify as an originating good under this section.

(10) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—The term “packing materials and containers for shipment”

means the goods used to protect a good during its transportation, and does not include the packaging materials and containers in which a good is packaged for retail sale.

(11) PREFERENTIAL TARIFF TREATMENT.—The term “preferential tariff treatment” means the customs duty rate that is applicable to an originating good pursuant to chapter 3 of the Agreement.

(12) PRODUCER.—The term “producer” means a person who engages in the production of a good in the territory of Chile or the United States.

(13) PRODUCTION.—The term “production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(14) RECOVERED GOODS.—

(A) IN GENERAL.—The term “recovered goods” means materials in the form of individual parts that are the result of—

(i) the complete disassembly of used goods into individual parts; and

(ii) the cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition by one or more of the processes described in subparagraph (B), in order for such parts to be assembled with other parts, including other parts that have undergone the processes described in this paragraph, in the production of a remanufactured good.

(B) PROCESSES.—The processes referred to in subparagraph (A)(ii) are welding, flame spraying, surface machining, knurling, plating, sleeving, and rewinding.

(15) REMANUFACTURED GOOD.—The term “remanufactured good” means an industrial good assembled in the territory of Chile or the United States, that is listed in Annex 4.18 of the Agreement, and—

(A) is entirely or partially comprised of recovered goods;

(B) has the same life expectancy and meets the same performance standards as a new good; and

(C) enjoys the same factory warranty as such a new good.

(o) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set out in Annex 4.1 of the Agreement; and

(B) any additional subordinate category necessary to carry out this title consistent with the Agreement.

(2) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and lay-over provisions of section 103(a), the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 of the HTS, as included in Annex 4.1 of the Agreement.

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and lay-over provisions of section 103(a), the President may proclaim—

(i) modifications to the provisions proclaimed under the authority of paragraph (1)(A) that are necessary to implement an agreement with Chile pursuant to article 3.20(5) of the Agreement; and

(ii) before the 1st anniversary of the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 of the HTS, as included in Annex 4.1 of the Agreement.

19 USC 3805
note.

SEC. 203. DRAWBACK.

(a) **DEFINITION OF A GOOD SUBJECT TO CHILE FTA DRAWBACK.**—For purposes of this Act and the amendments made by subsection (b), the term “good subject to Chile FTA drawback” means any imported good other than the following:

(1) A good entered under bond for transportation and exportation to Chile.

(2)(A) A good exported to Chile in the same condition as when imported into the United States.

(B) For purposes of subparagraph (A)—

(i) processes such as testing, cleaning, repacking, inspecting, sorting, or marking a good, or preserving it in its same condition, shall not be considered to change the condition of the good; and

(ii) if a good described in subparagraph (A) is commingled with fungible goods and exported in the same condition, the origin of the good for the purposes of subsection (j)(1) of section 313 of the Tariff Act of 1930 (19 U.S.C. 1313(j)(1)) may be determined on the basis of the inventory methods provided for in the regulations implementing this title.

(3) A good—

(A) that is—

(i) deemed to be exported from the United States;

(ii) used as a material in the production of another good that is deemed to be exported to Chile; or

(iii) substituted for by a good of the same kind and quality that is used as a material in the production of another good that is deemed to be exported to Chile; and

(B) that is delivered—

(i) to a duty-free shop;

(ii) for ship’s stores or supplies for a ship or aircraft; or

(iii) for use in a project undertaken jointly by the United States and Chile and destined to become the property of the United States.

(4) A good exported to Chile for which a refund of customs duties is granted by reason of—

(A) the failure of the good to conform to sample or specification; or

(B) the shipment of the good without the consent of the consignee.

(5) A good that qualifies under the rules of origin set out in section 202 that is—

(A) exported to Chile;

(B) used as a material in the production of another good that is exported to Chile; or

(C) substituted for by a good of the same kind and quality that is used as a material in the production of another good that is exported to Chile.

(b) CONSEQUENTIAL AMENDMENTS.—

(1) BONDED MANUFACTURING WAREHOUSES.—Section 311 of the Tariff Act of 1930 (19 U.S.C. 1311) is amended by adding at the end the following new paragraph:

“No article manufactured in a bonded warehouse from materials that are goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, may be withdrawn from warehouse for exportation to Chile without assessment of a duty on the materials in their condition and quantity, and at their weight, at the time of importation into the United States. The duty shall be paid before the 61st day after the date of exportation, except that the duty may be waived or reduced by—

“(1) 100 percent during the 8-year period beginning on January 1, 2004;

“(2) 75 percent during the 1-year period beginning on January 1, 2012;

“(3) 50 percent during the 1-year period beginning on January 1, 2013; and

“(4) 25 percent during the 1-year period beginning on January 1, 2014.”.

(2) BONDED SMELTING AND REFINING WAREHOUSES.—Section 312 of the Tariff Act of 1930 (19 U.S.C. 1312) is amended—

(A) in paragraph (1) of subsection (b), by striking “except that” and all that follows through subparagraph (B) and inserting the following: “except that—

“(A) in the case of a withdrawal for exportation of such a product to a NAFTA country, as defined in section 2(4) of the North American Free Trade Agreement Implementation Act, if any of the imported metal-bearing materials are goods subject to NAFTA drawback, as defined in section 203(a) of that Act, the duties on the materials shall be paid, and the charges against the bond canceled, before the 61st day after the date of exportation; but upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid to the NAFTA country on the product, the duties on the materials may be waived or reduced (subject to section 508(b)(2)(B)) in an amount that does not exceed the lesser of—

“(i) the total amount of customs duties owed on the materials on importation into the United States, or

“(ii) the total amount of customs duties paid to the NAFTA country on the product, and

“(B) in the case of a withdrawal for exportation of such a product to Chile, if any of the imported metal-bearing materials are goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, the duties on the materials shall be paid, and the charges against the

bond canceled, before the 61st day after the date of exportation, except that the duties may be waived or reduced by—

“(i) 100 percent during the 8-year period beginning on January 1, 2004,

“(ii) 75 percent during the 1-year period beginning on January 1, 2012,

“(iii) 50 percent during the 1-year period beginning on January 1, 2013, and

“(iv) 25 percent during the 1-year period beginning on January 1, 2014, or”;

(B) in paragraph (4) of subsection (b), by striking “except that” and all that follows through subparagraph (B) and inserting the following: “except that—

“(A) in the case of a withdrawal for exportation of such a product to a NAFTA country, as defined in section 2(4) of the North American Free Trade Agreement Implementation Act, if any of the imported metal-bearing materials are goods subject to NAFTA drawback, as defined in section 203(a) of that Act, the duties on the materials shall be paid, and the charges against the bond canceled, before the 61st day after the date of exportation; but upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid to the NAFTA country on the product, the duties on the materials may be waived or reduced (subject to section 508(b)(2)(B)) in an amount that does not exceed the lesser of—

“(i) the total amount of customs duties owed on the materials on importation into the United States, or

“(ii) the total amount of customs duties paid to the NAFTA country on the product, and

“(B) in the case of a withdrawal for exportation of such a product to Chile, if any of the imported metal-bearing materials are goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, the duties on the materials shall be paid, and the charges against the bond canceled, before the 61st day after the date of exportation, except that the duties may be waived or reduced by—

“(i) 100 percent during the 8-year period beginning on January 1, 2004,

“(ii) 75 percent during the 1-year period beginning on January 1, 2012,

“(iii) 50 percent during the 1-year period beginning on January 1, 2013, and

“(iv) 25 percent during the 1-year period beginning on January 1, 2014, or”; and

(C) in subsection (d), in the matter preceding paragraph (1), by striking “except that” and all that follows through the end of paragraph (2) and inserting the following: “except that—

“(1) in the case of a withdrawal for exportation to a NAFTA country, as defined in section 2(4) of the North American Free Trade Agreement Implementation Act, if any of the imported metal-bearing materials are goods subject to NAFTA drawback,

as defined in section 203(a) of that Act, charges against the bond shall be paid before the 61st day after the date of exportation; but upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid to the NAFTA country on the product, the bond shall be credited (subject to section 508(b)(2)(B)) in an amount not to exceed the lesser of—

“(A) the total amount of customs duties paid or owed on the materials on importation into the United States, or

“(B) the total amount of customs duties paid to the NAFTA country on the product; and

“(2) in the case of a withdrawal for exportation to Chile, if any of the imported metal-bearing materials are goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, charges against the bond shall be paid before the 61st day after the date of exportation, and the bond shall be credited in an amount equal to—

“(A) 100 percent of the total amount of customs duties paid or owed on the materials on importation into the United States during the 8-year period beginning on January 1, 2004,

“(B) 75 percent of the total amount of customs duties paid or owed on the materials on importation into the United States during the 1-year period beginning on January 1, 2012,

“(C) 50 percent of the total amount of customs duties paid or owed on the materials on importation into the United States during the 1-year period beginning on January 1, 2013, and

“(D) 25 percent of the total amount of customs duties paid or owed on the materials on importation into the United States during the 1-year period beginning on January 1, 2014.”.

(3) DRAWBACK.—Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended—

(A) in paragraph (4) of subsection (j)—

(i) by striking “(4)” and inserting “(4)(A)”; and

(ii) by adding at the end the following new subparagraph:

“(B) Beginning on January 1, 2015, the exportation to Chile of merchandise that is fungible with and substituted for imported merchandise, other than merchandise described in paragraphs (1) through (5) of section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, shall not constitute an exportation for purposes of paragraph (2). The preceding sentence shall not be construed to permit the substitution of unused drawback under paragraph (2) of this subsection with respect to merchandise described in paragraph (2) of section 203(a) of the United States-Chile Free Trade Agreement Implementation Act.”;

(B) in subsection (n)—

(i) by striking “(n)” and inserting the following:

“(n) REFUNDS, WAIVERS, OR REDUCTIONS UNDER CERTAIN FREE TRADE AGREEMENTS.—”;

(ii) in paragraph (1)—

Effective date.

(I) by striking “; and” at the end of subparagraph (B);

(II) by striking the period at the end of subparagraph (C) and inserting “; and”; and

(III) by adding at the end the following new subparagraph:

“(D) the term ‘good subject to Chile FTA drawback’ has the meaning given that term in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act.”; and

(iii) by adding the following new paragraph at the end:

“(4)(A) For purposes of subsections (a), (b), (f), (h), (j)(2), (p), and (q), if an article that is exported to Chile is a good subject to Chile FTA drawback, no customs duties on the good may be refunded, waived, or reduced, except as provided in subparagraph (B).

“(B) The customs duties referred to in subparagraph (A) may be refunded, waived, or reduced by—

“(i) 100 percent during the 8-year period beginning on January 1, 2004;

“(ii) 75 percent during the 1-year period beginning on January 1, 2012;

“(iii) 50 percent during the 1-year period beginning on January 1, 2013; and

“(iv) 25 percent during the 1-year period beginning on January 1, 2014.”; and

(C) in subsection (o)—

(i) by striking “(o)” and inserting the following:

“(o) SPECIAL RULES FOR CERTAIN VESSELS AND IMPORTED MATERIALS.—”; and

(ii) by adding at the end the following new paragraphs:

“(3) For purposes of subsection (g), if—

“(A) a vessel is built for the account and ownership of a resident of Chile or the Government of Chile, and

“(B) imported materials that are used in the construction and equipment of the vessel are goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, no customs duties on such materials may be refunded, waived, or reduced, except as provided in paragraph (4).

“(4) The customs duties referred to in paragraph (3) may be refunded, waived or reduced by—

“(A) 100 percent during the 8-year period beginning on January 1, 2004;

“(B) 75 percent during the 1-year period beginning on January 1, 2012;

“(C) 50 percent during the 1-year period beginning on January 1, 2013; and

“(D) 25 percent during the 1-year period beginning on January 1, 2014.”.

(4) MANIPULATION IN WAREHOUSE.—Section 562 of the Tariff Act of 1930 (19 U.S.C. 1562) is amended—

(A) in paragraph (3), by striking “to a NAFTA country” and inserting “to Chile, to a NAFTA country,”;

(B) by striking “and” at the end of paragraph (4)(B);

(C) by striking the period at the end of paragraph (5) and inserting “; and”; and

(D) by inserting after paragraph (5) the following:

“(6)(A) without payment of duties for exportation to Chile, if the merchandise is of a kind described in any of paragraphs (1) through (5) of section 203(a) of the United States-Chile Free Trade Agreement Implementation Act; and

“(B) for exportation to Chile if the merchandise consists of goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, except that—

“(i) the merchandise may not be withdrawn from warehouse without assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of withdrawal from the warehouse with such additions to, or deductions from, the final appraised value as may be necessary by reason of a change in condition, and

“(ii) duty shall be paid on the merchandise before the 61st day after the date of exportation, except that such duties may be waived or reduced by—

“(I) 100 percent during the 8-year period beginning on January 1, 2004,

“(II) 75 percent during the 1-year period beginning on January 1, 2012,

“(III) 50 percent during the 1-year period beginning on January 1, 2013, and

“(IV) 25 percent during the 1-year period beginning on January 1, 2014.”.

(5) FOREIGN TRADE ZONES.—Section 3(a) of the Act of June 18, 1934 (commonly known as the “Foreign Trade Zones Act”; 19 U.S.C. 81c(a)) is amended by striking the end period and inserting the following: “: *Provided further*, That no merchandise that consists of goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, that is manufactured or otherwise changed in condition shall be exported to Chile without an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its exportation (or if the privilege in the first proviso to this subsection was requested, an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its admission into the zone) and the payment of the assessed duty before the 61st day after the date of exportation of the article, except that the customs duty may be waived or reduced by (1) 100 percent during the 8-year period beginning on January 1, 2004; (2) 75 percent during the 1-year period beginning on January 1, 2012; (3) 50 percent during the 1-year period beginning on January 1, 2013; and (4) 25 percent during the 1-year period beginning on January 1, 2014.”.

(c) INAPPLICABILITY TO COUNTERVAILING AND ANTIDUMPING DUTIES.—Nothing in this section or the amendments made by this section shall be considered to authorize the refund, waiver, or reduction of countervailing duties or antidumping duties imposed on an imported good.

19 USC 3805
note.

SEC. 204. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by inserting after paragraph (11) the following:

“(12) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 202 of the United States-Chile Free Trade Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.”.

19 USC 3805
note.

SEC. 205. DISCLOSURE OF INCORRECT INFORMATION; DENIAL OF PREFERENTIAL TARIFF TREATMENT; FALSE CERTIFICATES OF ORIGIN.

(a) **DISCLOSURE OF INCORRECT INFORMATION.**—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended—

(1) in subsection (c)—

(A) by redesignating paragraph (6) as paragraph (7); and

(B) by inserting after paragraph (5) the following new paragraph:

“(6) **PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES-CHILE FREE TRADE AGREEMENT.**—An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 202 of the United States-Chile Free Trade Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, voluntarily makes a corrected declaration and pays any duties owing.”; and

(2) by adding at the end the following new subsection:

“(g) **FALSE CERTIFICATIONS OF ORIGIN UNDER THE UNITED STATES-CHILE FREE TRADE AGREEMENT.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), it is unlawful for any person to certify falsely, by fraud, gross negligence, or negligence, in a Chile FTA Certificate of Origin (as defined in section 508(f)(1)(B) of this Act that a good exported from the United States qualifies as an originating good under the rules of origin set out in section 202 of the United States-Chile Free Trade Agreement Implementation Act. The procedures and penalties of this section that apply to a violation of subsection (a) also apply to a violation of this subsection.

“(2) **IMMEDIATE AND VOLUNTARY DISCLOSURE OF INCORRECT INFORMATION.**—No penalty shall be imposed under this subsection if, immediately after an exporter or producer that issued a Chile FTA Certificate of Origin has reason to believe that such certificate contains or is based on incorrect information, the exporter or producer voluntarily provides written notice of such incorrect information to every person to whom the certificate was issued.

“(3) **EXCEPTION.**—A person may not be considered to have violated paragraph (1) if—

“(A) the information was correct at the time it was provided in a Chile FTA Certificate of Origin but was later rendered incorrect due to a change in circumstances; and

Applicability.

“(B) the person immediately and voluntarily provides written notice of the change in circumstances to all persons to whom the person provided the certificate.”.

(b) DENIAL OF PREFERENTIAL TARIFF TREATMENT.—Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended by adding at the end the following new subsection:

“(g) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER UNITED STATES-CHILE FREE TRADE AGREEMENT.—If the Bureau of Customs and Border Protection or the Bureau of Immigration and Customs Enforcement finds indications of a pattern of conduct by an importer of false or unsupported representations that goods qualify under the rules of origin set out in section 202 of the United States-Chile Free Trade Agreement Implementation Act, the Bureau of Customs and Border Protection, in accordance with regulations issued by the Secretary of the Treasury, may deny preferential tariff treatment under the United States-Chile Free Trade Agreement to entries of identical goods imported by that person until the person establishes to the satisfaction of the Bureau of Customs and Border Protection that representations of that person are in conformity with such section 202.”.

SEC. 206. RELIQUIDATION OF ENTRIES.

19 USC 3805
note.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended—

(1) by striking “(d)” and inserting the following:

“(d) GOODS QUALIFYING UNDER FREE TRADE AGREEMENT RULES OF ORIGIN.—”;

(2) in the matter preceding paragraph (1), by inserting “or section 202 of the United States-Chile Free Trade Agreement Implementation Act” after “Act”;

(3) in paragraph (1), by striking “those” and inserting “the applicable”; and

(4) in paragraph (2), by inserting before the semicolon “, or other certificates of origin, as the case may be”.

SEC. 207. RECORDKEEPING REQUIREMENTS.

19 USC 3805
note.

Section 508 of the Tariff Act of 1930 (19 U.S.C. 1508) is amended—

(1) by striking the heading of subsection (b) and inserting the following: “EXPORTATIONS TO NAFTA COUNTRIES.—”; and

(2) by adding at the end the following:

“(f) CERTIFICATES OF ORIGIN FOR GOODS EXPORTED UNDER THE UNITED STATES-CHILE FREE TRADE AGREEMENT.—

“(1) DEFINITIONS.—In this subsection:

“(A) RECORDS AND SUPPORTING DOCUMENTS.—The term ‘records and supporting documents’ means, with respect to an exported good under paragraph (2), records and documents related to the origin of the good, including—

“(i) the purchase, cost, and value of, and payment for, the good;

“(ii) if applicable, the purchase, cost, and value of, and payment for, all materials, including recovered goods, used in the production of the good; and

“(iii) if applicable, the production of the good in the form in which it was exported.

“(B) CHILE FTA CERTIFICATE OF ORIGIN.—The term ‘Chile FTA Certificate of Origin’ means the certification, established under article 4.13 of the United States-Chile

Free Trade Agreement, that a good qualifies as an originating good under such Agreement.

“(2) EXPORTS TO CHILE.—Any person who completes and issues a Chile FTA Certificate of Origin for a good exported from the United States shall make, keep, and, pursuant to rules and regulations promulgated by the Secretary of the Treasury, render for examination and inspection all records and supporting documents related to the origin of the good (including the Certificate or copies thereof).

“(3) RETENTION PERIOD.—Records and supporting documents shall be kept by the person who issued a Chile FTA Certificate of Origin for at least 5 years after the date on which the certificate was issued.

“(g) PENALTIES.—Any person who fails to retain records and supporting documents required by subsection (f) or the regulations issued to implement that subsection shall be liable for the greater of—

“(1) a civil penalty not to exceed \$10,000; or

“(2) the general record keeping penalty that applies under the customs laws of the United States.”.

19 USC 3805
note.

SEC. 208. ENFORCEMENT OF TEXTILE AND APPAREL RULES OF ORIGIN.

(a) ACTION DURING VERIFICATION.—If the Secretary of the Treasury requests the Government of Chile to conduct a verification pursuant to article 3.21 of the Agreement for purposes of determining that—

(1) an exporter or producer in Chile is complying with applicable customs laws, regulations, and procedures regarding trade in textile and apparel goods, or

(2) claims that textile or apparel goods exported or produced by such exporter or producer—

(A) qualify as originating goods under section 202 of this Act, or

(B) are goods of Chile,
are accurate,

the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a) includes—

(1) suspension of liquidation of entries of textile and apparel goods exported or produced by the person that is the subject of the verification, in a case in which the request for verification was based on a reasonable suspicion of unlawful activity related to such goods; and

(2) publication of the name of the person that is the subject of the verification.

(c) ACTION WHEN INFORMATION IS INSUFFICIENT.—If the Secretary of the Treasury determines that the information obtained within 12 months after making a request for a verification under subsection (a) is insufficient to make a determination under subsection (a), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make a determination under subsection (a) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (c) includes—

(1) publication of the identity of the person that is the subject of the verification;

(2) denial of preferential tariff treatment under the Agreement to any textile or apparel goods exported or produced by the person that is the subject of the verification; and

(3) denial of entry into the United States of any textile or apparel goods exported or produced by the person that is the subject of the verification.

SEC. 209. CONFORMING AMENDMENTS.

19 USC 3805
note.

Section 508(b)(2)(B)(i)(I) of the Tariff Act of 1930 (19 U.S.C. 1508(b)(2)(B)(i)(I)) is amended—

(1) by striking “the last paragraph of section 311” and inserting “the eleventh paragraph of section 311”; and

(2) by striking “the last proviso to section 3(a)” and inserting “the proviso preceding the last proviso to section 3(a)”.

SEC. 210. REGULATIONS.

19 USC 3805
note.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (n) of section 202, and sections 203 and 204;

(2) amendments made by the sections referred to in paragraph (1); and

(3) proclamations issued under section 202(o).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

19 USC 3805
note.

In this title:

(1) COMMISSION.—The term “Commission” means the United States International Trade Commission.

(2) CHILEAN ARTICLE.—The term “Chilean article” means an article that qualifies as an originating good under section 202(a) of this Act.

(3) CHILEAN TEXTILE OR APPAREL ARTICLE.—The term “Chilean textile or apparel article” means an article—

(A) that is listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); and

(B) that is a Chilean article.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

19 USC 3805
note.

(a) FILING OF PETITION.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any

Records.

petition filed under this subsection to the United States Trade Representative.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Chilean article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Chilean article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

- (1) Paragraphs (1)(B) and (3) of subsection (b).
- (2) Subsection (c).
- (3) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Chilean article if, after the date that the Agreement enters into force, import relief has been provided with respect to that Chilean article under this subtitle, or if, at the time the petition is filed, the article is subject to import relief under chapter 1 of title II of the Trade Act of 1974.

19 USC 3805
note.
Deadline.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c). Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required

under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) **REPORT TO PRESIDENT.**—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

Deadline.

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) **PUBLIC NOTICE.**—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

Federal Register,
publication.

SEC. 313. PROVISION OF RELIEF.

(a) **IN GENERAL.**—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

19 USC 3805
note.
Deadline.
President.

(b) **EXCEPTION.**—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) **NATURE OF RELIEF.**—

(1) **IN GENERAL.**—The import relief that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 3.3 of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) **PROGRESSIVE LIBERALIZATION.**—If the period for which import relief is provided under this section is greater than

1 year, the President shall provide for the progressive liberalization (described in article 8.2(2) of the Agreement) of such relief at regular intervals during the period of its application.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), the import relief that the President is authorized to provide under this section, including any extensions thereof, may not, in the aggregate, exceed 3 years.

(2) EXTENSION.—

(A) IN GENERAL.—If the initial period for any import relief provided under this section is less than 3 years, the President, after receiving an affirmative determination from the Commission under subparagraph (B), may extend the effective period of any import relief provided under this section, subject to the limitation under paragraph (1), if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—(i) Upon a petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date on which any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) The Commission shall transmit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which such termination occurs shall be the rate that, according to the Schedule of the United States in Annex 3.3 of the Agreement for the staged elimination of the tariff, would have been in effect 1 year after the provision of relief under subsection (a); and

(2) the rate of duty for that article after December 31 of the year in which termination occurs shall be, at the discretion of the President, either—

Notice.
Federal Register,
publication.

Reports.
Deadline.

(A) the applicable rate of duty for that article set out in the Schedule of the United States in Annex 3.3 of the Agreement; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set out in the United States Schedule in Annex 3.3 of the Agreement for the elimination of the tariff.

(f) **ARTICLES EXEMPT FROM RELIEF.**—No import relief may be provided under this section on any article subject to import relief under chapter 1 of title II of the Trade Act of 1974.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

19 USC 3805
note.

(a) **GENERAL RULE.**—No import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) **EXCEPTION.**—If an article for which relief is provided under this subtitle is an article for which the period for tariff elimination, set out in the Schedule of the United States to Annex 3.3 of the Agreement, is 12 years, no relief under this subtitle may be provided for that article after the date that is 12 years after the date on which the Agreement enters into force.

SEC. 315. COMPENSATION AUTHORITY.

19 USC 3805
note.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

19 USC 3805
note.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking “and”; and

(2) by inserting before the period at the end “, and title III of the United States-Chile Free Trade Agreement Implementation Act”.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

President.
19 USC 3805
note.

(a) **IN GENERAL.**—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) **PUBLICATION OF REQUEST.**—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include the request and the dates by which comments and rebuttals must be received.

Federal Register,
publication.
Notice.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

President.
19 USC 3805
note.

(a) **DETERMINATION.**—

(1) **IN GENERAL.**—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the elimination of a duty under the Agreement, a Chilean textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) **SERIOUS DAMAGE.**—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(b) **PROVISION OF RELIEF.**—

(1) **IN GENERAL.**—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as provided in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry.

(2) **NATURE OF RELIEF.**—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

19 USC 3805
note.

SEC. 323. PERIOD OF RELIEF.

(a) **IN GENERAL.**—The import relief that the President is authorized to provide under section 322, including any extensions thereof, may not, in the aggregate, exceed 3 years.

(b) **EXTENSION.**—If the initial period for any import relief provided under this section is less than 3 years, the President may extend the effective period of any import relief provided under this section, subject to the limitation set forth in subsection (a), if the President determines that—

(1) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment; and

(2) there is evidence that the industry is making a positive adjustment to import competition.

19 USC 3805
note.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

The President may not provide import relief under this subtitle with respect to any article if import relief previously has been provided under this subtitle with respect to that article.

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.19 USC 3805
note.

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be duty-free.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.19 USC 3805
note.

No import relief may be provided under this subtitle with respect to any article after the date that is 8 years after the date on which duties on the article are eliminated pursuant to the Agreement.

SEC. 327. COMPENSATION AUTHORITY.19 USC 3805
note.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of that Act.

SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.19 USC 3805
note.

The President may not release information which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the President, or such party subsequently consents to the release of the information. To the extent business confidential information is provided, a nonconfidential version of the information shall also be provided, in which the business confidential information is summarized or, if necessary, deleted.

TITLE IV—TEMPORARY ENTRY OF BUSINESS PERSONS

SEC. 401. NONIMMIGRANT TRADERS AND INVESTORS.19 USC 3805
note.

Upon a basis of reciprocity secured by the Agreement, an alien who is a national of Chile (and any spouse or child (as defined in section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1))) of such alien, if accompanying or following to join the alien) may, if otherwise eligible for a visa and if otherwise admissible into the United States under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), be considered to be classifiable as a nonimmigrant under section 101(a)(15)(E) of such Act (8 U.S.C. 1101(a)(15)(E)) if entering solely for a purpose specified in clause (i) or (ii) of such section 101(a)(15)(E). For purposes of this section, the term “national” has the meaning given such term in article 14.9 of the Agreement.

SEC. 402. NONIMMIGRANT PROFESSIONALS; LABOR ATTESTATIONS.19 USC 3805
note.

(a) NONIMMIGRANT PROFESSIONALS.—

(1) DEFINITIONS.—Section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(i)(b)) is amended by striking “212(n)(1), or (c)” and inserting “212(n)(1), or (b1) who is entitled to enter the United States under and in pursuance of the provisions of an agreement listed in section 214(g)(8)(A), who is engaged in a specialty occupation described in section 214(i)(3), and with respect to whom the Secretary of Labor determines and certifies to the Secretary of Homeland Security and the Secretary of State

that the intending employer has filed with the Secretary of Labor an attestation under section 212(t)(1), or (c)".

(2) ADMISSION OF NONIMMIGRANTS.—Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended—

(A) in subsection (i)—

(i) in paragraph (1), by striking "For purposes" and inserting "Except as provided in paragraph (3), for purposes"; and

(ii) by adding at the end the following:

"(3) For purposes of section 101(a)(15)(H)(i)(b1), the term 'specialty occupation' means an occupation that requires—

"(A) theoretical and practical application of a body of specialized knowledge; and

"(B) attainment of a bachelor's or higher degree in the specific specialty (or its equivalent) as a minimum for entry into the occupation in the United States."; and

(B) in subsection (g), by adding at the end the following:

"(8)(A) The agreement referred to in section 101(a)(15)(H)(i)(b1) is the United States-Chile Free Trade Agreement.

"(B)(i) The Secretary of Homeland Security shall establish annual numerical limitations on approvals of initial applications by aliens for admission under section 101(a)(15)(H)(i)(b1).

"(ii) The annual numerical limitations described in clause (i) shall not exceed 1,400 for nationals of Chile for any fiscal year. For purposes of this clause, the term 'national' has the meaning given such term in article 14.9 of the United States-Chile Free Trade Agreement.

"(iii) The annual numerical limitations described in clause (i) shall only apply to principal aliens and not to the spouses or children of such aliens.

"(iv) The annual numerical limitation described in paragraph (1)(A) is reduced by the amount of the annual numerical limitations established under clause (i). However, if a numerical limitation established under clause (i) has not been exhausted at the end of a given fiscal year, the Secretary of Homeland Security shall adjust upwards the numerical limitation in paragraph (1)(A) for that fiscal year by the amount remaining in the numerical limitation under clause (i). Visas under section 101(a)(15)(H)(i)(b) may be issued pursuant to such adjustment within the first 45 days of the next fiscal year to aliens who had applied for such visas during the fiscal year for which the adjustment was made.

"(C) The period of authorized admission as a nonimmigrant under section 101(a)(15)(H)(i)(b1) shall be 1 year, and may be extended, but only in 1-year increments. After every second extension, the next following extension shall not be granted unless the Secretary of Labor had determined and certified to the Secretary of Homeland Security and the Secretary of State that the intending employer has filed with the Secretary of Labor an attestation under section 212(t)(1) for the purpose of permitting the nonimmigrant to obtain such extension.

"(D) The numerical limitation described in paragraph (1)(A) for a fiscal year shall be reduced by one for each alien granted an extension under subparagraph (C) during such year who has obtained 5 or more consecutive prior extensions."

(b) LABOR ATTESTATIONS.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended—

Aliens.

(1) by redesignating the subsection (p) added by section 1505(f) of Public Law 106-386 (114 Stat. 1526) as subsection (s); and

(2) by adding at the end the following:

“(t)(1) No alien may be admitted or provided status as a non-immigrant under section 101(a)(15)(H)(i)(b1) in an occupational classification unless the employer has filed with the Secretary of Labor an attestation stating the following:

“(A) The employer—

“(i) is offering and will offer during the period of authorized employment to aliens admitted or provided status under section 101(a)(15)(H)(i)(b1) wages that are at least—

“(I) the actual wage level paid by the employer to all other individuals with similar experience and qualifications for the specific employment in question; or

“(II) the prevailing wage level for the occupational classification in the area of employment, whichever is greater, based on the best information available as of the time of filing the attestation; and

“(ii) will provide working conditions for such a non-immigrant that will not adversely affect the working conditions of workers similarly employed.

“(B) There is not a strike or lockout in the course of a labor dispute in the occupational classification at the place of employment.

“(C) The employer, at the time of filing the attestation—

“(i) has provided notice of the filing under this paragraph to the bargaining representative (if any) of the employer’s employees in the occupational classification and area for which aliens are sought; or

“(ii) if there is no such bargaining representative, has provided notice of filing in the occupational classification through such methods as physical posting in conspicuous locations at the place of employment or electronic notification to employees in the occupational classification for which nonimmigrants under section 101(a)(15)(H)(i)(b1) are sought.

“(D) A specification of the number of workers sought, the occupational classification in which the workers will be employed, and wage rate and conditions under which they will be employed.

“(2)(A) The employer shall make available for public examination, within one working day after the date on which an attestation under this subsection is filed, at the employer’s principal place of business or worksite, a copy of each such attestation (and such accompanying documents as are necessary).

Public inspection.
Deadline.

“(B)(i) The Secretary of Labor shall compile, on a current basis, a list (by employer and by occupational classification) of the attestations filed under this subsection. Such list shall include, with respect to each attestation, the wage rate, number of aliens sought, period of intended employment, and date of need.

Records.

“(ii) The Secretary of Labor shall make such list available for public examination in Washington, D.C.

Public inspection.

“(C) The Secretary of Labor shall review an attestation filed under this subsection only for completeness and obvious inaccuracies. Unless the Secretary of Labor finds that an attestation is incomplete or obviously inaccurate, the Secretary of Labor shall provide the certification described in section 101(a)(15)(H)(i)(b1) within 7 days of the date of the filing of the attestation.

“(3)(A) The Secretary of Labor shall establish a process for the receipt, investigation, and disposition of complaints respecting the failure of an employer to meet a condition specified in an attestation submitted under this subsection or misrepresentation by the employer of material facts in such an attestation. Complaints may be filed by any aggrieved person or organization (including bargaining representatives). No investigation or hearing shall be conducted on a complaint concerning such a failure or misrepresentation unless the complaint was filed not later than 12 months after the date of the failure or misrepresentation, respectively. The Secretary of Labor shall conduct an investigation under this paragraph if there is reasonable cause to believe that such a failure or misrepresentation has occurred.

Deadlines.

“(B) Under the process described in subparagraph (A), the Secretary of Labor shall provide, within 30 days after the date a complaint is filed, for a determination as to whether or not a reasonable basis exists to make a finding described in subparagraph (C). If the Secretary of Labor determines that such a reasonable basis exists, the Secretary of Labor shall provide for notice of such determination to the interested parties and an opportunity for a hearing on the complaint, in accordance with section 556 of title 5, United States Code, within 60 days after the date of the determination. If such a hearing is requested, the Secretary of Labor shall make a finding concerning the matter by not later than 60 days after the date of the hearing. In the case of similar complaints respecting the same applicant, the Secretary of Labor may consolidate the hearings under this subparagraph on such complaints.

Notice.

“(C)(i) If the Secretary of Labor finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B), a substantial failure to meet a condition of paragraph (1)(C) or (1)(D), or a misrepresentation of material fact in an attestation—

Notification.

“(I) the Secretary of Labor shall notify the Secretary of State and the Secretary of Homeland Security of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed \$1,000 per violation) as the Secretary of Labor determines to be appropriate; and

“(II) the Secretary of State or the Secretary of Homeland Security, as appropriate, shall not approve petitions or applications filed with respect to that employer under section 204, 214(c), or 101(a)(15)(H)(i)(b1) during a period of at least 1 year for aliens to be employed by the employer.

“(ii) If the Secretary of Labor finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an attestation, or a violation of clause (iv)—

Notification.

“(I) the Secretary of Labor shall notify the Secretary of State and the Secretary of Homeland Security of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not

to exceed \$5,000 per violation) as the Secretary of Labor determines to be appropriate; and

“(II) the Secretary of State or the Secretary of Homeland Security, as appropriate, shall not approve petitions or applications filed with respect to that employer under section 204, 214(c), or 101(a)(15)(H)(i)(b1) during a period of at least 2 years for aliens to be employed by the employer.

“(iii) If the Secretary of Labor finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an attestation, in the course of which failure or misrepresentation the employer displaced a United States worker employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition or application supported by the attestation—

“(I) the Secretary of Labor shall notify the Secretary of State and the Secretary of Homeland Security of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed \$35,000 per violation) as the Secretary of Labor determines to be appropriate; and

Notification.

“(II) the Secretary of State or the Secretary of Homeland Security, as appropriate, shall not approve petitions or applications filed with respect to that employer under section 204, 214(c), or 101(a)(15)(H)(i)(b1) during a period of at least 3 years for aliens to be employed by the employer.

“(iv) It is a violation of this clause for an employer who has filed an attestation under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other person, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer’s compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.

“(v) The Secretary of Labor and the Secretary of Homeland Security shall devise a process under which a nonimmigrant under section 101(a)(15)(H)(i)(b1) who files a complaint regarding a violation of clause (iv) and is otherwise eligible to remain and work in the United States may be allowed to seek other appropriate employment in the United States for a period not to exceed the maximum period of stay authorized for such nonimmigrant classification.

“(vi)(I) It is a violation of this clause for an employer who has filed an attestation under this subsection to require a nonimmigrant under section 101(a)(15)(H)(i)(b1) to pay a penalty for ceasing employment with the employer prior to a date agreed to by the nonimmigrant and the employer. The Secretary of Labor shall determine whether a required payment is a penalty (and not liquidated damages) pursuant to relevant State law.

“(II) If the Secretary of Labor finds, after notice and opportunity for a hearing, that an employer has committed a violation of this clause, the Secretary of Labor may impose a civil monetary penalty

of \$1,000 for each such violation and issue an administrative order requiring the return to the nonimmigrant of any amount paid in violation of this clause, or, if the nonimmigrant cannot be located, requiring payment of any such amount to the general fund of the Treasury.

“(vii)(I) It is a failure to meet a condition of paragraph (1)(A) for an employer who has filed an attestation under this subsection and who places a nonimmigrant under section 101(a)(15)(H)(i)(b1) designated as a full-time employee in the attestation, after the nonimmigrant has entered into employment with the employer, in nonproductive status due to a decision by the employer (based on factors such as lack of work), or due to the nonimmigrant’s lack of a permit or license, to fail to pay the nonimmigrant full-time wages in accordance with paragraph (1)(A) for all such non-productive time.

“(II) It is a failure to meet a condition of paragraph (1)(A) for an employer who has filed an attestation under this subsection and who places a nonimmigrant under section 101(a)(15)(H)(i)(b1) designated as a part-time employee in the attestation, after the nonimmigrant has entered into employment with the employer, in nonproductive status under circumstances described in subclause (I), to fail to pay such a nonimmigrant for such hours as are designated on the attestation consistent with the rate of pay identified on the attestation.

Applicability.

“(III) In the case of a nonimmigrant under section 101(a)(15)(H)(i)(b1) who has not yet entered into employment with an employer who has had approved an attestation under this subsection with respect to the nonimmigrant, the provisions of subclauses (I) and (II) shall apply to the employer beginning 30 days after the date the nonimmigrant first is admitted into the United States, or 60 days after the date the nonimmigrant becomes eligible to work for the employer in the case of a nonimmigrant who is present in the United States on the date of the approval of the attestation filed with the Secretary of Labor.

“(IV) This clause does not apply to a failure to pay wages to a nonimmigrant under section 101(a)(15)(H)(i)(b1) for nonproductive time due to non-work-related factors, such as the voluntary request of the nonimmigrant for an absence or circumstances rendering the nonimmigrant unable to work.

“(V) This clause shall not be construed as prohibiting an employer that is a school or other educational institution from applying to a nonimmigrant under section 101(a)(15)(H)(i)(b1) an established salary practice of the employer, under which the employer pays to nonimmigrants under section 101(a)(15)(H)(i)(b1) and United States workers in the same occupational classification an annual salary in disbursements over fewer than 12 months, if—

“(aa) the nonimmigrant agrees to the compressed annual salary payments prior to the commencement of the employment; and

“(bb) the application of the salary practice to the nonimmigrant does not otherwise cause the nonimmigrant to violate any condition of the nonimmigrant’s authorization under this Act to remain in the United States.

“(VI) This clause shall not be construed as superseding clause (viii).

“(viii) It is a failure to meet a condition of paragraph (1)(A) for an employer who has filed an attestation under this subsection to fail to offer to a nonimmigrant under section 101(a)(15)(H)(i)(b1), during the nonimmigrant’s period of authorized employment, benefits and eligibility for benefits (including the opportunity to participate in health, life, disability, and other insurance plans; the opportunity to participate in retirement and savings plans; and cash bonuses and non-cash compensation, such as stock options (whether or not based on performance)) on the same basis, and in accordance with the same criteria, as the employer offers to United States workers.

“(D) If the Secretary of Labor finds, after notice and opportunity for a hearing, that an employer has not paid wages at the wage level specified in the attestation and required under paragraph (1), the Secretary of Labor shall order the employer to provide for payment of such amounts of back pay as may be required to comply with the requirements of paragraph (1), whether or not a penalty under subparagraph (C) has been imposed.

“(E) The Secretary of Labor may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date on which the employer is found by the Secretary of Labor to have committed a willful failure to meet a condition of paragraph (1) or to have made a willful misrepresentation of material fact in an attestation. The authority of the Secretary of Labor under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).

“(F) Nothing in this subsection shall be construed as superseding or preempting any other enforcement-related authority under this Act (such as the authorities under section 274B), or any other Act.

“(4) For purposes of this subsection:

“(A) The term ‘area of employment’ means the area within normal commuting distance of the worksite or physical location where the work of the nonimmigrant under section 101(a)(15)(H)(i)(b1) is or will be performed. If such worksite or location is within a Metropolitan Statistical Area, any place within such area is deemed to be within the area of employment.

“(B) In the case of an attestation with respect to one or more nonimmigrants under section 101(a)(15)(H)(i)(b1) by an employer, the employer is considered to ‘displace’ a United States worker from a job if the employer lays off the worker from a job that is essentially the equivalent of the job for which the nonimmigrant or nonimmigrants is or are sought. A job shall not be considered to be essentially equivalent of another job unless it involves essentially the same responsibilities, was held by a United States worker with substantially equivalent qualifications and experience, and is located in the same area of employment as the other job.

“(C)(i) The term ‘lays off’, with respect to a worker—

“(I) means to cause the worker’s loss of employment, other than through a discharge for inadequate performance, violation of workplace rules, cause, voluntary departure, voluntary retirement, or the expiration of a grant or contract; but

“(II) does not include any situation in which the worker is offered, as an alternative to such loss of employment, a similar employment opportunity with the same employer at equivalent or higher compensation and benefits than the position from which the employee was discharged, regardless of whether or not the employee accepts the offer.

“(ii) Nothing in this subparagraph is intended to limit an employee’s rights under a collective bargaining agreement or other employment contract.

“(D) The term ‘United States worker’ means an employee who—

“(i) is a citizen or national of the United States; or

“(ii) is an alien who is lawfully admitted for permanent residence, is admitted as a refugee under section 207 of this title, is granted asylum under section 208, or is an immigrant otherwise authorized, by this Act or by the Secretary of Homeland Security, to be employed.”.

(c) SPECIAL RULE FOR COMPUTATION OF PREVAILING WAGE.—Section 212(p)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(p)(1)) is amended by striking “(n)(1)(A)(i)(II) and (a)(5)(A)” and inserting “(a)(5)(A), (n)(1)(A)(i)(II), and (t)(1)(A)(i)(II)”.

(d) FEE.—

(1) IN GENERAL.—Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

Fees.

“(11)(A) Subject to subparagraph (B), the Secretary of Homeland Security or the Secretary of State, as appropriate, shall impose a fee on an employer who has filed an attestation described in section 212(t)—

“(i) in order that an alien may be initially granted non-immigrant status described in section 101(a)(15)(H)(i)(b1); or

“(ii) in order to satisfy the requirement of the second sentence of subsection (g)(8)(C) for an alien having such status to obtain certain extensions of stay.

“(B) The amount of the fee shall be the same as the amount imposed by the Secretary of Homeland Security under paragraph (9), except that if such paragraph does not authorize such Secretary to impose any fee, no fee shall be imposed under this paragraph.

“(C) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(s).”.

(2) USE OF FEE.—Section 286(s)(1) of the Immigration and Nationality Act (8 U.S.C. 1356(s)(1)) is amended by striking “section 214(c)(9).” and inserting “paragraphs (9) and (11) of section 214(c).”.

19 USC 3805
note.

SEC. 403. LABOR DISPUTES.

Section 214(j) of the Immigration and Nationality Act (8 U.S.C. 1184(j)) is amended—

(1) by striking “(j)” and inserting “(j)(1)”;

(2) by striking “this subsection” each place such term appears and inserting “this paragraph”; and

(3) by adding at the end the following:

Regulations.

“(2) Notwithstanding any other provision of this Act except section 212(t)(1), and subject to regulations promulgated by the Secretary of Homeland Security, an alien who seeks to enter the United States under and pursuant to the provisions of an agreement

listed in subsection (g)(8)(A), and the spouse and children of such an alien if accompanying or following to join the alien, may be denied admission as a nonimmigrant under subparagraph (E), (L), or (H)(i)(b1) of section 101(a)(15) if there is in progress a labor dispute in the occupational classification at the place or intended place of employment, unless such alien establishes, pursuant to regulations promulgated by the Secretary of Homeland Security after consultation with the Secretary of Labor, that the alien's entry will not affect adversely the settlement of the labor dispute or the employment of any person who is involved in the labor dispute. Notice of a determination under this paragraph shall be given as may be required by such agreement.”.

Notice.

SEC. 404. CONFORMING AMENDMENTS.

19 USC 3805
note.

Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended—

(1) in subsection (b), by striking “(other than a nonimmigrant described in subparagraph (H)(i), (L), or (V) of section 101(a)(15))” and inserting “(other than a nonimmigrant described in subparagraph (L) or (V) of section 101(a)(15), and other than a nonimmigrant described in any provision of section 101(a)(15)(H)(i) except subclause (b1) of such section)”;

(2) in subsection (c)(1), by striking “section 101(a)(15)(H), (L), (O), or (P)(i)” and inserting “subparagraph (H), (L), (O), or (P)(i) of section 101(a)(15) (excluding nonimmigrants under section 101(a)(15)(H)(i)(b1))”; and

(3) in subsection (h), by striking “(H)(i)” and inserting “(H)(i)(b) or (c)”.

Approved September 3, 2003.

LEGISLATIVE HISTORY—H.R. 2738 (S. 1416):

HOUSE REPORTS: No. 108–224, Pt. 1 (Comm. on Ways and Means) and Pt. 2 (Comm. on the Judiciary).

SENATE REPORTS: No. 108–116 accompanying S. 1416 (jointly from Comm. on Finance and Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 24, considered and passed House.

July 31, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 3, Presidential remarks.



Public Law 108–78
108th Congress

An Act

Sept. 3, 2003
[H.R. 2739]

United States-
Singapore Free
Trade Agreement
Implementation
Act.
19 USC 3805
note.

To implement the United States-Singapore Free Trade Agreement.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “United States-Singapore Free Trade Agreement Implementation Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

**TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE
AGREEMENT**

- Sec. 101. Approval and entry into force of the Agreement.
- Sec. 102. Relationship of the agreement to United States and State law.
- Sec. 103. Consultation and layover provisions for, and effective date of, proclaimed actions.
- Sec. 104. Implementing actions in anticipation of entry into force and initial regulations.
- Sec. 105. Administration of dispute settlement proceedings.
- Sec. 106. Arbitration of certain claims.
- Sec. 107. Effective dates; effect of termination.

TITLE II—CUSTOMS PROVISIONS

- Sec. 201. Tariff modifications.
- Sec. 202. Rules of origin.
- Sec. 203. Customs user fees.
- Sec. 204. Disclosure of incorrect information.
- Sec. 205. Enforcement relating to trade in textile and apparel goods.
- Sec. 206. Regulations.

TITLE III—RELIEF FROM IMPORTS

- Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefiting From the Agreement

- Sec. 311. Commencing of action for relief.
- Sec. 312. Commission action on petition.
- Sec. 313. Provision of relief.
- Sec. 314. Termination of relief authority.
- Sec. 315. Compensation authority.
- Sec. 316. Confidential business information.

Subtitle B—Textile and Apparel Safeguard Measures

- Sec. 321. Commencement of action for relief.
- Sec. 322. Determination and provision of relief.
- Sec. 323. Period of relief.
- Sec. 324. Articles exempt from relief.
- Sec. 325. Rate after termination of import relief.
- Sec. 326. Termination of relief authority.

- Sec. 327. Compensation authority.
Sec. 328. Business confidential information.

Subtitle C—Cases Under Title II of the Trade Act of 1974

- Sec. 331. Findings and action on goods from Singapore.

TITLE IV—TEMPORARY ENTRY OF BUSINESS PERSONS

- Sec. 401. Nonimmigrant traders and investors.
Sec. 402. Nonimmigrant professionals.

SEC. 2. PURPOSES.

19 USC 3805
note.

The purposes of this Act are—

- (1) to approve and implement the Free Trade Agreement between the United States and the Republic of Singapore entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002;
- (2) to strengthen and develop economic relations between the United States and Singapore for their mutual benefit;
- (3) to establish free trade between the 2 nations through the reduction and elimination of barriers to trade in goods and services and to investment; and
- (4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

SEC. 3. DEFINITIONS.

19 USC 3805
note.

In this Act:

- (1) **AGREEMENT.**—The term “Agreement” means the United States-Singapore Free Trade Agreement approved by Congress under section 101(a).
- (2) **HTS.**—The term “HTS” means the Harmonized Tariff Schedule of the United States.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

19 USC 3805
note.

(a) **APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.**—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), Congress approves—

- (1) the United States-Singapore Free Trade Agreement entered into on May 6, 2003, with the Government of Singapore and submitted to Congress on July 15, 2003; and
- (2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on July 15, 2003.

(b) **CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.**—At such time as the President determines that Singapore has taken measures necessary to bring it into compliance with those provisions of the Agreement that take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Singapore providing for the entry into force, on or after January 1, 2004, of the Agreement for the United States.

19 USC 3805
note.

**SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES
AND STATE LAW.**

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States,
or

(B) to limit any authority conferred under any law of the United States,
unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term “State law” includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State on the ground that such action or inaction is inconsistent with the Agreement.

President.
19 USC 3805
note.

SEC. 103. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

(a) CONSULTATION AND LAYOVER REQUIREMENTS.—If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974; and

(B) the United States International Trade Commission;

(2) the President has submitted a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days beginning on the first day on which the requirements of paragraphs (1) and (2) have been met has expired; and

Reports.

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

(b) **EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.**—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under subsection (a) may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

Federal Register,
publication.

SEC. 104. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

19 USC 3805
note.

(a) **IMPLEMENTING ACTIONS.**—

(1) **PROCLAMATION AUTHORITY.**—After the date of enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations—

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date of entry into force.

(2) **WAIVER OF 15-DAY RESTRICTION.**—The 15-day restriction in section 103(b) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

(b) **INITIAL REGULATIONS.**—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date of entry into force of the Agreement. In the case of any implementing action that takes effect on a date after the date of entry into force of the Agreement, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

Deadlines.

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

19 USC 3805
note.
President.

(a) **ESTABLISHMENT OR DESIGNATION OF OFFICE.**—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 20 of the Agreement. Such office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for each fiscal year after fiscal year 2003 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

SEC. 106. ARBITRATION OF CERTAIN CLAIMS.

19 USC 3805
note.

(a) **SUBMISSION OF CERTAIN CLAIMS.**—The United States is authorized to resolve any claim against the United States covered by article 15.15.1(a)(i)(C) or article 15.15.1(b)(i)(C) of the Agreement,

pursuant to the Investor-State Dispute Settlement procedures set forth in section C of chapter 15 of the Agreement.

(b) **CONTRACT CLAUSES.**—All contracts executed by any agency of the United States on or after the date of entry into force of the Agreement shall contain a clause specifying the law that will apply to resolve any breach of contract claim.

19 USC 3805
note.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) **EFFECTIVE DATES.**—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date the Agreement enters into force.

(b) **EXCEPTIONS.**—

(1) Sections 1 through 3 and this title take effect on the date of enactment of this Act.

(2) Section 205 takes effect on the date on which the textile and apparel provisions of the Agreement take effect pursuant to article 5.10 of the Agreement.

(c) **TERMINATION OF THE AGREEMENT.**—On the date on which the Agreement ceases to be in force, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to be effective.

TITLE II—CUSTOMS PROVISIONS

19 USC 3805
note.

SEC. 201. TARIFF MODIFICATIONS.

(a) **TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.**—The President may proclaim—

- (1) such modifications or continuation of any duty,
- (2) such continuation of duty-free or excise treatment, or
- (3) such additional duties—

as the President determines to be necessary or appropriate to carry out or apply articles 2.2, 2.5, 2.6, and 2.12 and Annex 2B of the Agreement.

(b) **OTHER TARIFF MODIFICATIONS.**—Subject to the consultation and layover provisions of section 103(a), the President may proclaim—

- (1) such modifications or continuation of any duty,
- (2) such modifications as the United States may agree to with Singapore regarding the staging of any duty treatment set forth in Annex 2B of the Agreement,
- (3) such continuation of duty-free or excise treatment, or
- (4) such additional duties—

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Singapore provided for by the Agreement.

(c) **CONVERSION TO AD VALOREM RATES.**—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States set forth in Annex 2B of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

19 USC 3805
note.

SEC. 202. RULES OF ORIGIN.

(a) **ORIGINATING GOODS.**—For purposes of this Act and for purposes of implementing the tariff treatment provided for under

the Agreement, except as otherwise provided in this section, a good is an originating good if—

(1) the good is wholly obtained or produced entirely in the territory of Singapore, the United States, or both;

(2) each nonoriginating material used in the production of the good—

(A) undergoes an applicable change in tariff classification set out in Annex 3A of the Agreement as a result of production occurring entirely in the territory of Singapore, the United States, or both; or

(B) if no change in tariff classification is required, the good otherwise satisfies the applicable requirements of such Annex; or

(3) the good itself, as imported, is listed in Annex 3B of the Agreement and is imported into the territory of the United States from the territory of Singapore.

(b) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(1) IN GENERAL.—Except as provided for in paragraphs (2) and (3), a good shall be considered to be an originating good if—

(A) the value of all nonoriginating materials used in the production of the good that do not undergo the required change in tariff classification under Annex 3A of the Agreement does not exceed 10 percent of the adjusted value of the good;

(B) if the good is subject to a regional value-content requirement, the value of such nonoriginating materials is taken into account in calculating the regional value-content of the good; and

(C) the good satisfies all other applicable requirements of this section.

(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

(A) A nonoriginating material provided for in chapter 4 of the HTS or in subheading 1901.90 of the HTS that is used in the production of a good provided for in chapter 4 of the HTS.

(B) A nonoriginating material provided for in chapter 4 of the HTS or in subheading 1901.90 of the HTS that is used in the production of a good provided for in heading 2105 or in any of subheadings 1901.10, 1901.20, 1901.90, 2106.90, 2202.90, and 2309.90 of the HTS.

(C) A nonoriginating material provided for in heading 0805, or any of subheadings 2009.11.00 through 2009.39, of the HTS, that is used in the production of a good provided for in any of subheadings 2009.11.00 through 2009.39 or in subheading 2106.90 or 2202.90 of the HTS.

(D) A nonoriginating material provided for in chapter 15 of the HTS that is used in the production of a good provided for in any of headings 1501.00.00 through 1508, 1512, 1514, and 1515 of the HTS.

(E) A nonoriginating material provided for in heading 1701 of the HTS that is used in the production of a good provided for in any of headings 1701 through 1703 of the HTS.

(F) A nonoriginating material provided for in chapter 17 of the HTS or heading 1805.00.00 of the HTS that

is used in the production of a good provided for in subheading 1806.10 of the HTS.

(G) A nonoriginating material provided for in any of headings 2203 through 2208 of the HTS that is used in the production of a good provided for in heading 2207 or 2208 of the HTS.

(H) A nonoriginating material used in the production of a good provided for in any of chapters 1 through 21 of the HTS, unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

(3) GOODS PROVIDED FOR IN CHAPTERS 50 THROUGH 63 OF THE HTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a good provided for in any of chapters 50 through 63 of the HTS that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 3A of the Agreement shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(B) CERTAIN TEXTILE OR APPAREL GOODS.—

(i) TREATMENT AS ORIGINATING GOOD.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of Singapore or the United States.

(ii) DEFINITION OF TEXTILE OR APPAREL GOOD.—For purposes of this subparagraph, the term “textile or apparel good” means a product listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(c) ACCUMULATION.—

(1) ORIGINATING GOODS INCORPORATED IN GOODS OF OTHER COUNTRY.—Originating materials from the territory of either Singapore or the United States that are used in the production of a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PROCEDURES.—A good that is produced in the territory of Singapore, the United States, or both, by 1 or more producers is an originating good if the good satisfies the requirements of subsection (a) and all other applicable requirements of this section.

(d) REGIONAL VALUE-CONTENT.—

(1) IN GENERAL.—For purposes of subsection (a)(2), the regional value-content of a good referred to in Annex 3A of the Agreement shall be calculated, at the choice of the person claiming preferential tariff treatment for the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3), unless otherwise provided in Annex 3A of the Agreement.

(2) BUILD-DOWN METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$\text{RVC} = \frac{\text{AV}-\text{VNM}}{\text{AV}} \times 100$$

(B) DEFINITIONS.—For purposes of subparagraph (A):

(i) The term “RVC” means the regional value-content, expressed as a percentage.

(ii) The term “AV” means the adjusted value.

(iii) The term “VNM” means the value of nonoriginating materials that are acquired and used by the producer in the production of the good.

(3) BUILD-UP METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$\text{RVC} = \frac{\text{VOM}}{\text{AV}} \times 100$$

(B) DEFINITIONS.—For purposes of subparagraph (A):

(i) The term “RVC” means the regional value-content, expressed as a percentage.

(ii) The term “AV” means the adjusted value.

(iii) The term “VOM” means the value of originating materials that are acquired or self-produced and are used by the producer in the production of the good.

(e) VALUE OF MATERIALS.—

(1) IN GENERAL.—For purposes of calculating the regional value-content of a good under subsection (d), and for purposes of applying the de minimis rules under subsection (b), the value of a material is—

(A) in the case of a material imported by the producer of the good, the adjusted value of the material;

(B) in the case of a material acquired in the territory in which the good is produced, except for a material to which subparagraph (C) applies, the adjusted value of the material; or

(C) in the case of a material that is self-produced, or in a case in which the relationship between the producer of the good and the seller of the material influenced the price actually paid or payable for the material, including a material obtained without charge, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIALS.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Singapore, the United States, or both, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product.

(B) NONORIGINATING MATERIALS.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Singapore, the United States, or both, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product.

(iv) The cost of processing incurred in the territory of Singapore or the United States in the production of the nonoriginating material.

(v) The cost of originating materials used in the production of the nonoriginating material in the territory of Singapore or the United States.

(f) ACCESSORIES, SPARE PARTS, OR TOOLS.—

(1) IN GENERAL.—Subject to paragraph (2), accessories, spare parts, or tools delivered with the good that form part of the good's standard accessories, spare parts, or tools shall—

(A) be treated as originating goods if the good is an originating good; and

(B) be disregarded in determining whether all the non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in Annex 3A of the Agreement.

(2) CONDITIONS.—Paragraph (1) shall apply only if—

(A) the accessories, spare parts, or tools are not invoiced separately from the good;

(B) the quantities and value of the accessories, spare parts, or tools are customary for the good; and

(C) if the good is subject to a regional value-content requirement, the value of the accessories, spare parts, or tools is taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(g) FUNGIBLE GOODS AND MATERIALS.—

(1) IN GENERAL.—

Applicability.

(A) CLAIM FOR PREFERENTIAL TREATMENT.—A person claiming preferential tariff treatment for a good may claim that a fungible good or material is originating either based on the physical segregation of each fungible good or material or by using an inventory management method.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term “inventory management method” means—

- (i) averaging;
- (ii) “last-in, first-out”;
- (iii) “first-in, first-out”; or
- (iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Singapore or the United States); or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for particular fungible goods or materials shall continue to use that method for those fungible goods or materials throughout the fiscal year of that person.

(h) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 3A of the Agreement and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(i) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers in which a good is packed for shipment shall be disregarded in determining whether—

(1) the nonoriginating materials used in the production of a good undergo an applicable change in tariff classification set out in Annex 3A of the Agreement; and

(2) the good satisfies a regional value-content requirement.

(j) INDIRECT MATERIALS.—An indirect material shall be considered to be an originating material without regard to where it is produced, and its value shall be the cost registered in the accounting records of the producer of the good.

(k) THIRD COUNTRY OPERATIONS.—A good shall not be considered to be an originating good by reason of having undergone production that satisfies the requirements of subsection (a) if, subsequent to that production, the good undergoes further production or any other operation outside the territories of Singapore and the United States, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of Singapore or the United States.

(l) SPECIAL RULE FOR APPAREL GOODS LISTED IN CHAPTER 61 OR 62 OF THE HTS.—

(1) IN GENERAL.—An apparel good listed in chapter 61 or 62 of the HTS shall be considered to be an originating good if it is both cut (or knit to shape) and sewn or otherwise assembled in the territory of Singapore, the United States, or both, from fabric or yarn, regardless of origin, designated

in the manner described in paragraph (2) as fabric or yarn not available in commercial quantities in a timely manner in the United States.

(2) DESIGNATION OF CERTAIN FABRIC AND YARN.—The designation referred to in paragraph (1) means a designation made in a notice published in the Federal Register on or before November 15, 2002, identifying apparel goods made from fabric or yarn eligible for entry into the United States under subheading 9819.11.24 or 9820.11.27 of the HTS. For purposes of this subsection, a reference in the notice to fabric or yarn formed in the United States is deemed to include fabric or yarn formed in Singapore.

(m) APPLICATION AND INTERPRETATION.—In this section:

(1) The basis for any tariff classification is the HTS.

Records.

(2) Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether Singapore or the United States).

(n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term “adjusted value” means the value of a good determined under articles 1 through 8, article 15, and the corresponding interpretative notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, except that such value may be adjusted to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the good from the country of exportation to the place of importation.

(2) FUNGIBLE GOODS AND FUNGIBLE MATERIALS.—The terms “fungible goods” and “fungible materials” mean goods or materials, as the case may be, that are interchangeable for commercial purposes and the properties of which are essentially identical.

(3) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term “generally accepted accounting principles” means the recognized consensus or substantial authoritative support in the territory of Singapore or the United States, as the case may be, with respect to the recording of revenues, expenses, costs, and assets and liabilities, the disclosure of information, and the preparation of financial statements. The standards may encompass broad guidelines of general application as well as detailed standards, practices, and procedures.

(4) GOODS WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF SINGAPORE, THE UNITED STATES, OR BOTH.—The term “goods wholly obtained or produced entirely in the territory of Singapore, the United States, or both” means—

(A) mineral goods extracted in the territory of Singapore, the United States, or both;

(B) vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of Singapore, the United States, or both;

(C) live animals born and raised in the territory of Singapore, the United States, or both;

(D) goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of Singapore, the United States, or both;

(E) goods (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with Singapore or the United States and flying the flag of that country;

(F) goods produced exclusively from products referred to in subparagraph (E) on board factory ships registered or recorded with Singapore or the United States and flying the flag of that country;

(G) goods taken by Singapore or the United States, or a person of Singapore or the United States, from the seabed or beneath the seabed outside territorial waters, if Singapore or the United States has rights to exploit such seabed;

(H) goods taken from outer space, if the goods are obtained by Singapore or the United States or a person of Singapore or the United States and not processed in the territory of a country other than Singapore or the United States;

(I) waste and scrap derived from—

(i) production in the territory of Singapore, the United States, or both; or

(ii) used goods collected in the territory of Singapore, the United States, or both, if such goods are fit only for the recovery of raw materials;

(J) recovered goods derived in the territory of Singapore, the United States, or both, from used goods; or

(K) goods produced in the territory of Singapore, the United States, or both, exclusively—

(i) from goods referred to in any of subparagraphs

(A) through (I); or

(ii) from the derivatives of goods referred to in clause (i).

(5) HARMONIZED SYSTEM.—The term “Harmonized System” means the Harmonized Commodity Description and Coding System.

(6) INDIRECT MATERIAL.—The term “indirect material” means a good used in the production, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment or buildings;

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production.

(7) MATERIAL.—The term “material” means a good that is used in the production of another good.

(8) MATERIAL THAT IS SELF-PRODUCED.—The term “material that is self-produced” means a material, such as a part or ingredient, produced by a producer of a good and used by the producer in the production of another good.

(9) NONORIGINATING MATERIAL.—The term “nonoriginating material” means a material that does not qualify as an originating good under the rules set out in this section.

(10) PREFERENTIAL TARIFF TREATMENT.—The term “preferential tariff treatment” means the customs duty rate that is applicable to an originating good pursuant to chapter 2 of the Agreement.

(11) PRODUCER.—The term “producer” means a person who grows, raises, mines, harvests, fishes, traps, hunts, manufactures, processes, assembles, or disassembles a good.

(12) PRODUCTION.—The term “production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(13) RECOVERED GOODS.—

(A) IN GENERAL.—The term “recovered goods” means materials in the form of individual parts that are the result of—

(i) the complete disassembly of used goods into individual parts; and

(ii) the cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition by one or more of the processes described in subparagraph (B), in order for such parts to be assembled with other parts, including other parts that have undergone the processes described in this paragraph, in the production of a remanufactured good described in Annex 3C of the Agreement.

(B) PROCESSES.—The processes referred to in subparagraph (A)(ii) are welding, flame spraying, surface machining, knurling, plating, sleeving, and rewinding.

(14) REMANUFACTURED GOOD.—The term “remanufactured good” means an industrial good assembled in the territory of Singapore or the United States, that is listed in Annex 3C of the Agreement, and—

(A) is entirely or partially comprised of recovered goods;

(B) has the same life expectancy and meets the same performance standards as a new good; and

(C) enjoys the same factory warranty as such a new good.

(15) TERRITORY.—The term “territory” has the meaning given that term in Annex 1A of the Agreement.

(16) USED.—The term “used” means used or consumed in the production of goods.

(o) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set out in Annexes 3A, 3B, and 3C of the Agreement; and

(B) any additional subordinate category necessary to carry out this title consistent with the Agreement.

(2) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and lay-over provisions of section 103(a), the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than—

(i) the provisions of Annex 3B of the Agreement; and

(ii) provisions of chapters 50 through 63 of the HTS, as included in Annex 3A of the Agreement.

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and lay-over provisions of section 103(a), the President may proclaim—

(i) modifications to the provisions proclaimed under the authority of paragraph (1)(A) that are necessary to implement an agreement with Singapore pursuant to article 3.18.4(c) of the Agreement; and

(ii) before the 1st anniversary of the date of enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 of the HTS, as included in Annex 3A of the Agreement.

SEC. 203. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by inserting after paragraph (12) the following:

“(13) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 202 of the United States-Singapore Free Trade Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.”.

19 USC 3805
note.

SEC. 204. DISCLOSURE OF INCORRECT INFORMATION.

Section 592(c) of the Tariff Act of 1930 (19 U.S.C. 1592(c)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES-SINGAPORE FREE TRADE AGREEMENT.—

“(A) An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 202 of the United States-Singapore Free Trade Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, voluntarily and promptly makes a corrected declaration and pays any duties owing.

“(B) In the regulations referred to in subparagraph (A), the Secretary of the Treasury is authorized to prescribe

19 USC 3805
note.

Regulations.

time periods for making a corrected declaration and paying duties owing under subparagraph (A), if such periods are not shorter than 1 year following the date on which the importer makes the incorrect claim that a good qualifies as an originating good.”.

19 USC 3805
note.

SEC. 205. ENFORCEMENT RELATING TO TRADE IN TEXTILE AND APPAREL GOODS.

(a) DENIAL OF PERMISSION TO CONDUCT SITE VISITS.—

(1) **IN GENERAL.**—Subject to paragraph (2), if the Secretary of the Treasury proposes to conduct a site visit at an enterprise registered under article 5.3 of the Agreement, and responsible officials of the enterprise do not consent to the proposed visit, the President may exclude from the customs territory of the United States textile and apparel goods produced or exported by that enterprise.

(2) **TERMINATION OF EXCLUSION.**—An exclusion of textile and apparel goods produced or exported by an enterprise under paragraph (1) shall terminate when the President determines that the enterprise’s production of, and capability to produce, the goods are consistent with statements by the enterprise that textile or apparel goods the enterprise produces or has produced are originating goods or products of Singapore, as the case may be.

(b) KNOWING OR WILLFUL CIRCUMVENTION.—

(1) **IN GENERAL.**—If the President finds that an enterprise of Singapore has knowingly or willfully engaged in circumvention, the President may exclude from the customs territory of the United States textile and apparel goods produced or exported by the enterprise. An exclusion under this paragraph may be imposed on the date beginning on the date a finding of knowing or willful circumvention is made and shall be in effect for a period not longer than the applicable period described in paragraph (2).

(2) TIME PERIODS.—

(A) **FIRST FINDING.**—With respect to a first finding under paragraph (1), the applicable period is 6 months.

(B) **SECOND FINDING.**—With respect to a second finding under paragraph (1), the applicable period is 2 years.

(C) **THIRD AND SUBSEQUENT FINDING.**—With respect to a third or subsequent finding under paragraph (1), the applicable period is 2 years. If, at the time of a third or subsequent finding, an exclusion is in effect as a result of a previous finding, the 2-year period applicable to the third or subsequent finding shall begin on the day after the day on which the previous exclusion terminates.

(c) CERTAIN OTHER INSTANCES OF CIRCUMVENTION.—If the President consults with Singapore pursuant to article 5.8 of the Agreement, the consultations fail to result in a mutually satisfactory solution to the matters at issue, and the President presents to Singapore clear evidence of circumvention under the Agreement, the President may—

(1) deny preferential tariff treatment to the goods involved in the circumvention; and

(2) deny preferential tariff treatment, for a period not to exceed 4 years from the date on which consultations pursuant to article 5.8 of the Agreement conclude, to—

(A) textile and apparel goods produced by the enterprise found to have engaged in the circumvention, including any successor of such enterprise; and

(B) textile and apparel goods produced by any other entity owned or operated by a principal of the enterprise, if the principal also is a principal of the other entity.

(d) DEFINITIONS.—In this section:

(1) GENERAL DEFINITIONS.—The terms “circumvention”, “preferential tariff treatment”, “principal”, and “textile and apparel goods” have the meanings given such terms in chapter 5 of the Agreement.

(2) ENTERPRISE.—The term “enterprise” has the meaning given that term in article 1.2.3 of the Agreement.

SEC. 206. REGULATIONS.

19 USC 3805
note.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (n) of section 202, and section 203;

(2) amendments made by the sections referred to in paragraph (1); and

(3) proclamations issued under section 202(o).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

19 USC 3805
note.

In this title:

(1) COMMISSION.—The term “Commission” means the United States International Trade Commission.

(2) SINGAPOREAN ARTICLE.—The term “Singaporean article” means an article that qualifies as an originating good under section 202(a) of this Act.

(3) SINGAPOREAN TEXTILE OR APPAREL ARTICLE.—The term “Singaporean textile or apparel article” means an article—

(A) that is listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); and

(B) that is a Singaporean article.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

19 USC 3805
note.

(a) FILING OF PETITION.—

(1) IN GENERAL.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

Records.

(2) PROVISIONAL RELIEF.—An entity filing a petition under this subsection may request that provisional relief be provided

as if the petition had been filed under section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)).

(3) CRITICAL CIRCUMSTANCES.—Any allegation that critical circumstances exist shall be included in the petition.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Singaporean article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Singaporean article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

- (1) Paragraphs (1)(B) and (3) of subsection (b).
- (2) Subsection (c).
- (3) Subsection (d).
- (4) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Singaporean article if, after the date that the Agreement enters into force, import relief has been provided with respect to that Singaporean article under—

- (1) this subtitle;
- (2) subtitle B;
- (3) chapter 1 of title II of the Trade Act of 1974;
- (4) article 6 of the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); or
- (5) article 5 of the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

19 USC 3805
note.
Deadline.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days (180 days if critical circumstances have been alleged) after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the

amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c). Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) **REPORT TO PRESIDENT.**—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

Deadline.

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) **PUBLIC NOTICE.**—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

Federal Register,
publication.

SEC. 313. PROVISION OF RELIEF.

(a) **IN GENERAL.**—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

19 USC 3805
note.
Deadline.
President.

(b) **EXCEPTION.**—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) **NATURE OF RELIEF.**—

(1) **IN GENERAL.**—The import relief (including provisional relief) that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 2B of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(C) In the case of a duty applied on a seasonal basis to such article, an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles for the immediately preceding corresponding season; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

President.

(2) PROGRESSIVE LIBERALIZATION.—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization (described in article 7.28 of the Agreement) of such relief at regular intervals during the period of its application.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), the import relief that the President is authorized to provide under this section may not exceed 2 years.

(2) EXTENSION.—

(A) IN GENERAL.—Subject to subparagraph (C), the President, after receiving an affirmative determination from the Commission under subparagraph (B), may extend the effective period of any import relief provided under this section if the President determines that—

(i) the import relief continues to be necessary to prevent or remedy serious injury and to facilitate adjustment; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—

(i) Upon a petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date on which any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) The Commission shall transmit to the President a report on its investigation and determination

Notice.
Federal Register,
publication.

Reports.
Deadline.

under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(C) PERIOD OF IMPORT RELIEF.—The effective period of any import relief imposed under this section, including any extensions thereof, may not, in the aggregate, exceed 4 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date the relief terminates.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that has been subject to import relief, after the entry into force of the Agreement, under—

- (1) this subtitle;
- (2) subtitle B;
- (3) chapter 1 of title II of the Trade Act of 1974;
- (4) article 6 of the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); or
- (5) article 5 of the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

19 USC 3805
note.

(a) GENERAL RULE.—No import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) EXCEPTION.—Import relief may be provided under this subtitle in the case of a Singaporean article after the date on which such relief would, but for this subsection, terminate under subsection (a), if the President determines that Singapore has consented to such relief.

SEC. 315. COMPENSATION AUTHORITY.

19 USC 3805
note.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

19 USC 3805
note.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

- (1) by striking “and”; and
- (2) by inserting before the period at the end “, and title III of the United States-Singapore Free Trade Agreement Implementation Act”.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

President.
19 USC 3805
note.

(a) IN GENERAL.—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party.

Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

Federal Register,
publication.
Notice.

(b) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include the request and the dates by which comments and rebuttals must be received.

President.
19 USC 3805
note.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—Pursuant to a request made by an interested party, the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, a Singaporean textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions that imports of the article constitute a substantial cause of serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(3) SUBSTANTIAL CAUSE.—For purposes of this subsection, the term “substantial cause” means a cause that is important and not less than any other cause.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as described in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is—

(A) the suspension of any further reduction provided for under Annex 2B of the Agreement in the duty imposed on the article; or

(B) an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

SEC. 323. PERIOD OF RELIEF.19 USC 3805
note.

(a) **IN GENERAL.**—Subject to subsection (b), the import relief that the President is authorized to provide under section 322 may not exceed 2 years.

(b) **EXTENSION.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle if the President determines that—

(A) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment; and

(B) there is evidence that the industry is making a positive adjustment to import competition.

(2) **LIMITATION.**—The effective period of any action under this subtitle, including any extensions thereof, may not, in the aggregate, exceed 4 years.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.19 USC 3805
note.

The President may not provide import relief under this subtitle with respect to any article if import relief previously has been provided under this subtitle with respect to that article.

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.19 USC 3805
note.

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date the relief terminates.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.19 USC 3805
note.

No import relief may be provided under this subtitle with respect to an article after the date that is 10 years after the date on which the provisions of the Agreement relating to trade in textile and apparel goods take effect pursuant to article 5.10 of the Agreement.

SEC. 327. COMPENSATION AUTHORITY.19 USC 3805
note.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.19 USC 3805
note.

The President may not release information which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the President, or such party subsequently consents to the release of the information. To the extent business confidential information is provided, a nonconfidential version of the information shall also be provided, in which the business confidential information is summarized or, if necessary, deleted.

Subtitle C—Cases Under Title II of the Trade Act of 1974

19 USC 3805
note.

SEC. 331. FINDINGS AND ACTION ON GOODS FROM SINGAPORE.

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974, the Commission makes an affirmative determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the article from Singapore are a substantial cause of serious injury or threat thereof.

(b) PRESIDENTIAL DETERMINATION REGARDING SINGAPOREAN IMPORTS.—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974, the President shall determine whether imports from Singapore are a substantial cause of the serious injury or threat thereof found by the Commission and, if such determination is in the negative, may exclude from such action imports from Singapore.

TITLE IV—TEMPORARY ENTRY OF BUSINESS PERSONS

19 USC 3805
note.

SEC. 401. NONIMMIGRANT TRADERS AND INVESTORS.

Upon a basis of reciprocity secured by the Agreement, an alien who is a national of Singapore (and any spouse or child (as defined in section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1))) of such alien, if accompanying or following to join the alien) may, if otherwise eligible for a visa and if otherwise admissible into the United States under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), be considered to be classifiable as a nonimmigrant under section 101(a)(15)(E) of such Act (8 U.S.C. 1101(a)(15)(E)) if entering solely for a purpose specified in clause (i) or (ii) of such section 101(a)(15)(E). For purposes of this section, the term “national” has the meaning given such term in Annex 1A of the Agreement.

19 USC 3805
note.

SEC. 402. NONIMMIGRANT PROFESSIONALS.

Section 214(g)(8) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(8)) is amended—

(1) by amending subparagraph (A) to read as follows:

“(8)(A) The agreements referred to in section 101(a)(15)(H)(i)(b1) are—

“(i) the United States-Chile Free Trade Agreement; and

“(ii) the United States-Singapore Free Trade Agreement.”;

and

(2) by amending subparagraph (B)(ii) to read as follows:

“(ii) The annual numerical limitations described in clause (i) shall not exceed—

“(I) 1,400 for nationals of Chile (as defined in article 14.9 of the United States-Chile Free Trade Agreement) for any fiscal year; and

“(II) 5,400 for nationals of Singapore (as defined in Annex 1A of the United States-Singapore Free Trade Agreement) for any fiscal year.”.

Approved September 3, 2003.

LEGISLATIVE HISTORY—H.R. 2739 (S. 1417):

HOUSE REPORTS: No. 108–225, Pt. 1 (Comm. on Ways and Means) and Pt. 2 (Comm. on the Judiciary).

SENATE REPORTS: No. 108–117 accompanying S. 1417 (jointly from Comm. on Finance and Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 24, considered and passed House.

July 31, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 3, Presidential remarks.



Public Law 108–79
108th Congress

An Act

Sept. 4, 2003
[S. 1435]

Prison Rape
Elimination Act
of 2003.
45 USC 15601
note.

To provide for the analysis of the incidence and effects of prison rape in Federal, State, and local institutions and to provide information, resources, recommendations, and funding to protect individuals from prison rape.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Prison Rape Elimination Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purposes.
- Sec. 4. National prison rape statistics, data, and research.
- Sec. 5. Prison rape prevention and prosecution.
- Sec. 6. Grants to protect inmates and safeguard communities.
- Sec. 7. National Prison Rape Reduction Commission.
- Sec. 8. Adoption and effect of national standards.
- Sec. 9. Requirement that accreditation organizations adopt accreditation standards.
- Sec. 10. Definitions.

42 USC 15601.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) 2,100,146 persons were incarcerated in the United States at the end of 2001: 1,324,465 in Federal and State prisons and 631,240 in county and local jails. In 1999, there were more than 10,000,000 separate admissions to and discharges from prisons and jails.

(2) Insufficient research has been conducted and insufficient data reported on the extent of prison rape. However, experts have conservatively estimated that at least 13 percent of the inmates in the United States have been sexually assaulted in prison. Many inmates have suffered repeated assaults. Under this estimate, nearly 200,000 inmates now incarcerated have been or will be the victims of prison rape. The total number of inmates who have been sexually assaulted in the past 20 years likely exceeds 1,000,000.

(3) Inmates with mental illness are at increased risk of sexual victimization. America’s jails and prisons house more mentally ill individuals than all of the Nation’s psychiatric hospitals combined. As many as 16 percent of inmates in State prisons and jails, and 7 percent of Federal inmates, suffer from mental illness.

(4) Young first-time offenders are at increased risk of sexual victimization. Juveniles are 5 times more likely to be sexually

assaulted in adult rather than juvenile facilities—often within the first 48 hours of incarceration.

(5) Most prison staff are not adequately trained or prepared to prevent, report, or treat inmate sexual assaults.

(6) Prison rape often goes unreported, and inmate victims often receive inadequate treatment for the severe physical and psychological effects of sexual assault—if they receive treatment at all.

(7) HIV and AIDS are major public health problems within America's correctional facilities. In 2000, 25,088 inmates in Federal and State prisons were known to be infected with HIV/AIDS. In 2000, HIV/AIDS accounted for more than 6 percent of all deaths in Federal and State prisons. Infection rates for other sexually transmitted diseases, tuberculosis, and hepatitis B and C are also far greater for prisoners than for the American population as a whole. Prison rape undermines the public health by contributing to the spread of these diseases, and often giving a potential death sentence to its victims.

(8) Prison rape endangers the public safety by making brutalized inmates more likely to commit crimes when they are released—as 600,000 inmates are each year.

(9) The frequently interracial character of prison sexual assaults significantly exacerbates interracial tensions, both within prison and, upon release of perpetrators and victims from prison, in the community at large.

(10) Prison rape increases the level of homicides and other violence against inmates and staff, and the risk of insurrections and riots.

(11) Victims of prison rape suffer severe physical and psychological effects that hinder their ability to integrate into the community and maintain stable employment upon their release from prison. They are thus more likely to become homeless and/or require government assistance.

(12) Members of the public and government officials are largely unaware of the epidemic character of prison rape and the day-to-day horror experienced by victimized inmates.

(13) The high incidence of sexual assault within prisons involves actual and potential violations of the United States Constitution. In *Farmer v. Brennan*, 511 U.S. 825 (1994), the Supreme Court ruled that deliberate indifference to the substantial risk of sexual assault violates prisoners' rights under the Cruel and Unusual Punishments Clause of the Eighth Amendment. The Eighth Amendment rights of State and local prisoners are protected through the Due Process Clause of the Fourteenth Amendment. Pursuant to the power of Congress under Section Five of the Fourteenth Amendment, Congress may take action to enforce those rights in States where officials have demonstrated such indifference. States that do not take basic steps to abate prison rape by adopting standards that do not generate significant additional expenditures demonstrate such indifference. Therefore, such States are not entitled to the same level of Federal benefits as other States.

(14) The high incidence of prison rape undermines the effectiveness and efficiency of United States Government expenditures through grant programs such as those dealing with health care; mental health care; disease prevention; crime prevention, investigation, and prosecution; prison construction,

maintenance, and operation; race relations; poverty; unemployment and homelessness. The effectiveness and efficiency of these federally funded grant programs are compromised by the failure of State officials to adopt policies and procedures that reduce the incidence of prison rape in that the high incidence of prison rape—

(A) increases the costs incurred by Federal, State, and local jurisdictions to administer their prison systems;

(B) increases the levels of violence, directed at inmates and at staff, within prisons;

(C) increases health care expenditures, both inside and outside of prison systems, and reduces the effectiveness of disease prevention programs by substantially increasing the incidence and spread of HIV, AIDS, tuberculosis, hepatitis B and C, and other diseases;

(D) increases mental health care expenditures, both inside and outside of prison systems, by substantially increasing the rate of post-traumatic stress disorder, depression, suicide, and the exacerbation of existing mental illnesses among current and former inmates;

(E) increases the risks of recidivism, civil strife, and violent crime by individuals who have been brutalized by prison rape; and

(F) increases the level of interracial tensions and strife within prisons and, upon release of perpetrators and victims, in the community at large.

(15) The high incidence of prison rape has a significant effect on interstate commerce because it increases substantially—

(A) the costs incurred by Federal, State, and local jurisdictions to administer their prison systems;

(B) the incidence and spread of HIV, AIDS, tuberculosis, hepatitis B and C, and other diseases, contributing to increased health and medical expenditures throughout the Nation;

(C) the rate of post-traumatic stress disorder, depression, suicide, and the exacerbation of existing mental illnesses among current and former inmates, contributing to increased health and medical expenditures throughout the Nation; and

(D) the risk of recidivism, civil strife, and violent crime by individuals who have been brutalized by prison rape.

42 USC 15602.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) establish a zero-tolerance standard for the incidence of prison rape in prisons in the United States;

(2) make the prevention of prison rape a top priority in each prison system;

(3) develop and implement national standards for the detection, prevention, reduction, and punishment of prison rape;

(4) increase the available data and information on the incidence of prison rape, consequently improving the management and administration of correctional facilities;

(5) standardize the definitions used for collecting data on the incidence of prison rape;

(6) increase the accountability of prison officials who fail to detect, prevent, reduce, and punish prison rape;

(7) protect the Eighth Amendment rights of Federal, State, and local prisoners;

(8) increase the efficiency and effectiveness of Federal expenditures through grant programs such as those dealing with health care; mental health care; disease prevention; crime prevention, investigation, and prosecution; prison construction, maintenance, and operation; race relations; poverty; unemployment; and homelessness; and

(9) reduce the costs that prison rape imposes on interstate commerce.

SEC. 4. NATIONAL PRISON RAPE STATISTICS, DATA, AND RESEARCH. 42 USC 15603.

(a) **ANNUAL COMPREHENSIVE STATISTICAL REVIEW.**—

(1) **IN GENERAL.**—The Bureau of Justice Statistics of the Department of Justice (in this section referred to as the “Bureau”) shall carry out, for each calendar year, a comprehensive statistical review and analysis of the incidence and effects of prison rape. The statistical review and analysis shall include, but not be limited to the identification of the common characteristics of—

(A) both victims and perpetrators of prison rape; and

(B) prisons and prison systems with a high incidence of prison rape.

(2) **CONSIDERATIONS.**—In carrying out paragraph (1), the Bureau shall consider—

(A) how rape should be defined for the purposes of the statistical review and analysis;

(B) how the Bureau should collect information about staff-on-inmate sexual assault;

(C) how the Bureau should collect information beyond inmate self-reports of prison rape;

(D) how the Bureau should adjust the data in order to account for differences among prisons as required by subsection (c)(3);

(E) the categorization of prisons as required by subsection (c)(4); and

(F) whether a preliminary study of prison rape should be conducted to inform the methodology of the comprehensive statistical review.

(3) **SOLICITATION OF VIEWS.**—The Bureau of Justice Statistics shall solicit views from representatives of the following: State departments of correction; county and municipal jails; juvenile correctional facilities; former inmates; victim advocates; researchers; and other experts in the area of sexual assault.

(4) **SAMPLING TECHNIQUES.**—The review and analysis under paragraph (1) shall be based on a random sample, or other scientifically appropriate sample, of not less than 10 percent of all Federal, State, and county prisons, and a representative sample of municipal prisons. The selection shall include at least one prison from each State. The selection of facilities for sampling shall be made at the latest practicable date prior to conducting the surveys and shall not be disclosed to any facility or prison system official prior to the time period studied in the survey. Selection of a facility for sampling during any

year shall not preclude its selection for sampling in any subsequent year.

Confidentiality.

(5) **SURVEYS.**—In carrying out the review and analysis under paragraph (1), the Bureau shall, in addition to such other methods as the Bureau considers appropriate, use surveys and other statistical studies of current and former inmates from a sample of Federal, State, county, and municipal prisons. The Bureau shall ensure the confidentiality of each survey participant.

(6) **PARTICIPATION IN SURVEY.**—Federal, State, or local officials or facility administrators that receive a request from the Bureau under subsection (a)(4) or (5) will be required to participate in the national survey and provide access to any inmates under their legal custody.

(b) **REVIEW PANEL ON PRISON RAPE.**—

(1) **ESTABLISHMENT.**—To assist the Bureau in carrying out the review and analysis under subsection (a), there is established, within the Department of Justice, the Review Panel on Prison Rape (in this section referred to as the “Panel”).

(2) **MEMBERSHIP.**—

(A) **COMPOSITION.**—The Panel shall be composed of 3 members, each of whom shall be appointed by the Attorney General, in consultation with the Secretary of Health and Human Services.

(B) **QUALIFICATIONS.**—Members of the Panel shall be selected from among individuals with knowledge or expertise in matters to be studied by the Panel.

(3) **PUBLIC HEARINGS.**—

(A) **IN GENERAL.**—The duty of the Panel shall be to carry out, for each calendar year, public hearings concerning the operation of the three prisons with the highest incidence of prison rape and the two prisons with the lowest incidence of prison rape in each category of facilities identified under subsection (c)(4). The Panel shall hold a separate hearing regarding the three Federal or State prisons with the highest incidence of prison rape. The purpose of these hearings shall be to collect evidence to aid in the identification of common characteristics of both victims and perpetrators of prison rape, and the identification of common characteristics of prisons and prison systems with a high incidence of prison rape, and the identification of common characteristics of prisons and prison systems that appear to have been successful in deterring prison rape.

(B) **TESTIMONY AT HEARINGS.**—

(i) **PUBLIC OFFICIALS.**—In carrying out the hearings required under subparagraph (A), the Panel shall request the public testimony of Federal, State, and local officials (and organizations that represent such officials), including the warden or director of each prison, who bears responsibility for the prevention, detection, and punishment of prison rape at each entity, and the head of the prison system encompassing such prison.

(ii) **VICTIMS.**—The Panel may request the testimony of prison rape victims, organizations representing

such victims, and other appropriate individuals and organizations.

(C) SUBPOENAS.—

(i) ISSUANCE.—The Panel may issue subpoenas for the attendance of witnesses and the production of written or other matter.

(ii) ENFORCEMENT.—In the case of contumacy or refusal to obey a subpoena, the Attorney General may in a Federal court of appropriate jurisdiction obtain an appropriate order to enforce the subpoena.

(c) REPORTS.—

(1) IN GENERAL.—Not later than June 30 of each year, the Attorney General shall submit a report on the activities of the Bureau and the Review Panel, with respect to prison rape, for the preceding calendar year to—

Deadline.

(A) Congress; and

(B) the Secretary of Health and Human Services.

(2) CONTENTS.—The report required under paragraph (1) shall include—

(A) with respect to the effects of prison rape, statistical, sociological, and psychological data;

(B) with respect to the incidence of prison rape—

(i) statistical data aggregated at the Federal, State, prison system, and prison levels;

(ii) a listing of those institutions in the representative sample, separated into each category identified under subsection (c)(4) and ranked according to the incidence of prison rape in each institution; and

(iii) an identification of those institutions in the representative sample that appear to have been successful in deterring prison rape; and

(C) a listing of any prisons in the representative sample that did not cooperate with the survey conducted pursuant to section 4.

(3) DATA ADJUSTMENTS.—In preparing the information specified in paragraph (2), the Attorney General shall use established statistical methods to adjust the data as necessary to account for differences among institutions in the representative sample, which are not related to the detection, prevention, reduction and punishment of prison rape, or which are outside the control of the State, prison, or prison system, in order to provide an accurate comparison among prisons. Such differences may include the mission, security level, size, and jurisdiction under which the prison operates. For each such adjustment made, the Attorney General shall identify and explain such adjustment in the report.

(4) CATEGORIZATION OF PRISONS.—The report shall divide the prisons surveyed into three categories. One category shall be composed of all Federal and State prisons. The other two categories shall be defined by the Attorney General in order to compare similar institutions.

(d) CONTRACTS AND GRANTS.—In carrying out its duties under this section, the Attorney General may—

(1) provide grants for research through the National Institute of Justice; and

(2) contract with or provide grants to any other entity the Attorney General deems appropriate.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$15,000,000 for each of fiscal years 2004 through 2010 to carry out this section.

42 USC 15604.

SEC. 5. PRISON RAPE PREVENTION AND PROSECUTION.

Establishment.

(a) INFORMATION AND ASSISTANCE.—

(1) NATIONAL CLEARINGHOUSE.—There is established within the National Institute of Corrections a national clearinghouse for the provision of information and assistance to Federal, State, and local authorities responsible for the prevention, investigation, and punishment of instances of prison rape.

(2) TRAINING AND EDUCATION.—The National Institute of Corrections shall conduct periodic training and education programs for Federal, State, and local authorities responsible for the prevention, investigation, and punishment of instances of prison rape.

Deadline.

(b) REPORTS.—

(1) IN GENERAL.—Not later than September 30 of each year, the National Institute of Corrections shall submit a report to Congress and the Secretary of Health and Human Services. This report shall be available to the Director of the Bureau of Justice Statistics.

(2) CONTENTS.—The report required under paragraph (1) shall summarize the activities of the Department of Justice regarding prison rape abatement for the preceding calendar year.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for each of fiscal years 2004 through 2010 to carry out this section.

42 USC 15605.

SEC. 6. GRANTS TO PROTECT INMATES AND SAFEGUARD COMMUNITIES.

(a) GRANTS AUTHORIZED.—From amounts made available for grants under this section, the Attorney General shall make grants to States to assist those States in ensuring that budgetary circumstances (such as reduced State and local spending on prisons) do not compromise efforts to protect inmates (particularly from prison rape) and to safeguard the communities to which inmates return. The purpose of grants under this section shall be to provide funds for personnel, training, technical assistance, data collection, and equipment to prevent and prosecute prisoner rape.

(b) USE OF GRANT AMOUNTS.—Amounts received by a grantee under this section may be used by the grantee, directly or through subgrants, only for one or more of the following activities:

(1) PROTECTING INMATES.—Protecting inmates by—

(A) undertaking efforts to more effectively prevent prison rape;

(B) investigating incidents of prison rape; or

(C) prosecuting incidents of prison rape.

(2) SAFEGUARDING COMMUNITIES.—Safeguarding communities by—

(A) making available, to officials of State and local governments who are considering reductions to prison budgets, training and technical assistance in successful methods for moderating the growth of prison populations without compromising public safety, including successful methods used by other jurisdictions;

(B) developing and utilizing analyses of prison populations and risk assessment instruments that will improve State and local governments' understanding of risks to the community regarding release of inmates in the prison population;

(C) preparing maps demonstrating the concentration, on a community-by-community basis, of inmates who have been released, to facilitate the efficient and effective—

(i) deployment of law enforcement resources (including probation and parole resources); and

(ii) delivery of services (such as job training and substance abuse treatment) to those released inmates;

(D) promoting collaborative efforts, among officials of State and local governments and leaders of appropriate communities, to understand and address the effects on a community of the presence of a disproportionate number of released inmates in that community; or

(E) developing policies and programs that reduce spending on prisons by effectively reducing rates of parole and probation revocation without compromising public safety.

(c) GRANT REQUIREMENTS.—

(1) PERIOD.—A grant under this section shall be made for a period of not more than 2 years.

(2) MAXIMUM.—The amount of a grant under this section may not exceed \$1,000,000.

(3) MATCHING.—The Federal share of a grant under this section may not exceed 50 percent of the total costs of the project described in the application submitted under subsection (d) for the fiscal year for which the grant was made under this section.

(d) APPLICATIONS.—

(1) IN GENERAL.—To request a grant under this section, the chief executive of a State shall submit an application to the Attorney General at such time, in such manner, and accompanied by such information as the Attorney General may require.

(2) CONTENTS.—Each application required by paragraph (1) shall—

(A) include the certification of the chief executive that the State receiving such grant—

(i) has adopted all national prison rape standards that, as of the date on which the application was submitted, have been promulgated under this Act; and

(ii) will consider adopting all national prison rape standards that are promulgated under this Act after such date;

(B) specify with particularity the preventative, prosecutorial, or administrative activities to be undertaken by the State with the amounts received under the grant; and

(C) in the case of an application for a grant for one or more activities specified in paragraph (2) of subsection (b)—

(i) review the extent of the budgetary circumstances affecting the State generally and describe how those circumstances relate to the State's prisons;

(ii) describe the rate of growth of the State's prison population over the preceding 10 years and explain why the State may have difficulty sustaining that rate of growth; and

(iii) explain the extent to which officials (including law enforcement officials) of State and local governments and victims of crime will be consulted regarding decisions whether, or how, to moderate the growth of the State's prison population.

(e) **REPORTS BY GRANTEE.**—

Deadline.

(1) **IN GENERAL.**—The Attorney General shall require each grantee to submit, not later than 90 days after the end of the period for which the grant was made under this section, a report on the activities carried out under the grant. The report shall identify and describe those activities and shall contain an evaluation of the effect of those activities on—

(A) the number of incidents of prison rape, and the grantee's response to such incidents; and

(B) the safety of the prisons, and the safety of the communities in which released inmates are present.

(2) **DISSEMINATION.**—The Attorney General shall ensure that each report submitted under paragraph (1) is made available under the national clearinghouse established under section 5.

(f) **STATE DEFINED.**—In this section, the term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated for grants under this section \$40,000,000 for each of fiscal years 2004 through 2010.

(2) **LIMITATION.**—Of amounts made available for grants under this section, not less than 50 percent shall be available only for activities specified in paragraph (1) of subsection (b).

42 USC 15606.

SEC. 7. NATIONAL PRISON RAPE REDUCTION COMMISSION.

(a) **ESTABLISHMENT.**—There is established a commission to be known as the National Prison Rape Reduction Commission (in this section referred to as the “Commission”).

(b) **MEMBERS.**—

(1) **IN GENERAL.**—The Commission shall be composed of 9 members, of whom—

President.

(A) 3 shall be appointed by the President;

(B) 2 shall be appointed by the Speaker of the House of Representatives, unless the Speaker is of the same party as the President, in which case 1 shall be appointed by the Speaker of the House of Representatives and 1 shall be appointed by the minority leader of the House of Representatives;

(C) 1 shall be appointed by the minority leader of the House of Representatives (in addition to any appointment made under subparagraph (B));

(D) 2 shall be appointed by the majority leader of the Senate, unless the majority leader is of the same party as the President, in which case 1 shall be appointed by the majority leader of the Senate and 1 shall be appointed by the minority leader of the Senate; and

(E) 1 member appointed by the minority leader of the Senate (in addition to any appointment made under subparagraph (D)).

(2) PERSONS ELIGIBLE.—Each member of the Commission shall be an individual who has knowledge or expertise in matters to be studied by the Commission.

(3) CONSULTATION REQUIRED.—The President, the Speaker and minority leader of the House of Representatives, and the majority leader and minority leader of the Senate shall consult with one another prior to the appointment of the members of the Commission to achieve, to the maximum extent possible, fair and equitable representation of various points of view with respect to the matters to be studied by the Commission.

(4) TERM.—Each member shall be appointed for the life of the Commission.

(5) TIME FOR INITIAL APPOINTMENTS.—The appointment of the members shall be made not later than 60 days after the date of enactment of this Act. Deadline.

(6) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made, and shall be made not later than 60 days after the date on which the vacancy occurred. Deadline.

(c) OPERATION.—

(1) CHAIRPERSON.—Not later than 15 days after appointments of all the members are made, the President shall appoint a chairperson for the Commission from among its members. Deadline. President.

(2) MEETINGS.—The Commission shall meet at the call of the chairperson. The initial meeting of the Commission shall take place not later than 30 days after the initial appointment of the members is completed. Deadline.

(3) QUORUM.—A majority of the members of the Commission shall constitute a quorum to conduct business, but the Commission may establish a lesser quorum for conducting hearings scheduled by the Commission.

(4) RULES.—The Commission may establish by majority vote any other rules for the conduct of Commission business, if such rules are not inconsistent with this Act or other applicable law.

(d) COMPREHENSIVE STUDY OF THE IMPACTS OF PRISON RAPE.—

(1) IN GENERAL.—The Commission shall carry out a comprehensive legal and factual study of the penalogical, physical, mental, medical, social, and economic impacts of prison rape in the United States on—

(A) Federal, State, and local governments; and

(B) communities and social institutions generally, including individuals, families, and businesses within such communities and social institutions.

(2) MATTERS INCLUDED.—The study under paragraph (1) shall include—

(A) a review of existing Federal, State, and local government policies and practices with respect to the prevention, detection, and punishment of prison rape;

(B) an assessment of the relationship between prison rape and prison conditions, and of existing monitoring, regulatory, and enforcement practices that are intended to address any such relationship;

(C) an assessment of pathological or social causes of prison rape;

(D) an assessment of the extent to which the incidence of prison rape contributes to the spread of sexually transmitted diseases and to the transmission of HIV;

(E) an assessment of the characteristics of inmates most likely to commit prison rape and the effectiveness of various types of treatment or programs to reduce such likelihood;

(F) an assessment of the characteristics of inmates most likely to be victims of prison rape and the effectiveness of various types of treatment or programs to reduce such likelihood;

(G) an assessment of the impacts of prison rape on individuals, families, social institutions and the economy generally, including an assessment of the extent to which the incidence of prison rape contributes to recidivism and to increased incidence of sexual assault;

(H) an examination of the feasibility and cost of conducting surveillance, undercover activities, or both, to reduce the incidence of prison rape;

(I) an assessment of the safety and security of prison facilities and the relationship of prison facility construction and design to the incidence of prison rape;

(J) an assessment of the feasibility and cost of any particular proposals for prison reform;

(K) an identification of the need for additional scientific and social science research on the prevalence of prison rape in Federal, State, and local prisons;

(L) an assessment of the general relationship between prison rape and prison violence;

(M) an assessment of the relationship between prison rape and levels of training, supervision, and discipline of prison staff; and

(N) an assessment of existing Federal and State systems for reporting incidents of prison rape, including an assessment of whether existing systems provide an adequate assurance of confidentiality, impartiality and the absence of reprisal.

(3) REPORT.—

Deadline.

(A) DISTRIBUTION.—Not later than 2 years after the date of the initial meeting of the Commission, the Commission shall submit a report on the study carried out under this subsection to—

(i) the President;

(ii) the Congress;

(iii) the Attorney General;

(iv) the Secretary of Health and Human Services;

(v) the Director of the Federal Bureau of Prisons;

(vi) the chief executive of each State; and

(vii) the head of the department of corrections of each State.

(B) CONTENTS.—The report under subparagraph (A) shall include—

(i) the findings and conclusions of the Commission;

(ii) recommended national standards for reducing prison rape;

- (iii) recommended protocols for preserving evidence and treating victims of prison rape; and

- (iv) a summary of the materials relied on by the Commission in the preparation of the report.

(e) RECOMMENDATIONS.—

(1) IN GENERAL.—In conjunction with the report submitted under subsection (d)(3), the Commission shall provide the Attorney General and the Secretary of Health and Human Services with recommended national standards for enhancing the detection, prevention, reduction, and punishment of prison rape.

(2) MATTERS INCLUDED.—The information provided under paragraph (1) shall include recommended national standards relating to—

- (A) the classification and assignment of prisoners, using proven standardized instruments and protocols, in a manner that limits the occurrence of prison rape;

- (B) the investigation and resolution of rape complaints by responsible prison authorities, local and State police, and Federal and State prosecution authorities;

- (C) the preservation of physical and testimonial evidence for use in an investigation of the circumstances relating to the rape;

- (D) acute-term trauma care for rape victims, including standards relating to—

- (i) the manner and extent of physical examination and treatment to be provided to any rape victim; and

- (ii) the manner and extent of any psychological examination, psychiatric care, medication, and mental health counseling to be provided to any rape victim;

- (E) referrals for long-term continuity of care for rape victims;

- (F) educational and medical testing measures for reducing the incidence of HIV transmission due to prison rape;

- (G) post-rape prophylactic medical measures for reducing the incidence of transmission of sexual diseases;

- (H) the training of correctional staff sufficient to ensure that they understand and appreciate the significance of prison rape and the necessity of its eradication;

- (I) the timely and comprehensive investigation of staff sexual misconduct involving rape or other sexual assault on inmates;

- (J) ensuring the confidentiality of prison rape complaints and protecting inmates who make complaints of prison rape;

- (K) creating a system for reporting incidents of prison rape that will ensure the confidentiality of prison rape complaints, protect inmates who make prison rape complaints from retaliation, and assure the impartial resolution of prison rape complaints;

- (L) data collection and reporting of—

- (i) prison rape;

- (ii) prison staff sexual misconduct; and

- (iii) the resolution of prison rape complaints by prison officials and Federal, State, and local investigation and prosecution authorities; and

(M) such other matters as may reasonably be related to the detection, prevention, reduction, and punishment of prison rape.

(3) LIMITATION.—The Commission shall not propose a recommended standard that would impose substantial additional costs compared to the costs presently expended by Federal, State, and local prison authorities.

(f) CONSULTATION WITH ACCREDITATION ORGANIZATIONS.—In developing recommended national standards for enhancing the detection, prevention, reduction, and punishment of prison rape, the Commission shall consider any standards that have already been developed, or are being developed simultaneously to the deliberations of the Commission. The Commission shall consult with accreditation organizations responsible for the accreditation of Federal, State, local or private prisons, that have developed or are currently developing standards related to prison rape. The Commission will also consult with national associations representing the corrections profession that have developed or are currently developing standards related to prison rape.

(g) HEARINGS.—

(1) IN GENERAL.—The Commission shall hold public hearings. The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out its duties under this section.

(2) WITNESS EXPENSES.—Witnesses requested to appear before the Commission shall be paid the same fees as are paid to witnesses under section 1821 of title 28, United States Code. The per diem and mileage allowances for witnesses shall be paid from funds appropriated to the Commission.

(h) INFORMATION FROM FEDERAL OR STATE AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out its duties under this section. The Commission may request the head of any State or local department or agency to furnish such information to the Commission.

(i) PERSONNEL MATTERS.—

(1) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Commission.

(2) DETAIL OF FEDERAL EMPLOYEES.—With the affirmative vote of $\frac{2}{3}$ of the Commission, any Federal Government employee, with the approval of the head of the appropriate Federal agency, may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status, benefits, or privileges.

(3) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—Upon the request of the Commission, the Attorney General shall provide reasonable and appropriate office space, supplies, and administrative assistance.

(j) CONTRACTS FOR RESEARCH.—

(1) NATIONAL INSTITUTE OF JUSTICE.—With a $\frac{2}{3}$ affirmative vote, the Commission may select nongovernmental researchers and experts to assist the Commission in carrying out its duties

under this Act. The National Institute of Justice shall contract with the researchers and experts selected by the Commission to provide funding in exchange for their services.

(2) OTHER ORGANIZATIONS.—Nothing in this subsection shall be construed to limit the ability of the Commission to enter into contracts with other entities or organizations for research necessary to carry out the duties of the Commission under this section.

(k) SUBPOENAS.—

(1) ISSUANCE.—The Commission may issue subpoenas for the attendance of witnesses and the production of written or other matter.

(2) ENFORCEMENT.—In the case of contumacy or refusal to obey a subpoena, the Attorney General may in a Federal court of appropriate jurisdiction obtain an appropriate order to enforce the subpoena.

(3) CONFIDENTIALITY OF DOCUMENTARY EVIDENCE.—Documents provided to the Commission pursuant to a subpoena issued under this subsection shall not be released publicly without the affirmative vote of $\frac{2}{3}$ of the Commission.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(m) TERMINATION.—The Commission shall terminate on the date that is 60 days after the date on which the Commission submits the reports required by this section.

(n) EXEMPTION.—The Commission shall be exempt from the Federal Advisory Committee Act.

SEC. 8. ADOPTION AND EFFECT OF NATIONAL STANDARDS.

Deadlines.
42 USC 15607.

(a) PUBLICATION OF PROPOSED STANDARDS.—

(1) FINAL RULE.—Not later than 1 year after receiving the report specified in section 7(d)(3), the Attorney General shall publish a final rule adopting national standards for the detection, prevention, reduction, and punishment of prison rape.

(2) INDEPENDENT JUDGMENT.—The standards referred to in paragraph (1) shall be based upon the independent judgment of the Attorney General, after giving due consideration to the recommended national standards provided by the Commission under section 7(e), and being informed by such data, opinions, and proposals that the Attorney General determines to be appropriate to consider.

(3) LIMITATION.—The Attorney General shall not establish a national standard under this section that would impose substantial additional costs compared to the costs presently expended by Federal, State, and local prison authorities. The Attorney General may, however, provide a list of improvements for consideration by correctional facilities.

(4) TRANSMISSION TO STATES.—Within 90 days of publishing the final rule under paragraph (1), the Attorney General shall transmit the national standards adopted under such paragraph to the chief executive of each State, the head of the department of corrections of each State, and to the appropriate authorities in those units of local government who oversee operations in one or more prisons.

(b) APPLICABILITY TO FEDERAL BUREAU OF PRISONS.—The national standards referred to in subsection (a) shall apply to the

Federal Bureau of Prisons immediately upon adoption of the final rule under subsection (a)(4).

(c) ELIGIBILITY FOR FEDERAL FUNDS.—

(1) COVERED PROGRAMS.—

(A) IN GENERAL.—For purposes of this subsection, a grant program is covered by this subsection if, and only if—

(i) the program is carried out by or under the authority of the Attorney General; and

(ii) the program may provide amounts to States for prison purposes.

(B) LIST.—For each fiscal year, the Attorney General shall prepare a list identifying each program that meets the criteria of subparagraph (A) and provide that list to each State.

(2) ADOPTION OF NATIONAL STANDARDS.—For each fiscal year, any amount that a State would otherwise receive for prison purposes for that fiscal year under a grant program covered by this subsection shall be reduced by 5 percent, unless the chief executive of the State submits to the Attorney General—

(A) a certification that the State has adopted, and is in full compliance with, the national standards described in section 8(a); or

(B) an assurance that not less than 5 percent of such amount shall be used only for the purpose of enabling the State to adopt, and achieve full compliance with, those national standards, so as to ensure that a certification under subparagraph (A) may be submitted in future years.

Deadline.

(3) REPORT ON NONCOMPLIANCE.—Not later than September 30 of each year, the Attorney General shall publish a report listing each grantee that is not in compliance with the national standards adopted pursuant to section 8(a).

(4) COOPERATION WITH SURVEY.—For each fiscal year, any amount that a State receives for that fiscal year under a grant program covered by this subsection shall not be used for prison purposes (and shall be returned to the grant program if no other authorized use is available), unless the chief executive of the State submits to the Attorney General a certification that neither the State, nor any political subdivision or unit of local government within the State, is listed in a report issued by the Attorney General pursuant to section 4(c)(2)(C).

(5) REDISTRIBUTION OF AMOUNTS.—Amounts under a grant program not granted by reason of a reduction under paragraph (2), or returned by reason of the prohibition in paragraph (4), shall be granted to one or more entities not subject to such reduction or such prohibition, subject to the other laws governing that program.

Procedures.

(6) IMPLEMENTATION.—The Attorney General shall establish procedures to implement this subsection, including procedures for effectively applying this subsection to discretionary grant programs.

(7) EFFECTIVE DATE.—

(A) REQUIREMENT OF ADOPTION OF STANDARDS.—The first grants to which paragraph (2) applies are grants for the second fiscal year beginning after the date on which the national standards under section 8(a) are finalized.

(B) REQUIREMENT FOR COOPERATION.—The first grants to which paragraph (4) applies are grants for the fiscal year beginning after the date of the enactment of this Act.

SEC. 9. REQUIREMENT THAT ACCREDITATION ORGANIZATIONS ADOPT ACCREDITATION STANDARDS. 42 USC 15608.

(a) ELIGIBILITY FOR FEDERAL GRANTS.—Notwithstanding any other provision of law, an organization responsible for the accreditation of Federal, State, local, or private prisons, jails, or other penal facilities may not receive any new Federal grants during any period in which such organization fails to meet any of the requirements of subsection (b).

(b) REQUIREMENTS.—To be eligible to receive Federal grants, an accreditation organization referred to in subsection (a) must meet the following requirements: Deadlines.

(1) At all times after 90 days after the date of enactment of this Act, the organization shall have in effect, for each facility that it is responsible for accrediting, accreditation standards for the detection, prevention, reduction, and punishment of prison rape.

(2) At all times after 1 year after the date of the adoption of the final rule under section 8(a)(4), the organization shall, in addition to any other such standards that it may promulgate relevant to the detection, prevention, reduction, and punishment of prison rape, adopt accreditation standards consistent with the national standards adopted pursuant to such final rule.

SEC. 10. DEFINITIONS.

42 USC 15609.

In this Act, the following definitions shall apply:

(1) CARNAL KNOWLEDGE.—The term “carnal knowledge” means contact between the penis and the vulva or the penis and the anus, including penetration of any sort, however slight.

(2) INMATE.—The term “inmate” means any person incarcerated or detained in any facility who is accused of, convicted of, sentenced for, or adjudicated delinquent for, violations of criminal law or the terms and conditions of parole, probation, pretrial release, or diversionary program.

(3) JAIL.—The term “jail” means a confinement facility of a Federal, State, or local law enforcement agency to hold—

(A) persons pending adjudication of criminal charges;

or

(B) persons committed to confinement after adjudication of criminal charges for sentences of 1 year or less.

(4) HIV.—The term “HIV” means the human immunodeficiency virus.

(5) ORAL SODOMY.—The term “oral sodomy” means contact between the mouth and the penis, the mouth and the vulva, or the mouth and the anus.

(6) POLICE LOCKUP.—The term “police lockup” means a temporary holding facility of a Federal, State, or local law enforcement agency to hold—

(A) inmates pending bail or transport to jail;

(B) inebriates until ready for release; or

(C) juveniles pending parental custody or shelter placement.

(7) PRISON.—The term “prison” means any confinement facility of a Federal, State, or local government, whether administered by such government or by a private organization on behalf of such government, and includes—

(A) any local jail or police lockup; and

(B) any juvenile facility used for the custody or care of juvenile inmates.

(8) PRISON RAPE.—The term “prison rape” includes the rape of an inmate in the actual or constructive control of prison officials.

(9) RAPE.—The term “rape” means—

(A) the carnal knowledge, oral sodomy, sexual assault with an object, or sexual fondling of a person, forcibly or against that person’s will;

(B) the carnal knowledge, oral sodomy, sexual assault with an object, or sexual fondling of a person not forcibly or against the person’s will, where the victim is incapable of giving consent because of his or her youth or his or her temporary or permanent mental or physical incapacity; or

(C) the carnal knowledge, oral sodomy, sexual assault with an object, or sexual fondling of a person achieved through the exploitation of the fear or threat of physical violence or bodily injury.

(10) SEXUAL ASSAULT WITH AN OBJECT.—The term “sexual assault with an object” means the use of any hand, finger, object, or other instrument to penetrate, however slightly, the genital or anal opening of the body of another person.

(11) SEXUAL FONDLING.—The term “sexual fondling” means the touching of the private body parts of another person (including the genitalia, anus, groin, breast, inner thigh, or buttocks) for the purpose of sexual gratification.

(12) EXCLUSIONS.—The terms and conditions described in paragraphs (9) and (10) shall not apply to—

(A) custodial or medical personnel gathering physical evidence, or engaged in other legitimate medical treatment, in the course of investigating prison rape;

(B) the use of a health care provider’s hands or fingers or the use of medical devices in the course of appropriate medical treatment unrelated to prison rape; or

(C) the use of a health care provider’s hands or fingers and the use of instruments to perform body cavity searches in order to maintain security and safety within the prison or detention facility, provided that the search is conducted in a manner consistent with constitutional requirements.

Approved September 4, 2003.

LEGISLATIVE HISTORY—S. 1435:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 21, considered and passed Senate.

July 25, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 4, Presidential statement.



Public Law 108–80
108th Congress

An Act

Sept. 17, 2003
[H.R. 1668]

To designate the United States courthouse located at 101 North Fifth Street in Muskogee, Oklahoma, as the “Ed Edmondson United States Courthouse”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 101 North Fifth Street in Muskogee, Oklahoma, shall be known and designated as the “Ed Edmondson United States Courthouse”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the “Ed Edmondson United States Courthouse”.

Approved September 17, 2003.

LEGISLATIVE HISTORY—H.R. 1668:

HOUSE REPORTS: No. 108–217 (Comm. on Transportation and Infrastructure).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 3, considered and passed House.

Sept. 9, considered and passed Senate.



Public Law 108–81
108th Congress

An Act

To reauthorize the Museum and Library Services Act, and for other purposes.

Sept. 25, 2003

[H.R. 13]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Museum and Library Services
Act of 2003”.

Museum and
Library Services
Act of 2003.
20 USC 9101
note.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—GENERAL PROVISIONS

- Sec. 101. General definitions.
- Sec. 102. Institute of Museum and Library Services.
- Sec. 103. Director of the Institute.
- Sec. 104. National Museum and Library Services Board.
- Sec. 105. Awards; analysis of impact of services.

TITLE II—LIBRARY SERVICES AND TECHNOLOGY

- Sec. 201. Purpose.
- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Reservations and allotments.
- Sec. 205. State plans.
- Sec. 206. Grants to States.
- Sec. 207. National leadership grants, contracts, or cooperative agreements.

TITLE III—MUSEUM SERVICES

- Sec. 301. Purpose.
- Sec. 302. Definitions.
- Sec. 303. Museum services activities.
- Sec. 304. Repeals.
- Sec. 305. Authorization of appropriations.
- Sec. 306. Short title.

**TITLE IV—NATIONAL COMMISSION ON LIBRARIES AND INFORMATION
SCIENCE ACT**

- Sec. 401. Amendment to contributions.
- Sec. 402. Amendment to membership.

TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Amendments to Arts and Artifacts Indemnity Act.
- Sec. 502. National children’s museum.
- Sec. 503. Conforming amendment.
- Sec. 504. Technical corrections.
- Sec. 505. Repeals.
- Sec. 506. Effective date.

TITLE I—GENERAL PROVISIONS

SEC. 101. GENERAL DEFINITIONS.

Section 202 of the Museum and Library Services Act (20 U.S.C. 9101) is amended—

(1) by striking paragraph (1) and inserting the following:
“(1) DETERMINED TO BE OBSCENE.—The term ‘determined to be obscene’ means determined, in a final judgment of a court of record and of competent jurisdiction in the United States, to be obscene.”;

(2) by striking paragraph (4);

(3) by redesignating paragraph (3) as paragraph (5);

(4) by inserting after paragraph (2) the following:

“(3) FINAL JUDGMENT.—The term ‘final judgment’ means a judgment that is—

“(A) not reviewed by any other court that has authority to review such judgment; or

“(B) not reviewable by any other court.

“(4) INDIAN TRIBE.—The term ‘Indian tribe’ means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.”; and

(5) by adding at the end the following:

“(6) MUSEUM AND LIBRARY SERVICES BOARD.—The term ‘Museum and Library Services Board’ means the National Museum and Library Services Board established under section 207.

“(7) OBSCENE.—The term ‘obscene’ means, with respect to a project, that—

“(A) the average person, applying contemporary community standards, would find that such project, when taken as a whole, appeals to the prurient interest;

“(B) such project depicts or describes sexual conduct in a patently offensive way; and

“(C) such project, when taken as a whole, lacks serious literary, artistic, political, or scientific value.”.

SEC. 102. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

Section 203 of the Museum and Library Services Act (20 U.S.C. 9102) is amended—

(1) in subsection (b), by striking the last sentence; and

(2) by adding at the end the following:

“(c) MUSEUM AND LIBRARY SERVICES BOARD.—There shall be a National Museum and Library Services Board within the Institute, as provided under section 207.”.

SEC. 103. DIRECTOR OF THE INSTITUTE.

Section 204 of the Museum and Library Services Act (20 U.S.C. 9103) is amended—

(1) in subsection (e), by adding at the end the following:

“Where appropriate, the Director shall ensure that activities under subtitle B are coordinated with activities under section

1251 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6383).”; and

(2) by adding at the end the following:

“(f) REGULATORY AUTHORITY.—The Director may promulgate such rules and regulations as are necessary and appropriate to implement the provisions of this title.

“(g) APPLICATION PROCEDURES.—

“(1) IN GENERAL.—In order to be eligible to receive financial assistance under this title, a person or agency shall submit an application in accordance with procedures established by the Director by regulation.

“(2) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating applications submitted under this title. Actions of the Institute and the Director in the establishment, modification, and revocation of such procedures under this Act are vested in the discretion of the Institute and the Director. In establishing such procedures, the Director shall ensure that the criteria by which applications are evaluated are consistent with the purposes of this title, taking into consideration general standards of decency and respect for the diverse beliefs and values of the American public.

“(3) TREATMENT OF PROJECTS DETERMINED TO BE OBSCENE.—

“(A) IN GENERAL.—The procedures described in paragraph (2) shall include provisions that clearly specify that obscenity is without serious literary, artistic, political, or scientific merit, and is not protected speech.

“(B) PROHIBITION.—No financial assistance may be provided under this title with respect to any project that is determined to be obscene.

“(C) TREATMENT OF APPLICATION DISAPPROVAL.—The disapproval of an application by the Director shall not be construed to mean, and shall not be considered as evidence that, the project for which the applicant requested financial assistance is or is not obscene.”.

SEC. 104. NATIONAL MUSEUM AND LIBRARY SERVICES BOARD.

The Museum and Library Services Act (20 U.S.C. 9101 et seq.) is amended—

(1) by redesignating section 207 as section 208; and

20 USC 9106.

(2) by inserting after section 206 the following:

“SEC. 207. NATIONAL MUSEUM AND LIBRARY SERVICES BOARD.

20 USC 9105a.

“(a) ESTABLISHMENT.—There is established within the Institute a board to be known as the ‘National Museum and Library Services Board’.

“(b) MEMBERSHIP.—

“(1) NUMBER AND APPOINTMENT.—The Museum and Library Services Board shall be composed of the following:

“(A) The Director.

“(B) The Deputy Director for the Office of Library Services.

“(C) The Deputy Director for the Office of Museum Services.

“(D) The Chairman of the National Commission on Libraries and Information Science.

“(E) Ten members appointed by the President, by and with the advice and consent of the Senate, from among

President.

individuals who are citizens of the United States and who are specially qualified by virtue of their education, training, or experience in the area of library services, or their commitment to libraries.

President.

“(F) Ten members appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States and who are specially qualified by virtue of their education, training, or experience in the area of museum services, or their commitment to museums.

“(2) SPECIAL QUALIFICATIONS.—

“(A) LIBRARY MEMBERS.—Of the members of the Museum and Library Services Board appointed under paragraph (1)(E)—

“(i) five shall be professional librarians or information specialists, of whom—

“(I) not less than one shall be knowledgeable about electronic information and technical aspects of library and information services and sciences; and

“(II) not less than one other shall be knowledgeable about the library and information service needs of underserved communities; and

“(ii) the remainder shall have special competence in, or knowledge of, the needs for library and information services in the United States.

“(B) MUSEUM MEMBERS.—Of the members of the Museum and Library Services Board appointed under paragraph (1)(F)—

“(i) five shall be museum professionals who are or have been affiliated with—

“(I) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; or

“(II) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, art, zoos, botanical gardens, and museums designed for children; and

“(ii) the remainder shall be individuals recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

“(3) GEOGRAPHIC AND OTHER REPRESENTATION.—Members of the Museum and Library Services Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum and Library Services Board may not include, at any time, more than three appointive members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums and libraries.

“(4) VOTING.—The Director, the Deputy Director of the Office of Library Services, the Deputy Director of the Office of Museum Services, and the Chairman of the National Commission on Library and Information Science shall be non-voting members of the Museum and Library Services Board.

“(c) TERMS.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, each member of the Museum and Library Services Board appointed under subparagraph (E) or (F) of subsection (b)(1) shall serve for a term of 5 years.

“(2) INITIAL BOARD APPOINTMENTS.—

“(A) TREATMENT OF MEMBERS SERVING ON EFFECTIVE DATE.—Notwithstanding subsection (b), each individual who is a member of the National Museum Services Board on the date of enactment of the Museum and Library Services Act of 2003, may, at the individual’s election, complete the balance of the individual’s term as a member of the Museum and Library Services Board.

“(B) FIRST APPOINTMENTS.—Notwithstanding subsection (b), any appointive vacancy in the initial membership of the Museum and Library Services Board existing after the application of subparagraph (A), and any vacancy in such membership subsequently created by reason of the expiration of the term of an individual described in subparagraph (A), shall be filled by the appointment of a member described in subsection (b)(1)(E). When the Museum and Library Services Board consists of an equal number of individuals who are specially qualified in the area of library services and individuals who are specially qualified in the area of museum services, this subparagraph shall cease to be effective and the board shall be appointed in accordance with subsection (b).

“(C) AUTHORITY TO ADJUST TERMS.—The terms of the first members appointed to the Museum and Library Service Board shall be adjusted by the President as necessary to ensure that the terms of not more than four members expire in the same year. Such adjustments shall be carried out through designation of the adjusted term at the time of appointment.

“(3) VACANCIES.—Any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

“(4) REAPPOINTMENT.—No appointive member of the Museum and Library Services Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

“(5) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this subsection, an appointive member of the Museum and Library Services Board shall serve after the expiration of the term of the member until the successor to the member takes office.

“(d) DUTIES AND POWERS.—

“(1) IN GENERAL.—The Museum and Library Services Board shall advise the Director on general policies with respect to the duties, powers, and authority of the Institute relating to museum and library services, including financial assistance awarded under this title.

“(2) NATIONAL AWARDS.—The Museum and Library Services Board shall advise the Director in making awards under section 209.

“(e) CHAIRPERSON.—The Director shall serve as Chairperson of the Museum and Library Services Board.

“(f) MEETINGS.—

“(1) IN GENERAL.—The Museum and Library Services Board shall meet not less than 2 times each year and at the call of the Director.

“(2) VOTE.—All decisions by the Museum and Library Services Board with respect to the exercise of its duties and powers shall be made by a majority vote of the members of the Board who are present and authorized to vote.

“(g) QUORUM.—A majority of the voting members of the Museum and Library Services Board shall constitute a quorum for the conduct of business at official meetings, but a lesser number of members may hold hearings.

“(h) COMPENSATION AND TRAVEL EXPENSES.—

“(1) COMPENSATION.—Each member of the Museum and Library Services Board who is not an officer or employee of the Federal Government may be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum annual rate of pay authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum and Library Services Board. Members of the Museum and Libraries Services Board who are full-time officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the Museum and Library Services Board.

“(2) TRAVEL EXPENSES.—Each member of the Museum and Library Services Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

“(i) COORDINATION.—The Director, with the advice of the Museum and Library Services Board, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.”.

SEC. 105. AWARDS; ANALYSIS OF IMPACT OF SERVICES.

The Museum and Library Services Act (20 U.S.C. 9101 et seq.) is amended by inserting after section 208 (as redesignated by section 104 of this Act) the following:

20 USC 9107.

“SEC. 209. AWARDS.

“The Director, with the advice of the Museum and Library Services Board, may annually award National Awards for Library Service and National Awards for Museum Service to outstanding libraries and outstanding museums, respectively, that have made significant contributions in service to their communities.

20 USC 9108.
Publication.

“SEC. 210. ANALYSIS OF IMPACT OF MUSEUM AND LIBRARY SERVICES.

“From amounts described in sections 214(c) and 275(b), the Director shall carry out and publish analyses of the impact of museum and library services. Such analyses—

“(1) shall be conducted in ongoing consultation with—

“(A) State library administrative agencies;

“(B) State, regional, and national library and museum organizations; and

“(C) other relevant agencies and organizations;

“(2) shall identify national needs for, and trends of, museum and library services provided with funds made available under subtitles B and C;

“(3) shall report on the impact and effectiveness of programs conducted with funds made available by the Institute in addressing such needs; and

“(4) shall identify, and disseminate information on, the best practices of such programs to the agencies and entities described in paragraph (1).

“SEC. 210A. PROHIBITION ON USE OF FUNDS FOR CONSTRUCTION. 20 USC 9109.

“No funds appropriated to carry out the Museum and Library Services Act, the Library Services and Technology Act, or the Museum Services Act may be used for construction expenses.”.

TITLE II—LIBRARY SERVICES AND TECHNOLOGY

SEC. 201. PURPOSE.

Section 212 of the Library Services and Technology Act (20 U.S.C. 9121) is amended by striking paragraphs (2) through (5) and inserting the following:

“(2) to promote improvement in library services in all types of libraries in order to better serve the people of the United States;

“(3) to facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry; and

“(4) to encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public.”.

SEC. 202. DEFINITIONS.

Section 213 of the Library Services and Technology Act (20 U.S.C. 9122) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2), (3), (4), (5), and (6) as paragraphs (1), (2), (3), (4), and (5), respectively.

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

Section 214 of the Library Services and Technology Act (20 U.S.C. 9123) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle \$232,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2009.”; and

(2) in subsection (c), by striking “3 percent” and inserting “3.5 percent”.

SEC. 204. RESERVATIONS AND ALLOTMENTS.

Section 221(b)(3) of the Library Services and Technology Act (20 U.S.C. 9131(b)(3)) is amended to read as follows:

“(3) MINIMUM ALLOTMENTS.—

“(A) IN GENERAL.—For purposes of this subsection, the minimum allotment for each State shall be \$340,000, except that the minimum allotment shall be \$40,000 in the case

of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

“(B) RATABLE REDUCTIONS.—Notwithstanding subparagraph (A), if the sum appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year is insufficient to fully satisfy the requirement of subparagraph (A), each of the minimum allotments under such subparagraph shall be reduced ratably.

“(C) EXCEPTION.—

“(i) IN GENERAL.—Notwithstanding subparagraph (A), if the sum appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year exceeds the aggregate of the allotments for all States under this subsection for fiscal year 2003—

“(I) the minimum allotment for each State otherwise receiving a minimum allotment of \$340,000 under subparagraph (A) shall be increased to \$680,000; and

“(II) the minimum allotment for each State otherwise receiving a minimum allotment of \$40,000 under subparagraph (A) shall be increased to \$60,000.

“(ii) INSUFFICIENT FUNDS TO AWARD ALTERNATIVE MINIMUM.—If the sum appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year exceeds the aggregate of the allotments for all States under this subsection for fiscal year 2003 yet is insufficient to fully satisfy the requirement of clause (i), such excess amount shall first be allotted among the States described in clause (i)(I) so as to increase equally the minimum allotment for each such State above \$340,000. After the requirement of clause (i)(I) is fully satisfied for any fiscal year, any remainder of such excess amount shall be allotted among the States described in clause (i)(II) so as to increase equally the minimum allotment for each such State above \$40,000.

“(D) SPECIAL RULE.—

“(i) IN GENERAL.—Notwithstanding any other provision of this subsection and using funds allotted for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau under this subsection, the Director shall award grants to the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this subtitle in accordance with the provisions of this subtitle that the Director determines are not inconsistent with this subparagraph.

“(ii) AWARD BASIS.—The Director shall award grants pursuant to clause (i) on a competitive basis

and after taking into consideration available recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.

“(iii) ADMINISTRATIVE COSTS.—The Director may provide not more than 5 percent of the funds made available for grants under this subparagraph to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subparagraph.”.

SEC. 205. STATE PLANS.

Section 224 of the Library Services and Technology Act (20 U.S.C. 9134) is amended—

(1) in subsection (a)(1), by striking “not later than April 1, 1997.” and inserting “once every 5 years, as determined by the Director.”; and

(2) in subsection (f)—

(A) by striking “this Act” each place such term appears and inserting “this subtitle”;

(B) in paragraph (1)—

(i) by striking “section 213(2)(A) or (B)” and inserting “section 213(1)(A) or (B)”;

(ii) by striking “1934,” and all that follows through “Act, may” and inserting “1934 (47 U.S.C. 254(h)(6)) may”;

(C) in paragraph (7)—

(i) in the matter preceding subparagraph (A), by striking “section:” and inserting “subsection:”; and

(ii) in subparagraph (D), by striking “given” and inserting “applicable to”.

SEC. 206. GRANTS TO STATES.

Section 231 of the Library Services and Technology Act (20 U.S.C. 9141) is amended—

(1) in subsection (a), by striking paragraphs (1) and (2) and inserting the following:

“(1) expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages;

“(2) developing library services that provide all users access to information through local, State, regional, national, and international electronic networks;

“(3) providing electronic and other linkages among and between all types of libraries;

“(4) developing public and private partnerships with other agencies and community-based organizations;

“(5) targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills; and

“(6) targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.”; and

(2) in subsection (b), by striking “between the two purposes described in paragraphs (1) and (2) of such subsection,” and inserting “among such purposes,”.

SEC. 207. NATIONAL LEADERSHIP GRANTS, CONTRACTS, OR COOPERATIVE AGREEMENTS.

Section 262(a)(1) of the Library Services and Technology Act (20 U.S.C. 9162(a)(1)) is amended by striking “education and training” and inserting “education, recruitment, and training”.

TITLE III—MUSEUM SERVICES

SEC. 301. PURPOSE.

Section 271 of the Museum and Library Services Act (20 U.S.C. 9171) is amended to read as follows:

“SEC. 271. PURPOSE.

“It is the purpose of this subtitle—

“(1) to encourage and support museums in carrying out their public service role of connecting the whole of society to the cultural, artistic, historical, natural, and scientific understandings that constitute our heritage;

“(2) to encourage and support museums in carrying out their educational role, as core providers of learning and in conjunction with schools, families, and communities;

“(3) to encourage leadership, innovation, and applications of the most current technologies and practices to enhance museum services;

“(4) to assist, encourage, and support museums in carrying out their stewardship responsibilities to achieve the highest standards in conservation and care of the cultural, historic, natural, and scientific heritage of the United States to benefit future generations;

“(5) to assist, encourage, and support museums in achieving the highest standards of management and service to the public, and to ease the financial burden borne by museums as a result of their increasing use by the public; and

“(6) to support resource sharing and partnerships among museums, libraries, schools, and other community organizations.”.

SEC. 302. DEFINITIONS.

Section 272(1) of the Museum and Library Services Act (20 U.S.C. 9172(1)) is amended by adding at the end the following: “Such term includes aquariums, arboretums, botanical gardens, art museums, children’s museums, general museums, historic houses and sites, history museums, nature centers, natural history and anthropology museums, planetariums, science and technology centers, specialized museums, and zoological parks.”.

SEC. 303. MUSEUM SERVICES ACTIVITIES.

Section 273 of the Museum and Library Services Act (20 U.S.C. 9173) is amended to read as follows:

“SEC. 273. MUSEUM SERVICES ACTIVITIES.

“(a) **IN GENERAL.**—The Director, subject to the policy advice of the Museum and Library Services Board, may enter into arrangements, including grants, contracts, cooperative agreements, and other forms of assistance, with museums and other entities as the Director considers appropriate, to pay the Federal share of the cost of—

“(1) supporting museums in providing learning and access to collections, information, and educational resources in a variety of formats (including exhibitions, programs, publications, and websites) for individuals of all ages;

“(2) supporting museums in building learning partnerships with the Nation’s schools and developing museum resources and programs in support of State and local school curricula;

“(3) supporting museums in assessing, conserving, researching, maintaining, and exhibiting their collections, and in providing educational programs to the public through the use of their collections;

“(4) stimulating greater collaboration among museums, libraries, schools, and other community organizations in order to share resources and strengthen communities;

“(5) encouraging the use of new technologies and broadcast media to enhance access to museum collections, programs, and services;

“(6) supporting museums in providing services to people of diverse geographic, cultural, and socioeconomic backgrounds and to individuals with disabilities;

“(7) supporting museums in developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and State institutions;

“(8) supporting professional development and technical assistance programs to enhance museum operations at all levels, in order to ensure the highest standards in all aspects of museum operations;

“(9) supporting museums in research, program evaluation, and the collection and dissemination of information to museum professionals and the public; and

“(10) encouraging, supporting, and disseminating model programs of museum and library collaboration.

“(b) **FEDERAL SHARE.**—

“(1) **50 PERCENT.**—Except as provided in paragraph (2), the Federal share described in subsection (a) shall be not more than 50 percent.

“(2) **GREATER THAN 50 PERCENT.**—The Director may use not more than 20 percent of the funds made available under this subtitle for a fiscal year to enter into arrangements under subsection (a) for which the Federal share may be greater than 50 percent.

“(3) **OPERATIONAL EXPENSES.**—No funds for operational expenses may be provided under this section to any entity that is not a museum.

“(c) **REVIEW AND EVALUATION.**—

“(1) **IN GENERAL.**—The Director shall establish procedures for reviewing and evaluating arrangements described in subsection (a) entered into under this subtitle.

Procedures.

“(2) **APPLICATIONS FOR TECHNICAL ASSISTANCE.**—

“(A) IN GENERAL.—The Director may use not more than 10 percent of the funds appropriated to carry out this subtitle for technical assistance awards.

“(B) INDIVIDUAL MUSEUMS.—Individual museums may receive not more than 3 technical assistance awards under subparagraph (A), but subsequent awards for technical assistance shall be subject to review outside the Institute.

“(d) SERVICES FOR NATIVE AMERICANS.—From amounts appropriated under section 275, the Director shall reserve 1.75 percent to award grants to, or enter into contracts or cooperative agreements with, Indian tribes and organizations that primarily serve and represent Native Hawaiians (as defined in section 7207 of the Native Hawaiian Education Act (20 U.S.C. 7517)), to enable such tribes and organizations to carry out the activities described in subsection (a).”.

SEC. 304. REPEALS.

Sections 274 and 275 of the Museum and Library Services Act (20 U.S.C. 9174 and 9175) are repealed.

SEC. 305. AUTHORIZATION OF APPROPRIATIONS.

Section 276 of the Museum and Library Services Act (20 U.S.C. 9176) is amended—

(1) in subsection (a), by striking “\$28,700,000 for the fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2002.” and inserting “\$38,600,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2009.”; and

(2) by redesignating such section as section 275 of such Act.

SEC. 306. SHORT TITLE.

Subtitle C of the Museum and Library Services Act (20 U.S.C. 9171 et seq.) is amended—

(1) by redesignating sections 271, 272, and 273 as sections 272, 273, and 274, respectively; and

(2) by inserting after the subtitle heading the following:

“SEC. 271. SHORT TITLE.

“This subtitle may be cited as the ‘Museum Services Act’.”.

TITLE IV—NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE ACT

SEC. 401. AMENDMENT TO CONTRIBUTIONS.

Section 4 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1503) is amended by striking “accept, hold, administer, and utilize gifts, bequests, and devises of property,” and inserting “solicit, accept, hold, administer, invest in the name of the United States, and utilize gifts, bequests, and devises of services or property.”.

SEC. 402. AMENDMENT TO MEMBERSHIP.

Section 6(a) of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505(a)) is amended—

20 USC
9171–9173.

Popular name.
20 USC 9101
note.

(1) in the second sentence, by striking “and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly”;

(2) by striking the fourth sentence and inserting the following: “A majority of members of the Commission who have taken office and are serving on the Commission shall constitute a quorum for conduct of business at official meetings of the Commission”; and

(3) in the fifth sentence, by striking “five years, except that” and all that follows through the period and inserting “five years, except that—

“(1) a member of the Commission appointed to fill a vacancy occurring prior to the expiration of the term for which the member’s predecessor was appointed, shall be appointed only for the remainder of such term; and

“(2) any member of the Commission may continue to serve after an expiration of the member’s term of office until such member’s successor is appointed, has taken office, and is serving on the Commission.”.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. AMENDMENTS TO ARTS AND ARTIFACTS INDEMNITY ACT.

Section 5 of the Arts and Artifacts Indemnity Act (20 U.S.C. 974) is amended—

(1) in subsection (b), by striking “\$5,000,000,000” and inserting “\$8,000,000,000”;

(2) in subsection (c), by striking “\$500,000,000” and inserting “\$600,000,000”; and

(3) in subsection (d)—

(A) in paragraph (6), by striking “or” after the semicolon; and

(B) by striking paragraph (7) and inserting the following:

“(7) not less than \$400,000,000 but less than \$500,000,000, then coverage under this chapter shall extend only to loss or damage in excess of the first \$400,000 of loss or damage to items covered; or

“(8) \$500,000,000 or more, then coverage under this chapter shall extend only to loss or damage in excess of the first \$500,000 of loss or damage to items covered.”.

SEC. 502. NATIONAL CHILDREN’S MUSEUM.

(a) DESIGNATION.—The Capital Children’s Museum located at 800 Third Street, NE, Washington, D.C. (or any successor location), organized under the laws of the District of Columbia, is designated as the “National Children’s Museum”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Capital Children’s Museum referred to in subsection (a) shall be deemed to be a reference to the “National Children’s Museum”.

SEC. 503. CONFORMING AMENDMENT.

Section 170(e)(6)(B)(i)(III) of the Internal Revenue Code of 1986 (relating to the special rule for contributions of computer technology and equipment for educational purposes) is amended by striking

Washington, D.C.
20 USC 956a
note.

20 USC 956a.

26 USC 170.

“section 213(2)(A) of the Library Services and Technology Act (20 U.S.C. 9122(2)(A))” and inserting “section 213(1)(A) of the Library Services and Technology Act (20 U.S.C. 9122(1)(A))”.

SEC. 504. TECHNICAL CORRECTIONS.

(a) **TITLE HEADING.**—The title heading for the Museum and Library Services Act (20 U.S.C. 9101 et seq.) is amended to read as follows:

“TITLE II—MUSEUM AND LIBRARY SERVICES”.

(b) **SUBTITLE A HEADING.**—The subtitle heading for subtitle A of the Museum and Library Services Act (20 U.S.C. 9101 et seq.) is amended to read as follows:

“Subtitle A—General Provisions”.

(c) **SUBTITLE B HEADING.**—The subtitle heading for subtitle B of the Museum and Library Services Act (20 U.S.C. 9121 et seq.) is amended to read as follows:

“Subtitle B—Library Services and Technology”.

(d) **SUBTITLE C HEADING.**—The subtitle heading for subtitle C of the Museum and Library Services Act (20 U.S.C. 9171 et seq.) is amended to read as follows:

“Subtitle C—Museum Services”.

(e) **CONTRIBUTIONS.**—Section 208 of the Museum and Library Services Act (20 U.S.C. 9106) (as redesignated by section 104 of this Act) is amended by striking “property of services” and inserting “property or services”.

(f) **STATE PLAN CONTENTS.**—Section 224(b)(5) of the Library Services and Technology Act (20 U.S.C. 9134(b)(5)) is amended by striking “and” at the end.

(g) **NATIONAL LEADERSHIP GRANTS, CONTRACTS, OR COOPERATIVE AGREEMENTS.**—Section 262(b)(1) of the Library Services and Technology Act (20 U.S.C. 9162(b)(1)) is amended by striking “cooperative agreements, with,” and inserting “cooperative agreements with,”.

SEC. 505. REPEALS.

(a) **NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE ACT.**—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by striking subsections (b) and (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

(b) **MUSEUM AND LIBRARY SERVICES ACT OF 1996.**—Sections 704 through 707 of the Museum and Library Services Act of 1996 (20 U.S.C. 9102 note, 9103 note, and 9105 note) are repealed.

SEC. 506. EFFECTIVE DATE.20 USC 9101
note.

The amendments made by this Act shall take effect on the date of enactment of this Act, except that the amendments made by sections 203, 204, and 305 of this Act shall take effect on October 1, 2003.

Approved September 25, 2003.

LEGISLATIVE HISTORY—H.R. 13 (S. 888):

HOUSE REPORTS: No. 108–16 (Comm. on Education and the Workforce).

SENATE REPORTS: No. 108–83 accompanying S. 888 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 6, considered and passed House.

Aug. 1, considered and passed Senate, amended, in lieu of S. 888.

Sept. 16, House concurred in Senate amendment.



Public Law 108–82
108th Congress

An Act

Sept. 29, 2003
[H.R. 3161]

To ratify the authority of the Federal Trade Commission to establish a do-not-call registry.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

15 USC 6102
note.

SECTION 1. NATIONAL DO-NOT-CALL REGISTRY.

(a) **AUTHORITY.**—The Federal Trade Commission is authorized under section 3(a)(3)(A) of the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6102(a)(3)(A)) to implement and enforce a national do-not-call registry.

(b) **RATIFICATION.**—The do-not-call registry provision of the Telemarketing Sales Rule (16 C.F.R. 310.4(b)(1)(iii)), which was promulgated by the Federal Trade Commission, effective March 31, 2003, is ratified.

Approved September 29, 2003.

LEGISLATIVE HISTORY—H.R. 3161:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 25, considered and passed House and Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 29, Presidential remarks.



Public Law 108–83
108th Congress

An Act

Making appropriations for the Legislative Branch for the fiscal year ending September 30, 2004, and for other purposes.

Sept. 30, 2003
[H.R. 2657]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, and for other purposes, namely:

Legislative
Branch
Appropriations
Act, 2004.

TITLE I—LEGISLATIVE BRANCH APPROPRIATIONS

2 USC 60a note.

SENATE

EXPENSE ALLOWANCES

For expense allowances of the Vice President, \$20,000; the President Pro Tempore of the Senate, \$20,000; Majority Leader of the Senate, \$20,000; Minority Leader of the Senate, \$20,000; Majority Whip of the Senate, \$10,000; Minority Whip of the Senate, \$10,000; President Pro Tempore emeritus, \$7,500; Chairmen of the Majority and Minority Conference Committees, \$5,000 for each Chairman; and Chairmen of the Majority and Minority Policy Committees, \$5,000 for each Chairman; in all, \$127,500.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY
LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, \$15,000 for each such Leader; in all, \$30,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, and others as authorized by law, including agency contributions, \$125,307,000, which shall be paid from this appropriation without regard to the following limitations:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, \$2,028,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For the Office of the President Pro Tempore, \$539,000.

OFFICE OF THE PRESIDENT PRO TEMPORE EMERITUS

For the Office of the President Pro Tempore emeritus, \$156,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, \$3,220,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, \$2,324,000.

COMMITTEE ON APPROPRIATIONS

For salaries of the Committee on Appropriations, \$12,799,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, \$1,358,000 for each such committee; in all, \$2,716,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY
AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, \$674,000.

POLICY COMMITTEES

For salaries of the Majority Policy Committee and the Minority Policy Committee, \$1,417,000 for each such committee; in all, \$2,834,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, \$327,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, \$18,299,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, \$45,789,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, \$1,468,000.

AGENCY CONTRIBUTIONS AND RELATED EXPENSES

For agency contributions for employee benefits, as authorized by law, and related expenses, \$32,134,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, \$4,843,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, \$1,222,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expense allowances of the Secretary of the Senate, \$6,000; Sergeant at Arms and Doorkeeper of the Senate, \$6,000; Secretary for the Majority of the Senate, \$6,000; Secretary for the Minority of the Senate, \$6,000; in all, \$24,000.

CONTINGENT EXPENSES OF THE SENATE

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted under section 134(a) of the Legislative Reorganization Act of 1946 (Public Law 97–601), section 112 of the Supplemental Appropriations and Rescission Act, 1980 (Public Law 96–304), and Senate Resolution 281, 96th Congress, agreed to March 11, 1980, \$118,462,000.

EXPENSES OF THE UNITED STATES SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

For expenses of the United States Senate Caucus on International Narcotics Control, \$520,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, \$2,265,000, of which \$500,000 shall be transferred to the Senate Preservation Fund and shall be available without fiscal year limitation.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, \$135,243,000, of which \$30,835,000 shall remain available until September 30, 2006, and of which \$4,255,000 shall remain available until September 30, 2008.

MISCELLANEOUS ITEMS

For miscellaneous items, \$18,425,000, of which up to \$500,000 shall be made available for a pilot program for mailings of postal patron postcards by Senators for the purpose of providing notice of a town meeting by a Senator in a county (or equivalent unit of local government) at which the Senator will personally attend: *Provided*, That any amount allocated to a Senator for such mailing shall not exceed 50 percent of the cost of the mailing and the remaining cost shall be paid by the Senator from other funds available to the Senator.

SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

For Senators' Official Personnel and Office Expense Account,
\$310,000,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the Senate,
\$300,000.

ADMINISTRATIVE PROVISIONS

2 USC 61–1.
Effective date.

SEC. 1. GROSS RATE OF COMPENSATION IN OFFICES OF SENATORS. Effective on and after October 1, 2003, each of the dollar amounts contained in the table under section 105(d)(1)(A) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(1)(A)) shall be deemed to be the dollar amounts in that table, as adjusted by law and in effect on September 30, 2003, increased by an additional \$50,000 each.

SEC. 2. PAYMENT OF EXPENSES OF CONFERENCES OF MAJORITY AND MINORITY. (a) IN GENERAL.—Section 120 of Public Law 97–51 (2 U.S.C. 61g–6) is amended in the first sentence by striking “an amount, not in excess of \$100,000,” and inserting “such amount as necessary”.

Applicability.
2 USC 61g–6
note.
2 USC 2108.

(b) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2004, and each fiscal year thereafter.

SEC. 3. PROVISIONS RELATING TO SENATE COMMISSION ON ART. (a) AUTHORITY TO ACQUIRE AND DISPOSE.—

(1) IN GENERAL.—The Senate Commission on Art (referred to in this section as the “Commission”) may—

(A) accept gifts of money; and

(B) acquire (by gift, purchase, or otherwise) any work of art, historical object, document, or material relating to historical matters, or exhibit, for placement or exhibition in the Senate Wing of the Capitol, the Senate Office Buildings, or in rooms, spaces, or corridors thereof.

(2) ACCESSION OR DISPOSAL.—All works of art, historical objects, documents, or material related to historical matters, or exhibits, acquired by the Commission may, as determined by the Commission and after consultation with the Curatorial Advisory Board, be—

(A) retained for accession to the United States Senate Collection or other use; or

(B) disposed of by sale or other transaction.

(3) REPEAL.—Senate Resolution 95, 92d Congress, agreed to April 1, 1971, and enacted into law by section 901(a) of Public Law 100–696 (2 U.S.C. 2106) is repealed.

(b) ADVISORY BOARDS.—

Establishment.

(1) CURATORIAL ADVISORY BOARD.—There is established a Board which shall be chaired by the Senate Curator. The Curatorial Advisory Board shall provide advice and assistance to the Commission on the acquisition, care, and disposition of items for or within the United States Senate Collection, and on such other matters as the Commission determines appropriate.

(2) ADDITIONAL ADVISORY BOARDS.—

(A) IN GENERAL.—The Commission, or the chairman and vice chairman acting jointly on behalf of the Commission and after giving notice to the Commission, may establish 1 or more additional advisory boards.

(B) TERM.—The term of existence for an additional advisory board—

(i) shall be specified by the Commission but no longer than 4 years; and

(ii) shall be renewable.

(C) PURPOSE.—The purpose of an additional advisory board shall be to provide advice and assistance to the Commission and to further the purposes of the Commission.

(3) APPOINTMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B), the Curatorial Advisory Board and other advisory boards established by the Commission under paragraph (2) shall be composed of members appointed by the Commission, or the chairman and vice chairman acting jointly on behalf of the Commission and after giving notice to the Commission.

(B) APPLICABLE RULES.—Members appointed under subparagraph (A)—

(i) shall be appointed from public and private life and shall serve at the pleasure of the Commission; and

(ii) in the case of individuals appointed to the Curatorial Advisory Board, shall be experts or have significant experience in the field of arts, historic preservation, or other appropriate fields.

Each member of the Commission may have appointed to an advisory board created by the Commission at least 1 individual requested by that member.

(4) MEMBERS.—A member of a board under this subsection—

(A) may, at the discretion of the Commission, be reimbursed for actual and necessary expenses incurred in the performance of the official duties of the board from any funds available to the Commission in accordance with applicable Senate regulations for such expenses; and

(B) shall not, by virtue of such member's service on the board, be deemed to be an officer, employee, or agent of the Senate and may not bind the Senate in any contract or obligation.

(5) TERMS FOR ADDITIONAL ADVISORY BOARD MEMBERS.—Members appointed to the other advisory boards created under paragraph (2) shall serve for terms as stated in their appointment, but no longer than a term of 4 years, except that any member may be reappointed upon the expiration of their term.

(6) REGULATIONS.—The Commission, or the chairman and vice chairman acting jointly on behalf of the Commission and after giving notice to the Commission, in consultation with the Committee on Rules and Administration, may promulgate such regulations governing advisory boards established under this subsection as are necessary to carry out the purposes of this subsection.

(7) ASSISTANCE.—The Executive Secretary of the Commission shall provide assistance to an advisory board as authorized by the Commission.

(c) ESTABLISHMENT OF SENATE PRESERVATION FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury a fund, to be known as the “Senate Preservation Fund” (in this section referred to as the “fund”), which shall consist of amounts deposited and credited under paragraph (3).

(2) PAYMENT OF COSTS.—The fund shall be available to the Commission for the payment of acquisition and transaction costs incurred for acquisitions under subsection (a), for official activities of any advisory board established under subsection (b), and for any purposes for which funds from the contingent fund of the Senate may be used under section 316(a) of Public Law 101-302 (2 U.S.C. 2107).

(3) DEPOSITS, CREDITS, AND DISBURSEMENTS.—

(A) DEPOSITS.—The Commission shall deposit in the fund amounts appropriated for use of the fund, gifts of money, and proceeds of transactions under subsection (a).

(B) CREDITS.—The Secretary of the Treasury shall credit to the fund the interest on, and the proceeds from sale or redemption of, obligations held in the fund.

(C) DISBURSEMENTS.—Disbursements from the fund shall be made on vouchers approved by the Commission and signed by the Executive Secretary of the Commission.

(4) INVESTMENTS.—

(A) IN GENERAL.—The Secretary of the Treasury shall invest any portion of the fund that, as determined by the Commission, is not required to meet current withdrawals.

(B) TYPE OF OBLIGATION.—Each investment required by this paragraph shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to the principal and interest by the United States that, as determined by the Commission, has a maturity suitable for the fund.

(C) COMMISSION APPROVAL.—In carrying out this subsection, the Secretary of the Treasury may make such purchases, sales, and redemption of obligations as may be approved by the Commission.

(5) SERVICES AND SUPPORT.—The Library of Congress shall provide financial management and disbursing services and support to the Commission as may be required and mutually agreed to by the Librarian of Congress and the Executive Secretary of the Commission.

(6) AUDITS.—The Comptroller General of the United States shall conduct annual audits of the Senate Preservation Fund and shall report the results of each audit to the Commission.

(d) ADMINISTRATIVE CHANGES.—

(1) SENATE COMMISSION ON ART.—Section 1 of Senate Resolution 382, 90th Congress, agreed to October 1, 1968, and enacted into law by section 901(a) of Public Law 100-696 (2 U.S.C. 2101) is amended—

(A) in subsection (b), by striking the first sentence and inserting “The Majority Leader and Minority Leader of the Senate shall be the chairman and vice chairman, respectively, of the Commission.”; and

(B) by striking subsection (c) and inserting the following:

“(c) The Secretary of the Senate shall appoint a Senate Curator approved by the Senate Commission on Art. The Senate Curator shall be an employee of the Secretary of the Senate assigned to assist the Commission. The Secretary of the Senate shall assign additional employees to assist the Commission, and provide such other assistance, as the Commission determines necessary.”

Appointment.

(2) PURCHASE OF ART.—The first sentence of section 316(a) of Public Law 101–302 (2 U.S.C. 2107(a)) is amended by inserting after “in which incurred,” the following: “for the purchase of art and historical objects for the United States Senate Collection, for exhibits and public education relating to the United States Senate Collection, for administrative and transitional expenses of the Senate Commission on Art, and”.

SEC. 4. ORIENTATION SEMINARS. The first sentence of section 107(a) of the Supplemental Appropriations Act, 1979 (Public Law 96–38; 2 U.S.C. 69a) is amended by striking “\$10,000” and inserting “\$25,000”.

SEC. 5. EXPENSE ALLOWANCES FOR CERTAIN OFFICERS OF THE SENATE. (a) IN GENERAL.—Section 119(a) of the joint resolution entitled “Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes”, approved October 1, 1981 (2 U.S.C. 65c) is amended by striking “\$3,000” and inserting “\$6,000”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to fiscal year 2004, and each fiscal year thereafter.

Applicability.
2 USC 65c note.

SEC. 6. CONSULTANTS. With respect to fiscal year 2004, the first sentence of section 101(a) of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6(a)) shall be applied by substituting “nine individual consultants” for “eight individual consultants”.

Applicability.
2 USC 61h–6
note.

SEC. 7. UNITED STATES SENATE COLLECTION. Section 316 of Public Law 101–302 (2 U.S.C. 2107) is amended in the first sentence of subsection (a) by striking “2003” and inserting “2004”.

SEC. 8. DATA COMMUNICATION LINES. Notwithstanding section 1348 of title 31, United States Code, the Committee on Rules and Administration of the Senate may authorize the installation of data communication lines and other appropriate Internet connections (not including voice connections) in the private residence of a Senator and up to 2 staff members designated by a Senator and the majority and minority staff director of a committee for conducting the work of the Senate subject to guidelines issued by the Committee on Rules and Administration.

SEC. 9. PROVISION OF SERVICES AND EQUIPMENT ON A REIMBURSABLE BASIS. 2 USC 61f–11.

(a) IN GENERAL.—Subject to the approval of the Committee on Rules and Administration of the Senate, the Sergeant at Arms and Doorkeeper of the Senate may provide services and equipment funded by appropriations available to the Senate to persons and entities not funded by such appropriations.

(b) REIMBURSEMENT REQUIRED.—The provision of services and equipment under subsection (a) shall be on a reimbursable basis.

(c) CREDITING OF REIMBURSED AMOUNTS.—In the case of services or equipment provided under subsection (a) that were procured using amounts available to the Sergeant at Arms and Doorkeeper of the Senate in the account for Contingent Expenses, Sergeant

at Arms and Doorkeeper of the Senate, amounts received under subsection (b) as reimbursement for the provision of such services or equipment shall be credited to that account or, if applicable, to any subaccount of that account. Amounts credited to any such account or subaccount shall be merged with amounts in that account or subaccount and shall be available to the same extent, and subject to the same terms and conditions, as amounts in that account or subaccount.

Applicability.

(d) EFFECTIVE DATE.—This section shall apply to fiscal year 2004 and each succeeding fiscal year.

2 USC 61–1 note.

SEC. 10. HIGH COST OF LIVING ALLOWANCE. (a) IN GENERAL.—Under the authority of section 105(d)(2) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(2)), a Senator from a noncontiguous State may pay a high cost of living allowance to any employee employed in an office of the Senator located in that State.

(b) LIMITATION.—An allowance under this section may not exceed 25 percent of the basic pay of an employee, determined without regard to this section.

(c) BASIC PAY TREATMENT.—An allowance under this section shall be treated as part of the basic pay of an employee.

(d) PAYMENT.—

(1) AGGREGATE GROSS COMPENSATION.—The amount of any allowance under this section shall not be taken into account for determining the amount of aggregate gross compensation in the table under section 105(d)(1)(A) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(1)(A)).

(2) APPROPRIATIONS.—Allowances under this section shall be paid from appropriations under the heading “SENATORS’ OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT”.

Applicability.

(e) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2004 and each fiscal year thereafter.

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, \$1,014,464,000, as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, \$18,142,000, including: Office of the Speaker, \$2,630,000, including \$25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, \$1,965,000, including \$10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, \$2,756,000, including \$10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, \$1,684,000, including \$5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, \$1,259,000, including \$5,000 for official expenses of the Minority Whip; Speaker’s Office for Legislative Floor Activities, \$460,000; Republican Steering Committee, \$862,000; Republican Conference, \$1,448,000; Democratic Steering and Policy Committee, \$1,542,000; Democratic Caucus, \$768,000; nine minority employees, \$1,380,000; training and program development—majority, \$290,000; training and program development—minority,

\$290,000; Cloakroom Personnel—majority, \$404,000; and Cloakroom Personnel—minority, \$404,000.

MEMBERS' REPRESENTATIONAL ALLOWANCES

INCLUDING MEMBERS' CLERK HIRE, OFFICIAL EXPENSES OF MEMBERS, AND OFFICIAL MAIL

For Members' representational allowances, including Members' clerk hire, official expenses, and official mail, \$514,454,000.

COMMITTEE EMPLOYEES

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by House resolutions, \$107,188,000: *Provided*, That such amount shall remain available for such salaries and expenses until December 31, 2004.

COMMITTEE ON APPROPRIATIONS

For salaries and expenses of the Committee on Appropriations, \$24,926,000, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: *Provided*, That such amount shall remain available for such salaries and expenses until December 31, 2004.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, \$156,896,000, including: for salaries and expenses of the Office of the Clerk, including not more than \$13,000, of which not more than \$10,000 is for the Family Room, for official representation and reception expenses, \$19,452,000; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages, and including not more than \$3,000 for official representation and reception expenses, \$5,471,000; for salaries and expenses of the Office of the Chief Administrative Officer, \$111,141,000, of which \$8,400,000 shall remain available until expended; for salaries and expenses of the Office of the Inspector General, \$3,847,000; for salaries and expenses of the Office of Emergency Planning, Preparedness and Operations, \$5,200,000, to remain available until expended; for salaries and expenses of the Office of General Counsel, \$926,000; for the Office of the Chaplain, \$153,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian and \$2,000 for preparing the Digest of Rules, \$1,560,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, \$2,263,000; for salaries and expenses of the Office of the Legislative Counsel of the House, \$6,233,000; for salaries and expenses of the Office of Interparliamentary Affairs, \$500,000; and for other authorized employees, \$150,000: *Provided*, That of the amounts provided under this heading to the Office of the Chief Administrative Officer, up to \$2,500,000 may be transferred to

the Office of the Architect of the Capitol, subject to the approval of the Committee on Appropriations of the House of Representatives.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, \$192,858,000, including: supplies, materials, administrative costs and Federal tort claims, \$3,975,000; official mail for committees, leadership offices, and administrative offices of the House, \$410,000; Government contributions for health, retirement, Social Security, and other applicable employee benefits, \$187,783,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, \$690,000.

CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (2 U.S.C. 2112), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

ADMINISTRATIVE PROVISION

SEC. 101. (a) REQUIRING AMOUNTS REMAINING IN MEMBERS' REPRESENTATIONAL ALLOWANCES TO BE USED FOR DEFICIT REDUCTION OR TO REDUCE THE FEDERAL DEBT.—Notwithstanding any other provision of law, any amounts appropriated under this Act for “HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—MEMBERS' REPRESENTATIONAL ALLOWANCES” shall be available only for fiscal year 2004. Any amount remaining after all payments are made under such allowances for fiscal year 2004 shall be deposited in the Treasury and used for deficit reduction (or, if there is no Federal budget deficit after all such payments have been made, for reducing the Federal debt, in such manner as the Secretary of the Treasury considers appropriate).

(b) REGULATIONS.—The Committee on House Administration of the House of Representatives shall have authority to prescribe regulations to carry out this section.

(c) DEFINITION.—As used in this section, the term “Member of the House of Representatives” means a Representative in, or a Delegate or Resident Commissioner to, the Congress.

SEC. 102. None of the funds in this Act may be used to provide supplemental dental or vision health insurance benefits for Members and employees of the House of Representatives.

SEC. 103. OFFICE OF INTERPARLIAMENTARY AFFAIRS.

(a) ESTABLISHMENT.—There is hereby established in the House of Representatives an office to be known as the “Office of Interparliamentary Affairs” (hereafter in this section referred to as the “Office”).

(b) DUTIES.—The duties of the Office are as follows:

(1) To receive and respond to inquiries from foreign parliamentarians or foreign legislative bodies regarding official visits to the House of Representatives.

(2) To coordinate official visits to the House of Representatives by parliamentarians, officers, or employees of foreign legislative bodies.

(3) To coordinate with the Sergeant at Arms, the Clerk, and other officers of the House of Representatives in providing services for delegations of Members on official visits to foreign nations.

(4) To carry out other activities to—

(A) discharge and coordinate the activities and responsibilities of the House of Representatives in connection with participation in various interparliamentary exchanges and organizations;

(B) facilitate the interchange and reception in the United States of members of foreign legislative bodies and permanent officials of foreign governments; and

(C) enable the House to host meetings with senior government officials and other dignitaries in order to discuss matters relevant to United States relations with other nations.

(c) DIRECTOR.—

(1) APPOINTMENT.—The Office shall be headed by the Director of Interparliamentary Affairs of the House of Representatives (hereafter in this section referred to as the “Director”), who shall be appointed by the Speaker without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any person so appointed shall serve at the pleasure of the Speaker.

(2) COMPENSATION.—The Director shall be paid at an annual rate determined by the Speaker.

(d) OTHER STAFF.—

(1) IN GENERAL.—With the approval of the Speaker, or in accordance with policies and procedures approved by the Speaker, the Director may appoint and set the pay of such other employees as may be necessary to carry out the functions of the Office. Any such appointment shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any person so appointed may be removed by the Director with the approval of the Speaker, or in accordance with policies and procedures approved by the Speaker.

(2) COMPENSATION.—Any employee of the Office appointed under this subsection shall be paid at an annual rate determined by the Director with the approval of the Speaker or in accordance with policies approved by the Speaker.

(e) CONFORMING AMENDMENT.—Subsection (b) of the first section of House Resolution 1047, Ninety Fifth Congress, agreed to April 4, 1978, as enacted into permanent law by section 111 of the Legislative Branch Appropriations Act, 1979 (2 U.S.C. 130–1), is amended by striking “\$80,000” and inserting “\$40,000”.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 2003 and each succeeding fiscal year such sums as may be necessary to carry out this section.

(g) EFFECTIVE DATE.—This section shall take effect upon the date of the enactment of this Act.

SEC. 104. (a) Section 8401(20) of title 5, United States Code, is amended by striking the semicolon at the end and inserting the following: “, and who (in the case of an individual who is

a Member of the House of Representatives, including a Delegate or Resident Commissioner to the Congress) serves as a Member prior to the date of the enactment of the Legislative Branch Appropriations Act, 2004;”.

Effective date.
5 USC 8401 note.

(b)(1) During the 60-day period which begins on the date of the enactment of the Legislative Branch Appropriations Act, 2004, any individual who, as of such date, is serving as a Member of the House of Representatives and on such date is not subject to chapter 84 of title 5, United States Code, may elect to become subject to such chapter.

(2) Any election under this paragraph shall be carried out in accordance with such procedures as the Office of Personnel Management may provide.

(3) In this subsection, the term “Member of the House of Representatives” includes a Delegate or Resident Commissioner to the Congress.

SEC. 105. (a) Section 311(d) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(d)) is amended in the matter preceding paragraph (1)—

- (1) by striking “in the House, or official expenses”; and
- (2) by striking “in the Senate”.

Applicability.
2 USC 59e note.

(b) The amendment made by subsection (a) shall apply with respect to fiscal year 2004 and each succeeding fiscal year.

Effective date.
2 USC 74d note.

SEC. 106. (a)(1) Effective October 1, 2003—

(A) 3 of the positions in the Corrections Calendar Office, and the functions associated with such positions, shall be transferred to the Office of the Speaker; and

(B) 2 of the positions in the Corrections Calendar Office, and the functions associated with such positions, shall be transferred to the Office of the Minority Leader.

(2) Notwithstanding any other provision of law, in the case of any individual who is an incumbent of a position transferred under paragraph (1) at the time of the transfer, the total number of days of annual leave and the total number of days of sick leave which were provided by the Corrections Calendar Office to the individual and which remain unused as of the date of the transfer shall remain available for the individual to use after the transfer.

Effective date.

(b) Effective with respect to fiscal year 2004 and each succeeding fiscal year, the lump sum allowance for salaries and expenses of the Corrections Calendar Office provided under House Resolution 130, One Hundred Fifth Congress, agreed to April 24, 1997, as enacted into permanent law by section 101 of the Legislative Branch Appropriations Act, 1998 (2 U.S.C. 74d–1 et seq.), is transferred as follows:

(1) 63.5 percent of such allowance shall be transferred to the Office of the Speaker.

(2) 36.5 percent of such allowance shall be transferred to the Office of the Minority Leader.

JOINT ITEMS

For Joint Committees, as follows:

JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES OF
2005

For salaries and expenses associated with conducting the inaugural ceremonies of the President and Vice President of the United States, January 20, 2005, in accordance with such program as may be adopted by the joint congressional committee authorized to conduct the inaugural ceremonies of 2005, \$1,250,000 to be disbursed by the Secretary of the Senate and to remain available until September 30, 2005. Funds made available under this heading shall be available for payment, on a direct or reimbursable basis, whether incurred on, before, or after, October 1, 2004: *Provided*, That the compensation of any employee of the Committee on Rules and Administration of the Senate who has been designated to perform service with respect to the inaugural ceremonies of 2005 shall continue to be paid by the Committee on Rules and Administration, but the account from which such staff member is paid may be reimbursed for the services of the staff member (including agency contributions when appropriate) out of funds made available under this heading.

Compensation.

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, \$3,988,000, to be disbursed by the Secretary of the Senate.

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, \$8,112,000, to be disbursed by the Chief Administrative Officer of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of \$2,175 per month to the Attending Physician; (2) an allowance of \$725 per month each to four medical officers while on duty in the Office of the Attending Physician; (3) an allowance of \$725 per month to two assistants and \$580 per month each not to exceed 11 assistants on the basis heretofore provided for such assistants; and (4) \$1,566,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, \$2,236,000, to be disbursed by the Chief Administrative Officer of the House of Representatives.

CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

For salaries and expenses of the Capitol Guide Service and Special Services Office, \$3,511,000, to be disbursed by the Secretary of the Senate: *Provided*, That no part of such amount may be used to employ more than 58 individuals: *Provided further*, That the Capitol Guide Board is authorized, during emergencies, to

employ not more than two additional individuals for not more than 120 days each, and not more than 10 additional individuals for not more than 6 months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and the House of Representatives, of the statements for the first session of the 108th Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, \$30,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

CAPITOL POLICE

SALARIES

For salaries of employees of the Capitol Police, including overtime, hazardous duty pay differential, and Government contributions for health, retirement, social security, and other applicable employee benefits, \$197,600,000, to be disbursed by the Chief of the Capitol Police or his designee.

GENERAL EXPENSES

For necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance program, the awards program, postage, communication services, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and not more than \$5,000 to be expended on the certification of the Chief of the Capitol Police in connection with official representation and reception expenses, \$23,500,000, of which \$1,745,000 shall remain available until expended, to be disbursed by the Chief of the Capitol Police or his designee: *Provided*, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 2004 shall be paid by the Secretary of Homeland Security from funds available to the Department of Homeland Security.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 1001. TRANSFER AUTHORITY. Amounts appropriated for fiscal year 2004 for the Capitol Police may be transferred between the headings “SALARIES” and “GENERAL EXPENSES” upon the approval of the Committees on Appropriations of the Senate and the House of Representatives.

2 USC 1908.

SEC. 1002. LEGAL REPRESENTATION AUTHORITY. (a) IN GENERAL.—

(1) AUTHORIZATION OF REPRESENTATION.—Any counsel described under paragraph (2) may for the purposes of providing

legal assistance and representation to the United States Capitol Police Board or the United States Capitol Police enter an appearance in any proceeding before any court of the United States or of any State or political subdivision thereof, without compliance with any requirement for admission to practice before such court.

(2) COUNSEL.—Paragraph (1) refers to—

(A) the General Counsel for the United States Capitol Police Board and the Chief of the Capitol Police;

(B) the Employment Counsel for the United States Capitol Police Board and the United States Capitol Police;

(C) any attorney employed in the Office of the General Counsel for the United States Capitol Police or the Office of Employment Counsel for the United States Capitol Police;

(D) the counsel for, or any attorney employed by, any successor office of either office described under subparagraph (C); and

(E) any attorney retained by contract with either office described under subparagraph (C).

(b) LIMITATIONS.—

(1) DIRECTION FOR APPEARANCE.—Entrance of appearance authorized under subsection (a) shall be subject to the direction of the Capitol Police Board.

(2) UNITED STATES SUPREME COURT.—The authority under subsection (a) shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

(c) EFFECTIVE DATE.—This section shall apply to fiscal year 2004, and each fiscal year thereafter. Applicability.

SEC. 1003. EXTENDED CAPITOL POLICE JURISDICTION ZONE FOR THE TRUCK INTERDICTION PROGRAM. (a) IN GENERAL.—Section 9B of the Act entitled “An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes”, approved July 31, 1946 (2 U.S.C. 1967) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by striking “and” after the semicolon;

(B) in paragraph (4), by striking “in subsection (b) of this section.” and inserting “under subsection (b)(1); and”; and

(C) by adding at the end the following:

“(5) within the area described under subsection (b)(2)—

“(A) with respect to any crime of violence committed in the presence of the member, if the member is in the performance of official duties, as defined under such regulations, when the crime is committed; and

“(B) to prevent imminent loss of life or injury to person or property, if the officer is in the performance of official duties, as defined under such regulations, when the authority is exercised.”; and

(2) in subsection (b)—

(A) by inserting “(1)” after “(b)”; and

(B) by adding at the end the following:

“(2) The area referred to under subsection (a)(5) is that area bounded by the north curb of Constitution Avenue from 14th Street, N.W., to 3rd Street, N.W., the east curb of 3rd

Street from Constitution Avenue, N.W., to Independence Avenue, S.W., the south curb of Independence Avenue from 3rd Street, S.W., to 14th Street, S.W., and the west curb of 14th Street from Independence Avenue, S.W., to Constitution Avenue, N.W.”.

2 USC 1967 note.

(b) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section may be construed to limit the authority of the Capitol Police as in effect before the effective date of this section.

Regulations.

2 USC 1967 note.

(c) EFFECTIVE DATE.—This section shall take effect on the date on which the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives approve regulations prescribed by the Capitol Police Board for the sole implementation, execution and maintenance of the truck interdiction program.

5 USC 8331 note.

SEC. 1004. RETIREMENT TREATMENT FOR CAPITOL POLICE HAZARDOUS MATERIALS RESPONSE TEAM MEMBERS. (a) RETIREMENT TREATMENT.—

(1) IN GENERAL.—For purposes of chapters 83 and 84 of title 5, United States Code, a hazardous materials response team member of the Capitol Police shall be treated as a member of the Capitol Police.

Effective date.

(2) APPLICATION.—This subsection shall apply to periods of service performed as a hazardous materials response team member of the Capitol Police on and after December 1, 2002.

(b) TREATMENT OF INCUMBENTS.—

(1) DEFINITIONS.—In this subsection, the term—

(A) “incumbent” means an individual who—

(i) is first appointed as a hazardous materials response team member of the Capitol Police before the effective date of this section; and

(ii) is employed as a hazardous materials response team member of the Capitol Police on that date; and

(B) “prior service” means any period of service performed by an incumbent as a hazardous materials response team member of the Capitol Police before the effective date of this section.

(2) INDIVIDUAL CONTRIBUTIONS.—

(A) IN GENERAL.—An incumbent shall pay with respect to prior service an amount into the Civil Service Retirement and Disability Fund equal to—

(i) the difference between the individual contributions that were actually made for such prior service and the individual contributions that would have been made for such service if subsection (a) had then been in effect; and

(ii) interest computed on the amount under clause (i) based on section 8334(e) of title 5, United States Code.

(B) EFFECT OF NOT CONTRIBUTING.—If no part of or less than the full amount required under subparagraph (A) is paid, all prior service of the incumbent shall remain fully creditable as treated under subsection (a), but the resulting annuity shall be reduced in a manner similar to that described under section 8334(d)(2) of title 5, United States Code, to the extent necessary to make up the amount unpaid.

(3) GOVERNMENT CONTRIBUTIONS FOR PRIOR SERVICE.—The Capitol Police shall pay with respect to prior service of each incumbent an amount into the Civil Service Retirement and Disability Fund equal to—

(A) the difference between the Government contributions that were actually made for such prior service and the Government contributions that would have been made for such service if subsection (a) had then been in effect; and

(B) interest computed on the amount under subparagraph (A) based on section 8334(e) of title 5, United States Code.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

SEC. 1005. TECHNICAL. (a) IN GENERAL.—Section 1005 of the Legislative Branch Appropriations Act, 2003 (Public Law 108–7; 117 Stat. 358) is repealed.

(b) EFFECTIVE DATE.—The repeal made by this section shall be effective as of February 20, 2003.

SEC. 1006. TRAINING, DETAILING, AND HIRING AUTHORITY PENDING TRANSFER OF LIBRARY OF CONGRESS POLICE EMPLOYEES.

2 USC 1901 note.

(a) TRAINING AND DETAILING.—

(1) IN GENERAL.—To provide for a more effective and efficient transfer under section 1015 of the Legislative Branch Appropriations Act, 2003 (2 U.S.C. 1901 note)—

(A) the Chief of the Capitol Police shall provide for training, on a reimbursable basis, of Library of Congress Police employees who on the date of enactment of this Act, are 42 years of age or less and have 5 years or less of service as a Library of Congress Police employee, which shall be supplemental to Library of Congress Police training;

(B) the Librarian of Congress may detail, with or without reimbursement, Library of Congress Police employees to the Capitol Police; and

(C) the Chief of the Capitol Police may detail, on a reimbursable basis, members of the Capitol Police to the Library of Congress Police.

(2) BEGINNING OF TRAINING.—Training under paragraph (1) shall begin within 90 days of the date of enactment of this Act.

(b) HIRING.—

(1) DEFINITIONS.—In this subsection, the terms “Act of August 4, 1950” and “Library of Congress Police employee” have the meanings given such terms under section 1015(c) of the Legislative Branch Appropriations Act, 2003 (2 U.S.C. 1901 note).

(2) LIMITATION ON NEW LIBRARY OF CONGRESS POLICE EMPLOYEES.—Notwithstanding the first section of the Act of August 4, 1950 or any other provision of law, the Librarian of Congress may not—

(A) hire any individual as a Library of Congress Police employee; or

(B) transfer any employee of the Library of Congress to a Library of Congress Police employee position.

(3) HIRING OF INDIVIDUALS.—

(A) IN GENERAL.—The Librarian of Congress may select individuals to be submitted to the Chief of the Capitol Police for purposes of subparagraph (B).

(B) HIRING.—If an individual submitted under subparagraph (A) meets all qualifications to be a member of the Capitol Police, the Chief of the Capitol Police shall hire that individual as a member of the Capitol Police.

(C) LIMITATION.—During fiscal year 2004, the number of individuals hired under this subsection may not exceed the total of—

(i) 23 individuals; and

(ii) the number of Library of Congress Police employees who separate from service or transfer to a position other than a Library of Congress Police employee position.

(4) TRAINING AND DETAILING.—An individual hired under this subsection shall receive necessary training, including training by the Library of Congress Police, and be detailed to the Library of Congress Police.

(5) ASSIGNMENTS AND REASSIGNMENTS.—Nothing under this subsection may be construed to affect the authority of the Chief of the Capitol Police, after the date of the transfer of Library of Congress Police employees under section 1015 of the Legislative Appropriations Act, 2003 (2 U.S.C. 1901 note), to assign or reassign any member of the Capitol Police hired under this subsection.

Applicability.

(6) EFFECTIVE DATE.—This subsection shall take effect on the date of enactment of this Act and apply with respect to—

(A) any remaining portion of fiscal year 2003, if this Act is enacted before October 1, 2003; and

(B) fiscal year 2004 and each fiscal year, thereafter.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), \$2,255,000, of which \$304,700 shall remain available until September 30, 2005: *Provided*, That the Executive Director of the Office of Compliance may, within the limits of available appropriations, dispose of surplus or obsolete personal property by interagency transfer, donation, or discarding.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary for operation of the Congressional Budget Office, including not more than \$3,000 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, \$33,820,000: *Provided*, That no part of such amount may be used for the purchase or hire of a passenger motor vehicle.

ARCHITECT OF THE CAPITOL

GENERAL ADMINISTRATION

For salaries for the Architect of the Capitol, and other personal services, at rates of pay provided by law; for surveys and studies in connection with activities under the care of the Architect of the Capitol; for all necessary expenses for the general and administrative support of the operations under the Architect of the Capitol including the Botanic Garden; electrical substations of the Capitol, Senate and House office buildings, and other facilities under the jurisdiction of the Architect of the Capitol; including furnishings and office equipment; including not more than \$5,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance, and operation of a passenger motor vehicle, \$77,053,000, of which \$4,200,000 shall remain available until September 30, 2008.

CAPITOL BUILDING

For all necessary expenses for the maintenance, care and operation of the Capitol, \$28,188,000, of which \$13,002,000 shall remain available until September 30, 2008.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, \$6,886,000, of which \$585,000 shall remain available until September 30, 2008.

SENATE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, \$63,388,000, of which \$17,433,000 shall remain available until September 30, 2008.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, \$62,816,000, of which \$27,750,000 shall remain available until September 30, 2008.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which

shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, \$81,543,000, of which \$36,652,000 shall remain available until September 30, 2008: *Provided*, That not more than \$4,400,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 2004.

LIBRARY BUILDINGS AND GROUNDS

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, \$39,159,000, of which \$21,286,000 shall remain available until September 30, 2008.

CAPITOL POLICE BUILDINGS AND GROUNDS

For all necessary expenses for the maintenance, care, and operation of buildings and grounds of the United States Capitol Police, \$3,308,000, of which \$2,075,000 shall remain available until September 30, 2008.

BOTANIC GARDEN

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, \$6,189,000, of which \$152,000 shall remain available until September 30, 2008: *Provided*, That this appropriation shall not be available for construction of the National Garden.

CAPITOL VISITOR CENTER

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for the Capitol Visitor Center project, \$35,800,000, to remain available until expended, and in addition, \$1,039,000 for Capitol Visitor Center operation costs of which \$750,000 shall remain available until expended: *Provided*, That in addition to such amounts, there is transferred to the account under this heading \$12,000,000 of the amounts made available for the United States Capitol Police headquarters under the heading “ARCHITECT OF THE CAPITOL”, “CAPITOL POLICE BUILDINGS AND GROUNDS” in chapter 8 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 586), to remain available until expended: *Provided further*, That the Architect of the Capitol may not obligate any of the funds which are made available for the Capitol Visitor Center without an obligation plan approved by the Committees on Appropriations of the Senate and House of Representatives: *Provided further*, That the total amount of Federal funds which may be obligated or expended on, before, or after the date of the enactment of this Act for the construction of a tunnel connecting the Capitol Visitor Center with the Library of Congress may not exceed \$10,000,000.

ADMINISTRATIVE PROVISIONS

SEC. 1101. (a) Section 133(a) of the Legislative Branch Appropriations Act, 2002 (Public Law 107–68; 115 Stat. 581), is amended—

2 USC 1831 note.

(1) by adding at the end of paragraph (2) the following new subparagraph:

“(E) An individual who is covered by a collective bargaining agreement entered into by the Architect of the Capitol establishing terms and conditions of employment which include eligibility for life insurance, health insurance, retirement, and other benefits.”; and

(2) by adding at the end the following new paragraph:

“(4) The Architect of the Capitol shall make employer contributions for benefits for employees of the Architect (including temporary employees) directly to any third party designated to receive such contributions on behalf of the employees under a collective bargaining agreement, participation agreement, or any other arrangement entered into by the Architect which provides for such contributions.”.

(b) Any individual who exercised an option offered by the Architect of the Capitol under section 133(a)(2) of the Legislative Branch Appropriations Act, 2002, prior to the date of the enactment of this Act may revoke the option during the 90-day period which begins on the date of the enactment of this Act.

(c) The amendments made by subsection (a) shall take effect as if included in the enactment of section 133(a) of the Legislative Branch Appropriations Act, 2002.

Effective date.

(d) Notwithstanding any other provision of law, upon enactment of this Act the Architect of the Capitol shall take all steps which may be required to carry out section 133(a) of the Legislative Branch Appropriations Act, 2002.

SEC. 1102. LEASING OF SPACE. (a) IN GENERAL.—Funds appropriated to the Architect of the Capitol shall be available—

2 USC 1822.

(1) for the leasing of space in areas within the District of Columbia and its environs beyond the boundaries of the United States Capitol Grounds to meet space requirements of the United States Senate, United States House of Representatives, United States Capitol Police, and the Architect of the Capitol under such terms and conditions as the Committee or Commission referred to under subsection (b) may authorize; and

(2) to incur any necessary expense in connection with any leasing of space under paragraph (1).

(b) CONDITIONS TO LEASE SPACE.—The Architect of the Capitol may lease space under subsection (a) upon submission of written notice of intent to lease such space to, and approved by—

(1) the Committee on Rules and Administration of the Senate for space to be leased for the Senate;

(2) the House Office Building Commission for space to be leased for the House of Representatives; and

(3) the Committees on Appropriations of the Senate and House of Representatives.

(c) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2004, and each fiscal year thereafter.

Applicability.

SEC. 1103. (a) IN GENERAL.—There are transferred into the account under the subheading “GENERAL ADMINISTRATION” under

the heading “ARCHITECT OF THE CAPITOL” \$63,000,000, of which—

(1) \$44,000,000 shall be transferred from unobligated funds transferred to “Architect of the Capitol”, “Capitol Buildings and Grounds”, “Capitol Buildings” (under the subheading “LEGISLATIVE BRANCH EMERGENCY RESPONSE FUND (INCLUDING TRANSFER OF FUNDS)” under the heading “JOINT ITEMS” under the heading “LEGISLATIVE BRANCH” under chapter 9 of division B of the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002 (Public Law 107–117)) from amounts made available in Public Law 107–38;

(2) \$10,000,000 shall be transferred from unobligated funds transferred to “Capitol Police Board”, “Capitol Police”, “General Expenses” under that subheading (relating to the Legislative Branch Emergency Response Fund) from amounts made available in Public Law 107–38; and

(3) \$9,000,000 shall be transferred from unobligated funds appropriated under the subheading “CAPITOL POLICE BUILDINGS AND GROUNDS” under the heading “ARCHITECT OF THE CAPITOL” under chapter 8 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11).

Notification.

(b) Funds under subsection (a) shall be obligated upon notification to the Committees on Appropriations of the House and Senate.

(c) EFFECTIVE DATE.—This section shall take effect on September 30, 2004.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Library’s catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, \$370,897,000, of which not more than \$6,500,000 shall be derived from collections credited to this appropriation during fiscal year 2004, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C. 150) and not more than \$350,000 shall be derived from collections during fiscal year 2004 and shall remain available until expended for the development and maintenance of an international legal information database and activities related thereto: *Provided*, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: *Provided further*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the \$6,850,000: *Provided further*, That

of the total amount appropriated, \$11,546,000 shall remain available until expended for acquisition of books, periodicals, newspapers, and all other materials including subscriptions for bibliographic services for the Library, including \$40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: *Provided further*, That of the total amount appropriated, not more than \$12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices: *Provided further*, That of the total amount appropriated, \$905,000 shall remain available until expended for the acquisition and partial support for implementation of an Integrated Library System (ILS): *Provided further*, That of the total amount appropriated, \$8,750,000 shall remain available until expended for the purpose of teaching educators and librarians how to incorporate the Library's digital collections into school curricula and shall be transferred to the educational consortium formed to conduct the "Adventure of the American Mind" project as approved by the Library: *Provided further*, That of the amount appropriated, \$250,000 shall remain available until expended, and shall be transferred to the Abraham Lincoln Bicentennial Commission for carrying out the purposes of Public Law 106–173, of which amount \$10,000 may be used for official representation and reception expenses of the Abraham Lincoln Bicentennial Commission: *Provided further*, That of the total amount appropriated, \$1,380,000 shall remain available until September 30, 2008 for the acquisition and partial support for implementation of a Central Financial Management System: *Provided further*, That of the total amount appropriated, \$11,060,000 shall remain available until expended for partial support of the National Audio-Visual Conservation Center: *Provided further*, That of the total amount appropriated, \$2,762,000 shall remain available until expended for the development and maintenance of the Alternate Computer Facility: *Provided further*, That, of the total amount appropriated, \$500,000 shall remain available until expended and shall be transferred to the Knox College Abraham Lincoln Studies Center for exhibits relating to the Lincoln-Douglas Debates and the Underground Railroad and for other educational activities of the Center: *Provided further*, That, of the total amount appropriated, \$500,000 shall remain available until expended and shall be transferred to the Louisiana Department of Culture, Recreation and Tourism for activities relating to the Louisiana Purchase Bicentennial Celebration.

Knox College.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, \$48,290,000, of which not more than \$23,321,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal year 2004 under section 708(d) of title 17, United States Code: *Provided*, That the Copyright Office may not obligate or expend any funds derived from collections under such section, in excess of the amount authorized for obligation or expenditure in appropriations Acts: *Provided further*, That not more than \$6,343,000 shall be derived from collections during fiscal year 2004 under sections 111(d)(2), 119(b)(2), 802(h), and 1005 of such title:

Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than \$29,664,000: *Provided further*, That not more than \$100,000 of the amount appropriated is available for the maintenance of an “International Copyright Institute” in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: *Provided further*, That not more than \$4,250 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute and for copyright delegations, visitors, and seminars.

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, \$91,726,000: *Provided*, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C. 135a), \$51,706,000, of which \$14,812,000 shall remain available until expended.

ADMINISTRATIVE PROVISIONS

SEC. 1201. INCENTIVE AWARDS PROGRAM. Of the amounts appropriated to the Library of Congress in this Act, not more than \$5,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the incentive awards program.

SEC. 1202. REIMBURSABLE AND REVOLVING FUND ACTIVITIES. (a) IN GENERAL.—For fiscal year 2004, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed \$105,589,000.

(b) ACTIVITIES.—The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch.

(c) TRANSFER OF FUNDS.—During fiscal year 2004, the Librarian of Congress may temporarily transfer funds appropriated in this Act, under the heading “LIBRARY OF CONGRESS” under the subheading “—SALARIES AND EXPENSES” to the revolving fund for

the FEDLINK Program and the Federal Research Program established under section 103 of the Library of Congress Fiscal Operations Improvement Act of 2000 (Public Law 106–481; 2 U.S.C. 182c): *Provided*, That the total amount of such transfers may not exceed \$1,900,000: *Provided further*, That the appropriate revolving fund account shall reimburse the Library for any amounts transferred to it before the period of availability of the Library appropriation expires.

SEC. 1203. NATIONAL AUDIOVISUAL CONSERVATION CENTER. (a) ACQUISITION.—Section (1)(a) of the Act entitled “An Act to authorize acquisition of certain real property for the Library of Congress, and for other purposes” (2 U.S.C. 141 note; Public Law 105–144) is amended by striking paragraph (1) and inserting the following:

“(1) Three parcels totaling approximately 45 acres, more or less, located in Culpeper County, Virginia, and identified as Culpeper County Tax Parcel Numbers 51–80B, 51–80C, and 51–80D, further described as real estate (consisting of 40.949 acres) conveyed to David and Lucile Packard Foundation by deed from Federal Reserve Bank of Richmond, dated May 15, 1998, and recorded May 19, 1998, in the Clerk’s Office, Circuit Court of Culpeper County, Virginia, in Deed Book 644, page 372; and real estate (consisting of 4.181 acres) conveyed to Packard Humanities Institute by deed from Russell H. Inskeep, dated February 13, 2002, and recorded February 13, 2002, in the Clerk’s Office, Circuit Court of Culpeper County, Virginia, as instrument number 020001299.”.

(b) LIBRARY BUILDINGS AND GROUNDS.—Section 11(d) of the Act entitled “An Act relating the policing of the buildings of the Library of Congress”, approved August 4, 1950 (2 U.S.C. 167(j)), is amended by striking paragraph (1) and inserting the following:

2 USC 167j.

“(1) Three parcels totaling approximately 45 acres, more or less, located in Culpeper County, Virginia, and identified as Culpeper County Tax Parcel Numbers 51–80B, 51–80C, and 51–80D, further described as real estate (consisting of 40.949 acres) conveyed to David and Lucile Packard Foundation by deed from Federal Reserve Bank of Richmond, dated May 15, 1998, and recorded May 19, 1998, in the Clerk’s Office, Circuit Court of Culpeper County, Virginia, in Deed Book 644, page 372; and real estate (consisting of 4.181 acres) conveyed to Packard Humanities Institute by deed from Russell H. Inskeep, dated February 13, 2002, and recorded February 13, 2002, in the Clerk’s Office, Circuit Court of Culpeper County, Virginia, as instrument number 020001299.”.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(INCLUDING TRANSFER OF FUNDS)

For authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (section 902 of title 44, United States Code); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications

authorized by law to be distributed without charge to the recipient, \$91,111,000: *Provided*, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under section 906 of title 44, United States Code: *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years: *Provided further*, That notwithstanding the 2-year limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter 7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code: *Provided further*, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, \$34,456,000: *Provided*, That amounts of not more than \$2,000,000 from current year appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for fiscal years 2002 and 2003 to depository and other designated libraries: *Provided further*, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

For payment to the Government Printing Office Revolving Fund, \$10,000,000 for working capital. The Government Printing Office may make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the Government Printing Office revolving fund: *Provided*, That not more than \$5,000 may be expended on the certification of the Public Printer in connection

with official representation and reception expenses: *Provided further*, That the revolving fund shall be available for the hire or purchase of not more than 12 passenger motor vehicles: *Provided further*, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: *Provided further*, That the revolving fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: *Provided further*, That the revolving fund and the funds provided under the headings “OFFICE OF SUPERINTENDENT OF DOCUMENTS” and “SALARIES AND EXPENSES” together may not be available for the full-time equivalent employment of more than 3,189 workyears (or such other number of workyears as the Public Printer may request, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate): *Provided further*, That activities financed through the revolving fund may provide information in any format.

ADMINISTRATIVE PROVISIONS

SEC. 1301. PAY OF PUBLIC PRINTER AND DEPUTY PUBLIC PRINTER. (a) IN GENERAL.—Section 303 of title 44, United States Code, is amended to read as follows:

“SEC. 303. PUBLIC PRINTER AND DEPUTY PUBLIC PRINTER: PAY.

“The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level II of the Executive Schedule under subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level III of such Executive Schedule.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

44 USC 303 note.

SEC. 1302. SURPLUS PROPERTY, ACCEPTANCE OF GIFTS, AND VOLUNTARY SERVICES. (a) IN GENERAL.—Chapter 3 of title 44, United States Code, is amended by adding after section 317 the following:

“§ 318. Transfer of surplus property; acceptance of voluntary services

“(a) The Public Printer may—

“(1) transfer or donate surplus Government publications and condemned Government Printing Office machinery, material, equipment, and supplies to—

“(A) other Federal entities;

“(B) any organization described under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of such Code; or

“(C) State or local governments; and

“(2) accept voluntary and uncompensated services, notwithstanding section 1342 of title 31.

“(b) Individuals providing voluntary and uncompensated services under subsection (a)(2) shall not be considered Federal employees, except for purposes of chapter 81 of title 5 (relating

to compensation for work injuries) and chapter 171 of title 28 (relating to tort claims).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 3 of title 44, United States Code, is amended by inserting after the item relating to section 317 the following:

“318. Transfer of surplus property; acceptance of voluntary services.”.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not more than \$12,500 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with section 3324 of title 31, United States Code; benefits comparable to those payable under section 901(5), (6), and (8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), (6), and (8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, \$460,322,000: *Provided*, That not more than \$4,806,200 of payments received under section 782 of title 31, United States Code, shall be available for use in fiscal year 2004: *Provided further*, That not more than \$1,200,000 of reimbursements received under section 9105 of title 31, United States Code, shall be available for use in fiscal year 2004: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum’s costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants: *Provided further*, That payments hereunder to the Forum may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences.

ADMINISTRATIVE PROVISION

31 USC 3523
note.

SEC. 1401. PAYMENT FOR AUDITS. (a) IN GENERAL.—At any time during fiscal year 2004 or thereafter, the Comptroller General may accept payment from the Securities and Exchange Commission for the performance of any audit of the financial statements of the Commission which is conducted by the Comptroller General.

(b) CREDIT TO ACCOUNT.—Any payment accepted under the authority of subsection (a) shall be credited to the account established for salaries and expenses of the General Accounting Office, and shall be available for obligation and expenditure upon receipt.

PAYMENT TO THE OPEN WORLD LEADERSHIP CENTER
TRUST FUND

For a payment to the Open World Leadership Center Trust Fund for financing activities of the Open World Leadership Center, \$13,500,000.

TITLE II—GENERAL PROVISIONS

SEC. 201. MAINTENANCE AND CARE OF PRIVATE VEHICLES. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 202. FISCAL YEAR LIMITATION. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal year 2004 unless expressly so provided in this Act.

SEC. 203. RATES OF COMPENSATION AND DESIGNATION. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 (46 Stat. 32 et seq.) is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: *Provided*, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto.

SEC. 204. CONSULTING SERVICES. The expenditure of any appropriation under this Act for any consulting service through procurement contract, under section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued under existing law.

Contracts.
Public
information.

SEC. 205. AWARDS AND SETTLEMENTS. Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of the Congressional Accountability Act (2 U.S.C. 1415(a)) to pay awards and settlements as authorized under such subsection.

SEC. 206. COSTS OF LBFMC. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed \$2,000.

SEC. 207. The Architect of the Capitol, in consultation with the District of Columbia, is authorized to maintain and improve the landscape features, excluding streets and sidewalks, in the irregular shaped grassy areas bounded by Washington Avenue, SW on the northeast, Second Street SW on the west, Square 582 on the south, and the beginning of the I–395 tunnel on the southeast.

SEC. 208. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 209. FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD. During fiscal year 2004 and any succeeding fiscal year, any entity in the legislative branch which is a member of the Federal Accounting Standards Advisory Board may use funds made available to the entity for the fiscal year to finance an appropriate share of the costs of the Board for the year.

Emergency
Supplemental
Appropriations
Act, 2003.

TITLE III—FISCAL YEAR 2003 EMERGENCY SUPPLEMENTAL

CHAPTER 1

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$12,187,000, to remain available until expended, for costs associated with judgeships authorized by section 312 of Public Law 107–273.

DEFENDER SERVICES

For an additional amount for “Defender Services”, \$17,228,000, to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For an additional amount for “Fees of Jurors and Commissioners”, \$2,778,000, to remain available until expended.

CHAPTER 2

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for “Flood Control and Coastal Emergencies”, for emergency expenses due to flood control, hurricane, and shore protection activities, as authorized by section 5 of the

Flood Control Act of August 16, 1941, as amended (33 U.S.C. 701n), \$60,000,000, to remain available until expended.

CHAPTER 3

DEPARTMENT OF HOMELAND SECURITY

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

For an additional amount for “Disaster Relief” for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$441,700,000, to remain available until expended.

CHAPTER 4

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount to repay advances from other appropriations transferred for wildfire suppression and emergency rehabilitation activities of the Department of the Interior, \$36,000,000, to remain available until expended.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For an additional amount for “Resource Management” for Midway Atoll National Wildlife Refuge, \$5,000,000, to remain available until expended, of which \$4,500,000 is for oil spill cleanup activities, and of which \$500,000 is for airfield operations.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount to repay advances from other appropriations from which funds were transferred for wildfire suppression, and for mitigation and emergency rehabilitation activities of the Forest Service, \$283,000,000, to remain available until expended: *Provided*, That of the funds provided, \$10,000,000 is for hazardous fuels reduction and hazard mitigation in southern California and \$20,000,000 is for State and volunteer fire assistance in southern California: *Provided further*, That \$20,000,000 of funds made available in the previous proviso shall be transferred to the “State and Private Forestry” account to fund hazard mitigation, fuels reduction and forest health protection and mitigation activities on State and private lands in southern California.

CHAPTER 5

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For an additional amount for “Human Space Flight” to cover necessary expenses for responding to the Space Shuttle Columbia accident, \$50,000,000, to remain available until expended.

CHAPTER 6

GENERAL PROVISIONS

SEC. 3601. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 3602. The Secretary of Agriculture shall use \$9,700,000 of the funds of the Commodity Credit Corporation, to remain available until expended, to provide assistance under the tree assistance program, subtitle C of title X of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8201 et seq.), to compensate eligible orchardists (as defined in section 10201 of such Act) for tree losses incurred since January 1, 2000, due to fire blight in the State of Michigan.

SEC. 3603. The Secretary of Agriculture shall use \$20,000,000 of the funds of the Commodity Credit Corporation, to remain available until expended, for the suppression and control of the Mormon cricket infestation on public and private land in Nevada, Utah, and Idaho, that amount to be expended in equal amounts among the 3 States.

SEC. 3604. The statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in chapter 13 of division A of the explanatory language on H.R. 5666 (Miscellaneous Appropriations Act, 2001), in the matter under the heading “Community Development Fund”, is deemed to be amended with respect to the amount made available to the City of Paso Robles, California by striking “for the Oak Parks Housing Project for modernization and rehabilitation projects” and inserting “for construction of a senior citizen project”.

SEC. 3605. The referenced statement of the managers under the heading “Community development fund” in title II of Division K of the Consolidated Appropriations Resolution, 2003 (Public Law 108–7; House Report 108–10) is deemed to be amended with respect to item number 526 by striking “for an economic development study for the revitalization of Westchester” and inserting “for the reconstruction of renaissance plaza at Maine and Mamaroneck in downtown White Plains”.

SEC. 3606. Notwithstanding the first paragraph of the item in title II of Division K of the Consolidated Appropriations Resolution, 2003 (Public Law 108–7) relating to “Federal Housing Administration, General and special risk program account”, during fiscal year 2003, commitments to guarantee loans to carry out the purposes of sections 238 and 519 of the National Housing Act shall not exceed a loan principal of \$25,000,000,000.

SEC. 3607. Notwithstanding any other provision of law, funds awarded under a grant to the San Diego Workforce Partnership

on June 30, 2001, pursuant to section 173 of the Workforce Investment Act (29 U.S.C. 2918), may be used to provide services to spouses of members of the Armed Forces.

SEC. 3608. The matter under the heading “Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services” in division G of Public Law 108-7, as amended by chapter 5 of title II of Public Law 108-11, is further amended—

Ante, p. 594.

(1) by striking “\$296,638,000” and inserting “\$296,238,000” preceding the first proviso; and

(2) by inserting after “\$1,000,000 is available for the Geisinger Health System, Harrisburg, PA, to establish centers of excellence for the treatment of autism” the following: “, \$400,000 is available for the Muskegon Community Health Project, Muskegon, Michigan for the Access Health insurance program,”.

SEC. 3609. The matter under the heading “Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services”, in Division G of Public Law 108-7, as amended by chapter 5 of title II of Public Law 108-11, is further amended—

(1) by striking “Venago County Area Vo-tech, Oil City, PA” and inserting “Victim Resource Center, Inc., of Pennsylvania” in lieu thereof;

(2) by striking “\$115,900,000 is available” and inserting “\$116,650,000 is available”; and

(3) by inserting after “health services to at-risk children in day care” the following: “, \$350,000 is available for the Phoenix Children’s Health Project in Arizona to address the health needs of extremely vulnerable homeless and runaway youth in underserved rural and urban areas, \$200,000 is available for the Pittsburgh Mercy Health System, Pittsburgh, PA, for health outreach and education, \$200,000 is available for the University of Pennsylvania School of Dental Medicine, Philadelphia, PA, for its minority outreach oral health initiative,”.

SEC. 3610. (a) The matter under the heading “Department of Education, Special Education”, in Public Law 108-7 is amended—

Ante, p. 328.

(1) by striking “\$10,095,639,000” and inserting “\$10,095,139,000”; and

(2) by striking “\$7,715,000” and inserting “\$7,215,000”.

(b) In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108-7; House Report 108-10), in the matter in title III of Division G, relating to research and innovation under the heading “Special Education”, the provision specifying \$500,000 for the Ohio Alliance of Community Center for the Deaf, Worthington, Ohio, for Ohio Deaf Assistive Services Model project shall be deleted.

SEC. 3611. (a) The matter under the heading “Department of Education, Rehabilitation Services and Disability Research”, in Public Law 108-7 is amended—

Ante, p. 329.

(1) by striking “\$2,956,382,000” and inserting “\$2,956,882,000”; and

(2) by striking “\$3,540,000” and inserting “\$4,040,000”.

(b) In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108-7; House Report 108-10), in the matter in title III of Division G, relating

to vocational rehabilitation demonstration and training under the heading “Rehabilitation Services and Disability Research”, a provision shall be added that reads: “Ohio Alliance of Community Center for the Deaf, Worthington, Ohio, for Ohio Deaf Assistive Services Model project, \$500,000”.

SEC. 3612. In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108-7; House Report 108-10), in the matter in title III of Division G, relating to the Fund for the Improvement of Postsecondary Education under the heading “Higher Education”, the provision specifying \$1,000,000 for the Southern Illinois University, Carbondale, IL, for the Paul Simon Public Policy Institute shall be deemed to read: “Southern Illinois University, Carbondale, IL, for the Paul Simon Public Policy Institute, including an endowment, \$1,000,000”.

SEC. 3613. In the statement of the managers of the committee of conference accompanying H.J. Res. 2 (Public Law 108-7; House Report 108-10), in the matter in title III of Division G, relating to the Fund for the Improvement of Postsecondary Education under the heading “Higher Education”, the provision specifying \$275,000 for the Spoon River College, Canton, IL, for equipment for community technology centers in Canton and Macomb, Illinois shall be deemed to read: “Spoon River College, Canton, IL, for community technology centers in Canton and Macomb, Illinois, \$275,000”.

Notification.

SEC. 3614. Notwithstanding any other provision of law, during the period from September 1 through September 30, 2003, the Secretary of Education shall transfer to the Education for the Disadvantaged account an amount not to exceed \$4,353,368 from amounts that would otherwise lapse at the end of fiscal year 2003 and that were originally made available under the Department of Education Appropriations Act, 2003 or any Department of Education Appropriations Act for a previous fiscal year: *Provided*, That the funds transferred to the Education for the Disadvantaged account shall be obligated by September 30, 2003: *Provided further*, That the Secretary shall notify the Committees on Appropriations of both Houses of Congress of any such transfer: *Provided further*, That any amounts transferred to the Education for the Disadvantaged account pursuant to this paragraph shall be for carrying out subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965, and shall be allocated, notwithstanding any other provision of law, only to those States that received funds under that subpart for fiscal year 2003 that were less than those States received under that subpart for fiscal year 2002: *Provided further*, That the Secretary of Education shall use these additional funds to increase those States’ allocations under that subpart up to the amount they received under that subpart for fiscal year 2002: *Provided further*, That each such State shall use the funds appropriated under this paragraph to ratably increase the amount of funds for each eligible local educational agency in the State that received less under that subpart in fiscal year 2003 than it received under that subpart in fiscal year 2002: *Provided further*, That the Secretary shall not take into account the funds made available under this paragraph in determining State allocations under any other program administered by the Secretary in any fiscal year.

SEC. 3615. Funds made available under the heading, “Special Benefits for Disabled Coal Miners” in Division G of Public Law

108–7, shall be subject to the provisions of Public Law 107–275, notwithstanding section 514 of such Division G.

SEC. 3616. The amounts provided or made available by this title are designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004.

SEC. 3617. This title shall be effective immediately upon the enactment of this Act. Effective date.

This title may be cited as the “Emergency Supplemental Appropriations Act, 2003”.

TITLE IV—REFERENCES

SEC. 4001. Except as expressly provided otherwise, any reference to “this Act” contained in titles I and II of this Act shall be treated as referring only to the provisions of such titles, and any reference to “this Act” contained in title III of this Act shall be treated as referring only to the provisions of such title.

This Act may be cited as the “Legislative Branch Appropriations Act, 2004”.

Approved September 30, 2003.

LEGISLATIVE HISTORY—H.R. 2657 (S. 1383):

HOUSE REPORTS: Nos. 108–186 (Comm. on Appropriations) and 108–279 (Comm. of Conference).

SENATE REPORTS: No. 108–88 accompanying S. 1383 (Comm. on Appropriations). CONGRESSIONAL RECORD, Vol. 149 (2003):

July 9, considered and passed House.

July 10, 11, considered and passed Senate, amended.

Sept. 24, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 30, Presidential statement.



Public Law 108–84
108th Congress

Joint Resolution

Sept. 30, 2003

[H.J. Res. 69]

Making continuing appropriations for the fiscal year 2004, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for fiscal year 2004, and for other purposes, namely:

SEC. 101. Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for fiscal year 2003 for continuing projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this joint resolution) which were conducted in fiscal year 2003, at a rate for operations not exceeding the current rate, and for which appropriations, funds, or other authority was made available in the following appropriations Acts:

(1) The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003.

(2) The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2003, notwithstanding section 15 of the State Department Basic Authorities Act of 1956, section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

(3) The District of Columbia Appropriations Act, 2003.

(4) The Energy and Water Development Appropriations Act, 2003, notwithstanding section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

(5) The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2003, notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

(6) The Department of the Interior and Related Agencies Appropriations Act, 2003.

(7) The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2003.

(8) The Military Construction Appropriations Act, 2003.

(9) The Department of Transportation and Related Agencies Appropriations Act, 2003.

(10) The Treasury and General Government Appropriations Act, 2003.

(11) The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2003.

SEC. 102. Appropriations made by section 101 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 103. The appropriations Acts listed in section 101 shall be deemed to include supplemental appropriation laws enacted during fiscal year 2003.

SEC. 104. No appropriation or funds made available or authority granted pursuant to section 101 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during fiscal year 2003.

SEC. 105. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 106. (a) The matter under the heading “Department of Education—Education for the Disadvantaged” in division G of Public Law 108–7 is amended—

(1) by striking “\$4,651,199,000” and inserting “\$6,895,199,000”; and

(2) by striking “\$9,027,301,000” and inserting “\$6,783,301,000”.

(b) The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 107. Unless otherwise provided for in this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) October 31, 2003, whichever first occurs.

SEC. 108. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 109. Appropriations and funds made available by or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 110. Notwithstanding any other provision of this joint resolution, except section 107, for those programs that had high initial rates of operation or complete distribution of fiscal year 2003 appropriations at the beginning of that fiscal year because of distributions of funding to States, foreign countries, grantees or others, similar distributions of funds for fiscal year 2004 shall not be made and no grants shall be awarded for such programs funded by this resolution that would impinge on final funding prerogatives.

SEC. 111. This joint resolution shall be implemented so that only the most limited funding action of that permitted in the joint

Ante, p. 326.

Effective date.

Expiration date.

resolution shall be taken in order to provide for continuation of projects and activities.

SEC. 112. For entitlements and other mandatory payments whose budget authority was provided in appropriations Acts for fiscal year 2003, and for activities under the Food Stamp Act of 1977, activities shall be continued at the rate to maintain program levels under current law, under the authority and conditions provided in the applicable appropriations Act for fiscal year 2003, to be continued through the date specified in section 107(c): *Provided*, That notwithstanding section 107, funds shall be available and obligations for mandatory payments due on or about November 1 and December 1, 2003, may continue to be made.

Applicability.
Ante, p. 570.

SEC. 113. Section 1316(c) of Public Law 108–11 shall be applied by substituting the date specified in section 107(c) of this joint resolution for “September 30, 2003” each place it appears.

SEC. 114. Activities authorized by section 403(f) of Public Law 103–356, as amended by section 634 of Public Law 107–67, and activities authorized under the heading “Treasury Franchise Fund” in the Treasury Department Appropriations Act, 1997 (Public Law 104–208), as amended by section 120 of the Treasury Department Appropriations Act, 2001 (Public Law 106–554), may continue through the date specified in section 107(c) of this joint resolution.

SEC. 115. Notwithstanding section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)), the authority of subsections (a) through (c) of section 234 of such Act, shall remain in effect through the date specified in section 107(c) of this joint resolution.

Applicability.

SEC. 116. Section 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697(f)) shall be applied by substituting the date specified in section 107(c) of this joint resolution for “October 1, 2003”.

SEC. 117. Section 303(g)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(2)) is amended by striking “1.38 percent” in the last sentence and inserting “1.46 percent”.

SEC. 118. Collection and use of maintenance fees as authorized by section 4(i) and 4(k) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136a–1(i) and (k)) may continue through the date specified in section 107(c) of this joint resolution. Prohibitions against collecting “other fees” as described in section 4(i)(6) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(i)(6)) shall continue in effect through the date specified in section 107(c) of this joint resolution.

SEC. 119. The full amount provided under this joint resolution for necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), section 118(f) of the Superfund Amendments and Reauthorization Act of 1986, and section 3019 of the Solid Waste Disposal Act, shall be derived from the general fund.

SEC. 120. National Aeronautics and Space Administration is authorized to implement full cost accounting as of October 1, 2003, in the account structure that is consistent with the President’s request for fiscal year 2004.

SEC. 121. Notwithstanding any other provision of this joint resolution, except section 107(c), the limitation on new loan guarantee commitments of the Federal Housing Administration, General and Special Risk Insurance Fund, shall be \$3,800,000,000 for the period of applicability of this joint resolution to continue projects

and activities under that account: *Provided*, That the Secretary of Housing and Urban Development shall submit daily reports to the Committees on Appropriations of the House of Representatives and the Senate on the total amount of new loan guarantee commitments issued during the period of applicability of this joint resolution. Reports.

SEC. 122. For the period covered by this joint resolution, there shall be available, at the current rate of operations for fiscal year 2003, such funds as may be necessary for grants and necessary expenses as provided for, in accordance with, and subject to the requirements set forth in the Compacts of Free Association, as amended, and their related agreements, (sections 211, 212, 213, 214, 215, and 217) as between the Government of the United States of America and the Government of the Republic of the Marshall Islands (signed April 30, 2003), and (sections 211, 212, 213, 214, and 216) as between the Government of the United States of America and the Federated States of Micronesia (signed May 14, 2003); to remain available until expended: *Provided*, That if H.J. Res. 63 of the 108th Congress, or similar legislation to approve the Compacts of Free Association, is enacted, any funding made available in this appropriation shall be considered to have been made available and expended for the purposes of funding for fiscal year 2004 as provided for in such enacted legislation.

SEC. 123. From amounts available to the Bureau of Indian Affairs under this joint resolution, \$123,500 shall be available to satisfy the requirements specified in sections 10(f), 11(b)(2), and 11(c) of Public Law 106–263.

SEC. 124. Notwithstanding any other provision of this joint resolution, except section 107(c), the District of Columbia may expend local funds for programs and activities under the heading “District of Columbia Funds-Operating Expenses” at the rate set forth for such programs and activities under title II of H.R. 2765, 108th Congress, as passed by the House of Representatives.

SEC. 125. Notwithstanding any other provision of law or of this joint resolution, except section 107, amounts provided in this joint resolution and in prior Appropriations Acts from the Airport and Airway Trust Fund shall be available for fiscal year 2004, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003, for expenditures to meet obligations, heretofore and hereafter incurred, as paid from the Airport and Airway Trust fund in fiscal year 2003.

SEC. 126. Notwithstanding any other provision of law or of this joint resolution, except section 107, such amounts as may be necessary for administrative expenses of the Federal Highway Administration, for purposes described in 23 U.S.C. 104(a)(1)(A), shall continue to be transferred and credited to the Highway Trust Fund (other than the Mass Transit Account), to be available to the Secretary of Transportation, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003: *Provided*, That funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs.

SEC. 127. Notwithstanding any other provision of law or of this joint resolution, except section 107, such amounts as may be necessary for administrative expenses of the Bureau of Transportation Statistics, in accordance with 49 U.S.C. 111, shall continue to be transferred and credited to the Highway Trust Fund (other than the Mass Transit Account), to be available to the Secretary of Transportation, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003: *Provided*, That funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs.

SEC. 128. Notwithstanding any other provision of law or of this joint resolution, except section 107, such amounts as may be necessary for administrative expenses of the Federal Transit Administration, in accordance with the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, shall continue to be transferred and credited to the Mass Transit Account of the Highway Trust Fund, to be available to the Secretary of Transportation, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003: *Provided*, That funds authorized under this section shall be available for obligation in the same manner provided under section 5338(g) of title 49, United States Code.

SEC. 129. Notwithstanding any other provision of law or of this joint resolution, except section 107, such amounts as may be necessary for administrative expenses of the National Highway Traffic Safety Administration, in accordance with 23 U.S.C. 402, 403, 405, 410 and chapter 303 of title 49, United States Code, shall continue to be transferred and credited to the Highway Trust Fund (other than the Mass Transit Account), to be available to the Secretary of Transportation, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003: *Provided*, That funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

SEC. 130. Notwithstanding any other provision of law or of this joint resolution, except section 107, such amounts as may be necessary for administrative expenses of the Federal Motor Carrier Safety Administration, for purposes described in 23 U.S.C. 104(a)(1)(B), shall continue to be transferred and credited to the Highway Trust Fund (other than the Mass Transit Account), to be available to the Secretary of Transportation, at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003: *Provided*, That funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

SEC. 131. Notwithstanding any other provision of law, amounts shall continue to be appropriated or credited to the Airport and

Airway Trust Fund and the Highway Trust Fund after the date of any expenditure pursuant to this Act.

SEC. 132. Notwithstanding rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217, the provisions of sections 125 through 130, and section 134, of this joint resolution that would change direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were they included in an Act other than an appropriations Act shall be treated as direct spending or receipts legislation, as appropriate, under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and by the Chairmen of the House and Senate Budget Committees, as appropriate, under the Congressional Budget Act of 1974.

SEC. 133. Notwithstanding any other provision of this joint resolution, during fiscal year 2004, direct loans under section 23 of the Arms Export Control Act may be made available for the Czech Republic, gross obligations for the principal amounts of which shall not exceed \$550,000,000: *Provided*, That such loans shall be repaid in not more than twelve years, including a grace period of up to five years on repayment of principal: *Provided further*, That no funds are available for the subsidy costs for these loans: *Provided further*, That the Government of the Czech Republic shall pay the full cost, as defined in section 502 of the Federal Credit Reform Act of 1990, associated with these loans, including the cost of any defaults: *Provided further*, That any fees associated with these loans shall be paid by the Government of the Czech Republic prior to any disbursement of any loan proceeds: *Provided further*, That no funds made available to the Czech Republic under this joint resolution or any other Act may be used for payment of any fees associated with these loans.

Loans.

Czech Republic.

SEC. 134. The following provisions of law shall continue in effect through the date specified in section 107(c) of this joint resolution:

(1) Sections 9(b)(7), 14(a), 17(a)(2)(B)(i), and 18(f)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(7), 1762a(a), 1766(a)(2)(B)(i), and 1769(f)(2)).

(2) Section 15 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237).

22 USC 5952
note.

SEC. 135. Section 8144(b) of the Department of Defense Appropriations Act, 2003, Public Law 107–248, is amended by striking “on September 30, 2003” and inserting “October 31, 2003”.

Approved September 30, 2003.

LEGISLATIVE HISTORY—H.J. Res. 69:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 25, considered and passed House and Senate.



Public Law 108–85
108th Congress

An Act

To authorize the Secretary of the Interior to convey certain facilities to the Fremont-Madison Irrigation District in the State of Idaho.

Sept. 30, 2003
[S. 520]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Fremont-Madison Conveyance Act”.

Fremont-Madison
Conveyance Act.

SEC. 2. DEFINITIONS.

In this Act:

(1) **DISTRICT.**—The term “District” means the Fremont-Madison Irrigation District, an irrigation district organized under the law of the State of Idaho.

(2) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

SEC. 3. CONVEYANCE OF FACILITIES.

(a) **CONVEYANCE REQUIREMENT.**—The Secretary of the Interior shall convey to the Fremont-Madison Irrigation District, Idaho, pursuant to the terms of the Memorandum of Agreement (MOA) between the District and the Secretary (Contract No. 1425–01–MA–10–3310), all right, title, and interest of the United States in and to the canals, laterals, drains, and other components of the water distribution and drainage system that is operated or maintained by the District for delivery of water to and drainage of water from lands within the boundaries of the District as they exist upon the date of enactment of this Act, consistent with section 8.

(b) **REPORT.**—If the Secretary has not completed any conveyance required under this Act by September 13, 2004, the Secretary shall, by no later than that date, submit a report to the Congress explaining the reasons that conveyance has not been completed and stating the date by which the conveyance will be completed.

Deadline.

SEC. 4. COSTS.

(a) **IN GENERAL.**—The Secretary shall require, as a condition of the conveyance under section 3, that the District pay the administrative costs of the conveyance and related activities, including the costs of any review required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as described in Contract No. 1425–01–MA–10–3310.

(b) **VALUE OF FACILITIES TO BE TRANSFERRED.**—In addition to subsection (a) the Secretary shall also require, as a condition of the conveyance under section 3, that the District pay to the

United States the lesser of the net present value of the remaining obligations owed by the District to the United States with respect to the facilities conveyed, or \$280,000. Amounts received by the United States under this subsection shall be deposited into the Reclamation Fund.

SEC. 5. TETON EXCHANGE WELLS.

(a) **CONTRACTS AND PERMIT.**—In conveying the Teton Exchange Wells pursuant to section 3, the Secretary shall also convey to the District—

(1) Idaho Department of Water Resources permit number 22–7022, including drilled wells under the permit, as described in Contract No. 1425–01–MA–10–3310; and

(2) all equipment appurtenant to such wells.

(b) **EXTENSION OF WATER SERVICE CONTRACT.**—The water service contract between the Secretary and the District (Contract No. 7–07–10–W0179, dated September 16, 1977) is hereby extended and shall continue in full force and effect until all conditions described in this Act are fulfilled.

SEC. 6. ENVIRONMENTAL REVIEW.

Prior to conveyance the Secretary shall complete all environmental reviews and analyses as set forth in the Memorandum of Agreement referenced in section 3(a).

Effective date.

SEC. 7. LIABILITY.

Effective on the date of the conveyance the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence relating to the conveyed facilities, except for damages caused by acts of negligence committed by the United States or by its employees, agents, or contractors prior to the date of conveyance. Nothing in this section may increase the liability of the United States beyond that currently provided in chapter 171 of title 28, United States Code.

SEC. 8. WATER SUPPLY TO DISTRICT LANDS.

The acreage within the District eligible to receive water from the Minidoka Project and the Teton Basin Projects is increased to reflect the number of acres within the District as of the date of enactment of this Act, including lands annexed into the District prior to enactment of this Act as contemplated by the Teton Basin Project. The increase in acreage does not alter deliveries authorized under the District's existing water storage contracts and as allowed by State water law.

Deadline.

SEC. 9. DROUGHT MANAGEMENT PLANNING.

Reports.

Within 60 days of enactment of this Act, in collaboration with stakeholders in the Henry's Fork watershed, the Secretary shall initiate a drought management planning process to address all water uses, including irrigation and the wild trout fishery, in the Henry's Fork watershed. Within 18 months of enactment of this Act, the Secretary shall submit a report to Congress, which shall include a final drought management plan.

SEC. 10. EFFECT.

(a) **IN GENERAL.**—Except as provided in this Act, nothing in this Act affects—

(1) the rights of any person; or

(2) any right in existence on the date of enactment of this Act of the Shoshone-Bannock Tribes of the Fort Hall Reservation to water based on a treaty, compact, executive order, agreement, the decision in *Winters v. United States*, 207 U.S. 564 (1908) (commonly known as the “Winters Doctrine”), or law.

(b) CONVEYANCES.—Any conveyance under this Act shall not affect or abrogate any provision of any contract executed by the United States or State law regarding any irrigation district’s right to use water developed in the facilities conveyed.

Approved September 30, 2003.

LEGISLATIVE HISTORY—S. 520:

SENATE REPORTS: No. 108–62 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 16, considered and passed Senate.

Sept. 16, considered and passed House.



Public Law 108–86
108th Congress

An Act

Sept. 30, 2003
[S. 678]

Postmaster
Equity Act of
2003.
39 USC 101 note.

To amend chapter 10 of title 39, United States Code, to include postmasters and postmasters' organizations in the process for the development and planning of certain policies, schedules, and programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Postmasters Equity Act of 2003”.

SEC. 2. POSTMASTERS AND POSTMASTERS' ORGANIZATIONS.

(a) **PERCENTAGE REPRESENTATION REQUIREMENT.**—The second sentence of section 1004(b) of title 39, United States Code, is amended—

(1) by inserting “that an organization (other than an organization representing supervisors) represents at least 20 percent of postmasters,” after “majority of supervisors,”; and

(2) by striking “supervisors” and inserting “supervisors or postmasters”.

(b) **CONSULTATION AND OTHER RIGHTS.**—Section 1004 of title 39, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following:

Applicability.

“(h)(1) In order to ensure that postmasters and postmasters' organizations are afforded the same rights under this section as are afforded to supervisors and the supervisors' organization, subsections (c) through (g) shall be applied with respect to postmasters and postmasters' organizations—

“(A) by substituting ‘postmasters' organization’ for ‘supervisors' organization’ each place it appears; and

“(B) if 2 or more postmasters' organizations exist, by treating such organizations as if they constituted a single organization, in accordance with such arrangements as such organizations shall mutually agree to.

“(2) If 2 or more postmasters' organizations exist, such organizations shall, in the case of any factfinding panel convened at the request of such organizations (in accordance with paragraph (1)(B)), be jointly and severally liable for the cost of such panel, apart from the portion to be borne by the Postal Service (as determined under subsection (f)(4)).”.

(c) **DEFINITIONS.**—Subsection (i) of section 1004 of title 39, United States Code (as so redesignated by subsection (b)(1)) is amended—

(1) in paragraph (1), by striking “and” after the semicolon;

(2) in paragraph (2), by striking the period and inserting a semicolon; and

(3) by adding after paragraph (2) the following:

“(3) ‘postmaster’ means an individual who is the manager in charge of the operations of a post office, with or without the assistance of subordinate managers or supervisors;

“(4) ‘postmasters’ organization’ means an organization recognized by the Postal Service under subsection (b) as representing at least 20 percent of postmasters; and

“(5) ‘members of the postmasters’ organization’ shall be considered to mean employees of the Postal Service who are recognized under an agreement—

“(A) between the Postal Service and the postmasters’ organization as represented by the organization; or

“(B) in the circumstance described in subsection (h)(1)(B), between the Postal Service and the postmasters’ organizations (acting in concert) as represented by either or any of the postmasters’ organizations involved.”.

(d) THRIFT ADVISORY COUNCIL NOT TO BE AFFECTED.—For purposes of section 8473(b)(4) of title 5, United States Code— 39 USC 1004 note.

(1) each of the 2 or more organizations referred to in section 1004(h)(1)(B) of title 39, United States Code (as amended by subsection (b)) shall be treated as a separate organization; and

(2) any determination of the number of individuals represented by each of those respective organizations shall be made in a manner consistent with the purposes of this subsection.

SEC. 3. EFFECTIVE DATE.

The amendments made by this section shall take effect 60 days after the date of the enactment of this Act.

39 USC 1004 note.

Approved September 30, 2003.

LEGISLATIVE HISTORY—S. 678 (H.R. 2249):

SENATE REPORTS: No. 108–112 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 29, considered and passed Senate.

Sept. 16, considered and passed House.



Public Law 108–87
108th Congress

An Act

Sept. 30, 2003
[H.R. 2658]

Making appropriations for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes.

Department of
Defense
Appropriations
Act, 2004.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty, (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$28,247,667,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$23,217,298,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except

members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$8,971,897,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$22,910,868,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$3,568,725,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$2,002,727,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$571,444,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$1,288,088,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$5,500,369,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$2,174,598,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed \$11,034,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, \$25,029,346,000: *Provided*, That of the funds appropriated in this

paragraph, not less than \$355,000,000 shall be made available only for conventional ammunition care and maintenance: *Provided further*, That of funds made available under this heading, \$2,500,000 shall be available for Fort Baker, in accordance with the terms and conditions as provided under the heading “Operation and Maintenance, Army”, in Public Law 107–117.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed \$4,463,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, \$28,146,658,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, \$3,440,323,000.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed \$7,801,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, \$26,904,731,000: *Provided*, That notwithstanding any other provision of law, that of the funds available under this heading, \$750,000 shall only be available to the Secretary of the Air Force for a grant to Florida Memorial College for the purpose of funding minority aviation training.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, \$16,226,841,000, of which not to exceed \$30,000,000 may be available for the CINC initiative fund; and of which not to exceed \$40,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, That notwithstanding any other provision of law, of the funds provided in this Act for Civil Military programs under this heading, \$500,000 shall be available for a grant for Outdoor Odyssey, Roaring Run, Pennsylvania, to support the Youth Development and Leadership program and Department of Defense STARBASE program: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office

of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: *Provided further*, That \$4,700,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which transferred: *Provided further*, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$1,998,609,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$1,172,921,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$173,952,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$2,179,388,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger

motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), \$4,340,581,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, \$4,431,216,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces, \$5,000,000, to remain available until expended: *Provided*, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts within this title; the Defense Health Program appropriation; procurement accounts; research, development, test and evaluation accounts; and to working capital funds: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, \$10,333,000, of which not to exceed \$2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$396,018,000, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, \$256,153,000, to remain available until transferred: *Provided*, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, \$384,307,000, to remain available until transferred: *Provided*, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, \$24,081,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$284,619,000, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2561 of title 10, United States Code), \$59,000,000, to remain available until September 30, 2005.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts, \$450,800,000, to remain available until September 30, 2006: *Provided*, That of the amounts provided under this heading, \$10,000,000 shall be available only to support the

dismantling and disposal of nuclear submarines, submarine reactor components, and warheads in the Russian Far East.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$2,154,035,000, to remain available for obligation until September 30, 2006.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,505,462,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,857,054,000, to remain available for obligation until September 30, 2006: *Provided*, That of the funds made available under this heading, \$35,000,000 shall be available only for advance procurement items for the fifth and sixth Stryker Brigade Combat Teams.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,387,759,000, to remain available for obligation until September 30, 2006.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of passenger motor vehicles for replacement only; and the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$180,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$4,774,452,000, to remain available for obligation until September 30, 2006.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$9,110,848,000, to remain available for obligation until September 30, 2006.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and

machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$2,095,784,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$934,905,000, to remain available for obligation until September 30, 2006.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Carrier Replacement Program (AP), \$1,186,564,000;

NSSN, \$1,511,935,000;

NSSN (AP), \$827,172,000;

SSGN, \$930,700,000;

SSGN (AP), \$236,600,000;

CVN Refuelings (AP), \$232,832,000;

SSN Submarine Refuelings, \$450,000,000;

SSN Submarine Refuelings (AP), \$10,351,000;

SSBN Submarine Refuelings (AP), \$105,800,000;

DDG–51 Destroyer, \$3,218,311,000;

LPD–17, \$1,192,034,000;

LPD–17 (AP), \$135,000,000;

LHD–8, \$355,006,000;

LCAC Landing Craft Air Cushion, \$73,087,000;

Mine Hunter SWATH, \$4,500,000;

Prior year shipbuilding costs, \$635,502,000;

Service Craft, \$23,480,000; and

For outfitting, post delivery, conversions, and first destination transportation, \$338,749,000.

In all: \$11,467,623,000, to remain available for obligation until September 30, 2008: *Provided*, That additional obligations may be incurred after September 30, 2008, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards

in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of passenger motor vehicles for replacement only, and the purchase of 7 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$4,941,098,000, to remain available for obligation until September 30, 2006.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, \$1,165,727,000, to remain available for obligation until September 30, 2006.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, \$12,086,201,000, to remain available for obligation until September 30, 2006.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training

devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, \$4,165,633,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,262,725,000, to remain available for obligation until September 30, 2006.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only, and the purchase of 1 vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, \$11,558,799,000, to remain available for obligation until September 30, 2006.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only, including not to exceed 3 passenger motor vehicles for the Defense Security Service; the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests

therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, \$3,709,926,000, to remain available for obligation until September 30, 2006.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces, \$400,000,000, to remain available for obligation until September 30, 2006: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

Deadline.

DEFENSE PRODUCTION ACT PURCHASES

For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2078, 2091, 2092, and 2093), \$78,016,000, to remain available until expended.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$10,363,941,000, to remain available for obligation until September 30, 2005: *Provided*, That of the amounts provided under this heading, \$8,500,000 for Molecular Genetics and Musculoskeletal Research in program element 0602787A, shall remain available until expended.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$15,146,383,000, to remain available for obligation until September 30, 2005: *Provided*, That funds appropriated in this paragraph which are available for the V-22 may be used to meet unique operational requirements of the Special Operations Forces: *Provided further*, That funds appropriated in this paragraph shall be available for the Cobra Judy program.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$20,500,984,000, to remain available for obligation until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, \$18,900,715,000, to remain available for obligation until September 30, 2005.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith, \$305,861,000, to remain available for obligation until September 30, 2005.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds, \$1,641,507,000.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$1,066,462,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That, notwithstanding any other provision of law, \$6,500,000 of the funds available under this heading shall be available in

addition to other amounts otherwise available, only to finance the cost of constructing additional sealift capacity.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, \$15,730,013,000, of which \$14,914,816,000 shall be for Operation and maintenance, of which not to exceed 2 percent shall remain available until September 30, 2005, and of which \$7,420,972,000 shall be available for contracts entered into under the TRICARE program; of which \$328,826,000, to remain available for obligation until September 30, 2006, shall be for Procurement; and of which \$486,371,000, to remain available for obligation until September 30, 2005, shall be for Research, development, test and evaluation.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, \$1,500,261,000, of which \$1,169,168,000 shall be for Operation and maintenance to remain available until September 30, 2005; \$79,212,000 shall be for Procurement to remain available until September 30, 2006; \$251,881,000 shall be for Research, development, test and evaluation to remain available until September 30, 2005; and no less than \$132,677,000 may be for the Chemical Stockpile Emergency Preparedness Program, of which \$44,168,000 shall be for activities on military installations and \$88,509,000 shall be to assist State and local governments: *Provided*, That notwithstanding any other provision of law, \$10,000,000 of the funds available under this heading shall be expended only to fund Chemical Stockpile Emergency Preparedness Program evacuation route improvements in Calhoun County, Alabama.

Alabama.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation, \$835,616,000: *Provided*, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided

herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$162,449,000, of which \$160,049,000 shall be for Operation and maintenance, of which not to exceed \$700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on the Inspector General's certificate of necessity for confidential military purposes; and of which \$300,000, to remain available until September 30, 2005, shall be for Research, development, test and evaluation; and of which \$2,100,000, to remain available until September 30, 2006, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, \$226,400,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account, \$175,113,000, of which \$26,081,000 for the Advanced Research and Development Committee shall remain available until September 30, 2005: *Provided*, That of the funds appropriated under this heading, \$44,300,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, \$1,500,000 for Procurement shall remain available until September 30, 2006 and \$1,000,000 for Research, development, test and evaluation shall remain available until September 30, 2005: *Provided further*, That the National Drug Intelligence Center shall maintain the personnel and technical resources to provide timely support to law enforcement authorities and the intelligence community by conducting document and computer exploitation of materials collected in Federal, State, and local law enforcement activity associated with counter-drug, counter-terrorism, and national security investigations and operations.

PAYMENT TO KAHO’OLAWA ISLAND CONVEYANCE, REMEDIATION, AND
ENVIRONMENTAL RESTORATION FUND

For payment to Kaho’olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law, \$18,430,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, \$8,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

10 USC 1584
note.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers’ Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed \$2,100,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes,

Notification. and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further*, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: *Provided further*, That a request for multiple reprogrammings of funds using authority provided in this section must be made prior to June 30, 2004.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds: *Provided further*, That transfers may be made between working capital funds and the “Foreign Currency Fluctuations, Defense” appropriation and the “Operation and Maintenance” appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

Notification. SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

10 USC 2306b note. SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year of the contract or that includes an unfunded contingent liability in excess of \$20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government’s liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed

\$500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

- F/A–18 aircraft;
- E–2C aircraft;
- Tactical Tomahawk missile; and
- Virginia Class submarine:

Provided, That the Secretary of the Navy may not enter into a multiyear contract for the procurement of more than one Virginia Class submarine per year.

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported as required by section 401(d) of title 10, United States Code: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam. 10 USC 401 note.

SEC. 8010. (a) During fiscal year 2004, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2005 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2005 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2005.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8011. None of the funds appropriated in this or any other Act may be used to initiate a new installation overseas without 30-day advance notification to the Committees on Appropriations. Notification.

Lobbying.

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

Applicability.

SEC. 8013. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8014. (a) LIMITATION ON CONVERSION TO CONTRACTOR PERFORMANCE.—None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees unless—

(1) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed by such activity or function; and

(2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of—

(A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or

(B) \$10,000,000.

(b) EXCEPTIONS.—(1) This section and subsections (a), (b), and (c) of section 2461 of title 10, United States Code, shall not apply to a commercial or industrial type function of the Department of Defense that—

(A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47);

(B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or

(C) is planned to be converted to performance by a qualified firm under at least 51 percent ownership by an Indian tribe, as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)).

(2) This section shall not apply to depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code.

(c) TREATMENT OF CONVERSION.—The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded

under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or TRICARE shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for persons with disabilities under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO

10 USC 2687
note.

member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 2005 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8019. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols.

SEC. 8020. No more than \$500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

SEC. 8021. In addition to the funds provided elsewhere in this Act, \$8,000,000 is appropriated only for incentive payments authorized by Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): *Provided*, That a prime contractor or a subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in 25 U.S.C. 1544 or a small business owned and controlled by an individual or individuals defined under 25 U.S.C. 4221(9) shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) whenever the prime contract or subcontract amount is over \$500,000 and involves the expenditure of funds appropriated by an Act making Appropriations for the Department of Defense with respect to any fiscal year: *Provided further*, That notwithstanding 41 U.S.C. 430, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part by any subcontractor or supplier defined in 25 U.S.C. 1544 or a small business owned and controlled by an individual or individuals defined under 25 U.S.C. 4221(9): *Provided further*, That businesses certified as 8(a) by the Small Business Administration pursuant to section 8(a)(15) of Public Law 85-536, as amended, shall have the same status as other program

Applicability.

participants under section 602 of Public Law 100–656, 102 Stat. 3825 (Business Opportunity Development Reform Act of 1988) for purposes of contracting with agencies of the Department of Defense.

SEC. 8022. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 30 months after initiation of such study for a multi-function activity.

SEC. 8023. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8024. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8025. (a) Of the funds for the procurement of supplies or services appropriated by this Act and hereafter, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

10 USC 2410d
note.

(b) During the current fiscal year and hereafter, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase “qualified nonprofit agency for the blind or other severely handicapped” means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O’Day Act (41 U.S.C. 46–48).

SEC. 8026. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility’s direct budget amount.

SEC. 8027. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed \$350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8028. (a) Of the funds made available in this Act, not less than \$32,758,000 shall be available for the Civil Air Patrol Corporation, of which—

(1) \$21,432,000 shall be available from “Operation and Maintenance, Air Force” to support Civil Air Patrol Corporation

operation and maintenance, readiness, counterdrug activities, and drug demand reduction activities involving youth programs;

(2) \$10,540,000 shall be available from “Aircraft Procurement, Air Force”; and

(3) \$786,000 shall be available from “Other Procurement, Air Force” for vehicle procurement.

(b) Notwithstanding section 9445 of title 10, United States Code, or any other provision of law, of the funds made available to the Civil Air Patrol Corporation in this Act under the heading “Aircraft Procurement, Air Force”, not more than \$770,000 may be transferred by the Secretary of the Air Force to the “Operation and Maintenance, Air Force” appropriation to be merged with and to be available for administrative expenses incurred by the Air Force in the administration of Civil Air Patrol Corporation. Funds so transferred shall be available for the same period as the appropriation to which transferred.

(c) The Secretary of the Air Force should waive reimbursement for any funds used by the Civil Air Patrol for counter-drug activities in support of Federal, State, and local government agencies.

SEC. 8029. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: *Provided*, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 2004 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 2004, not more than 6,321 staff years of technical effort (staff years) may be funded for defense FFRDCs: *Provided*, That of the specific amount referred to previously in this subsection, not more than 1,050 staff years may be funded for the defense studies and analysis FFRDCs.

(e) The Secretary of Defense shall, with the submission of the department’s fiscal year 2005 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

Reports.

(f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by \$74,200,000.

SEC. 8030. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.

Applicability.

SEC. 8031. For the purposes of this Act, the term “congressional defense committees” means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

SEC. 8032. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or Defense Agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8033. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary’s blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

41 USC 10b–2.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 2004. Such report shall separately indicate the dollar value of items for which the Buy American

Reports.

Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term “Buy American Act” means title III of the Act entitled “An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes”, approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8034. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8035. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 572(b)(5)(A) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 572(b)(5)(B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

President.
10 USC 221 note.

SEC. 8036. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the defense agencies.

SEC. 8037. Notwithstanding any other provision of law, funds available for “Drug Interdiction and Counter-Drug Activities, Defense” may be obligated for the Young Marines program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8038. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

State listing.

SEC. 8039. (a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota relocatable military housing units located at Grand Forks Air Force Base and Minot Air Force Base that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking

Shield Program on behalf of Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota.

(c) RESOLUTION OF HOUSING UNIT CONFLICTS.—The Operation Walking Shield program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b).

(d) INDIAN TRIBE DEFINED.—In this section, the term “Indian tribe” means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).

SEC. 8040. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than \$250,000.

SEC. 8041. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2005 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2005 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2005 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8042. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2005: *Provided*, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended: *Provided further*, That any funds appropriated or transferred to the Central Intelligence Agency for advanced research and development acquisition, for agent operations, and for covert action programs authorized by the President under section 503 of the National Security Act of 1947, as amended, shall remain available until September 30, 2005.

50 USC 403u
note.

SEC. 8043. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8044. Of the funds appropriated to the Department of Defense under the heading “Operation and Maintenance, Defense-Wide”, not less than \$10,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8045. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term “Buy American Act” means title III of the Act entitled “An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes”, approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a “Made in America” inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8046. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than \$25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8047. (a) Except as provided in subsection (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or

reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8048. Notwithstanding section 303 of Public Law 96–487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: *Provided*, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

(RESCISSIONS)

SEC. 8049. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts:

“Shipbuilding and Conversion, Navy, 2001/2005”,
\$3,835,000;

“Shipbuilding and Conversion, Navy, 2002/2006”,
\$9,336,000;

“Aircraft Procurement, Army, 2003/2005”, \$47,100,000;

“Weapons and Tracked Combat Vehicles, Army, 2003/2005”,
\$30,000,000;

“Procurement of Ammunition, Army, 2003/2005”,
\$36,000,000;

“Other Procurement, Army, 2003/2005”, \$8,000,000;

“Other Procurement, Air Force, 2003/2005”, \$10,000,000;

“Procurement, Defense-Wide, 2003/2005”, \$48,000,000;

“Research, Development, Test and Evaluation, Army, 2003/
2004”, \$2,989,000;

“Research, Development, Test and Evaluation, Defense-
Wide, 2003/2004”, \$25,000,000; and

“National Defense Sealift Fund”, \$105,300,000.

SEC. 8050. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8051. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8052. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under

section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8053. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8054. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 2002 level: *Provided*, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

10 USC 2674
note.
Deadline.

SEC. 8055. (a) LIMITATION ON PENTAGON RENOVATION COSTS.—Not later than the date each year on which the President submits to Congress the budget under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total cost for the planning, design, construction, and installation of equipment for the renovation of wedge 1.

(b) ANNUAL ADJUSTMENT.—For purposes of applying the limitation in subsection (a), the Secretary shall adjust the cost for the renovation of wedge 1 by any increase or decrease in costs attributable to economic inflation, based on the most recent economic assumptions issued by the Office of Management and Budget for use in preparation of the budget of the United States under section 1104 of title 31, United States Code.

(c) EXCLUSION OF CERTAIN COSTS.—For purposes of calculating the limitation in subsection (a), the total cost for wedges 2 through 5 shall not include—

(1) any repair or reconstruction cost incurred as a result of the terrorist attack on the Pentagon that occurred on September 11, 2001;

(2) any increase in costs for wedges 2 through 5 attributable to compliance with new requirements of Federal, State, or local laws; and

(3) any increase in costs attributable to additional security requirements that the Secretary of Defense considers essential to provide a safe and secure working environment.

(d) CERTIFICATION COST REPORTS.—As part of the annual certification under subsection (a), the Secretary shall report the projected cost (as of the time of the certification) for—

(1) the renovation of each wedge, including the amount adjusted or otherwise excluded for such wedge under the authority of paragraphs (2) and (3) of subsection (c) for the period covered by the certification; and

(2) the repair and reconstruction of wedges 1 and 2 in response to the terrorist attack on the Pentagon that occurred on September 11, 2001.

(e) DURATION OF CERTIFICATION REQUIREMENT.—The requirement to make an annual certification under subsection (a) shall apply until the Secretary certifies to Congress that the renovation of the Pentagon Reservation is completed.

Applicability.

SEC. 8056. Notwithstanding any other provision of law, that not more than 35 percent of funds provided in this Act for environmental remediation may be obligated under indefinite delivery/indefinite quantity contracts with a total contract value of \$130,000,000 or higher.

SEC. 8057. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

10 USC 374 note.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

50 USC 403f note.

(TRANSFER OF FUNDS)

SEC. 8058. Appropriations available in this Act under the heading “Operation and Maintenance, Defense-Wide” for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8059. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That this restriction shall not apply to the purchase of “commercial items”, as defined by section 4(12) of the Office of Federal Procurement Policy Act, except that the restriction shall apply to ball or roller bearings purchased as end items.

SEC. 8060. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa, and funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

10 USC 2521
note.

SEC. 8061. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8062. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act or hereafter in any other Act.

SEC. 8063. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State (as defined in section 381(d) of title 10, United States Code) which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: *Provided*, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8064. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of the Department of Defense who approves or implements the transfer of administrative responsibilities or budgetary resources of any program, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act without the express authorization of Congress: *Provided*, That this limitation shall not apply to transfers of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense.

Notice.

SEC. 8065. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

Applicability.

(b) COVERED ACTIVITIES.—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII

of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8066. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: *Provided*, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and International Relations in the House of Representatives on the implementation of this program: *Provided further*, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.

Reports.

SEC. 8067. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8068. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

- (c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8069. During the current fiscal year, no more than \$30,000,000 of appropriations made in this Act under the heading “Operation and Maintenance, Defense-Wide” may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8070. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): *Provided*, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: *Provided further*, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

SEC. 8071. Funds appropriated in title II of this Act and for the Defense Health Program in title VI of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects, or any planning studies, environmental assessments, or similar activities related to installation support functions, may be obligated at the time the reimbursable order is accepted by the performing activity: *Provided*, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8072. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project

and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8073. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8074. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: *Provided*, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: *Provided further*, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8075. None of the funds made available in this Act may be used to approve or license the sale of the F-22 advanced tactical fighter to any foreign government.

SEC. 8076. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

Applicability.

SEC. 8077. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—The Secretary of Defense, in consultation with the Secretary of State, shall ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

Deadline.

(d) REPORT.—Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.

SEC. 8078. The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian Health Service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).

SEC. 8079. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop, lease or procure the T-AKE class of ships unless the main propulsion diesel engines and propulsors are manufactured in the United States by a domestically operated entity: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

SEC. 8080. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business.

SEC. 8081. Notwithstanding any other provision of law, funds appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide” for any advanced concept technology demonstration project may only be obligated 30 days after a report, including a description of the project, the planned acquisition and transition strategy and its estimated annual and total cost, has been provided in writing to the congressional defense committees: *Provided*, That the Secretary of Defense may waive

this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so.

SEC. 8082. The Secretary of Defense shall provide a classified quarterly report, beginning December 15, 2003, to the House and Senate Appropriations Committees, Subcommittees on Defense on certain matters as directed in the classified annex accompanying this Act. Reports.

SEC. 8083. During the current fiscal year, refunds attributable to the use of the Government travel card, refunds attributable to the use of the Government Purchase Card and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. 8084. (a) REGISTERING FINANCIAL MANAGEMENT INFORMATION TECHNOLOGY SYSTEMS WITH DOD CHIEF INFORMATION OFFICER.—None of the funds appropriated in this Act may be used for a mission critical or mission essential financial management information technology system (including a system funded by the defense working capital fund) that is not registered with the Chief Information Officer of the Department of Defense. A system shall be considered to be registered with that officer upon the furnishing to that officer of notice of the system, together with such information concerning the system as the Secretary of Defense may prescribe. A financial management information technology system shall be considered a mission critical or mission essential information technology system as defined by the Under Secretary of Defense (Comptroller).

(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT MODERNIZATION PLAN.—

(1) During the current fiscal year, a financial management automated information system, a mixed information system supporting financial and non-financial systems, or a system improvement of more than \$1,000,000 may not receive Milestone A approval, Milestone B approval, or full rate production, or their equivalent, within the Department of Defense until the Under Secretary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed and managed in accordance with the Department's Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1). Notification.

(c) CERTIFICATIONS AS TO COMPLIANCE WITH CLINGER-COHEN ACT.—

(1) During the current fiscal year, a major automated information system may not receive Milestone A approval, Milestone B approval, or full rate production approval, or their equivalent, within the Department of Defense until the Chief Information Officer certifies, with respect to that milestone, that the system is being developed in accordance with the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.). The Chief Information Officer may require additional certifications, as appropriate, with respect to any such system.

Notification.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1). Each such notification shall include, at a minimum, the funding baseline and milestone schedule for each system covered by such a certification and confirmation that the following steps have been taken with respect to the system:

- (A) Business process reengineering.
- (B) An analysis of alternatives.
- (C) An economic analysis that includes a calculation of the return on investment.
- (D) Performance measures.
- (E) An information assurance strategy consistent with the Department's Global Information Grid.

(d) DEFINITIONS.—For purposes of this section:

(1) The term “Chief Information Officer” means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term “information technology system” has the meaning given the term “information technology” in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

SEC. 8085. During the current fiscal year, none of the funds available to the Department of Defense may be used to provide support to another department or agency of the United States if such department or agency is more than 90 days in arrears in making payment to the Department of Defense for goods or services previously provided to such department or agency on a reimbursable basis: *Provided*, That this restriction shall not apply if the department is authorized by law to provide support to such department or agency on a nonreimbursable basis, and is providing the requested support pursuant to such authority: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8086. None of the funds provided in this Act may be used to transfer to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of “armor penetrator”, “armor piercing (AP)”, “armor piercing incendiary (API)”, or “armor-piercing incendiary-tracer (API-T)”, except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State.

SEC. 8087. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive payment of all or part of the consideration that otherwise would be required under 10 U.S.C. 2667, in the case of a lease of personal property for a period not in excess of 1 year to any organization specified in 32 U.S.C. 508(d), or any other youth, social, or fraternal

non-profit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis.

SEC. 8088. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: *Provided*, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: *Provided further*, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: *Provided further*, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.

Alcohol and
alcoholic
beverages.
10 USC 2488
note.

SEC. 8089. (a) The Department of Defense is authorized to enter into agreements with the Department of Veterans Affairs and federally-funded health agencies providing services to Native Hawaiians for the purpose of establishing a partnership similar to the Alaska Federal Health Care Partnership, in order to maximize Federal resources in the provision of health care services by federally-funded health agencies, applying telemedicine technologies. For the purpose of this partnership, Native Hawaiians shall have the same status as other Native Americans who are eligible for the health care services provided by the Indian Health Service.

(b) The Department of Defense is authorized to develop a consultation policy, consistent with Executive Order No. 13084 (issued May 14, 1998), with Native Hawaiians for the purpose of assuring maximum Native Hawaiian participation in the direction and administration of governmental services so as to render those services more responsive to the needs of the Native Hawaiian community.

(c) For purposes of this section, the term “Native Hawaiian” means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii.

SEC. 8090. Funds available to the Department of Defense for the Global Positioning System during the current fiscal year may be used to fund civil requirements associated with the satellite and ground control segments of such system’s modernization program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8091. (a) Of the amounts appropriated in this Act under the heading, “Research, Development, Test and Evaluation, Defense-Wide”, \$48,000,000 shall remain available until expended: *Provided*, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government.

(b) Of the amounts appropriated in this Act under the heading, “Operation and Maintenance, Army”, \$177,000,000 shall remain

available until expended: *Provided*, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government: *Provided further*, That the Secretary of Defense is authorized to enter into and carry out contracts for the acquisition of real property, construction, personal services, and operations related to projects described in further detail in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, consistent with the terms and conditions set forth therein: *Provided further*, That contracts entered into under the authority of this section may provide for such indemnification as the Secretary determines to be necessary: *Provided further*, That projects authorized by this section shall comply with applicable Federal, State, and local law to the maximum extent consistent with the national security, as determined by the Secretary of Defense.

10 USC 113 note.

SEC. 8092. Section 8106 of the Department of Defense Appropriations Act, 1997 (titles I through VIII of the matter under subsection 101(b) of Public Law 104–208; 110 Stat. 3009–111; 10 U.S.C. 113 note) shall continue in effect to apply to disbursements that are made by the Department of Defense in fiscal year 2004.

SEC. 8093. In addition to amounts provided elsewhere in this Act, \$3,800,000 is hereby appropriated for “Defense Health Program”, to remain available for obligation until expended: *Provided*, That notwithstanding any other provision of law, \$2,000,000 shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary, and notwithstanding any other provision of law, \$1,800,000 shall be available only for deposit into the Army, Navy, and Air Force Fisher House Non-appropriated Fund Instrumentalities and shall be used in support and upkeep of existing Fisher Houses.

SEC. 8094. Amounts appropriated in titles II and IV are hereby reduced by \$504,500,000 to reflect savings attributable to improvements in the management of professional support services, surveys and analysis, and contracted engineering and technical support, and to limit excessive growth in the procurement of advisory and assistance services, to be distributed as follows:

- (1) From “Operation and Maintenance, Army”, \$48,500,000;
- (2) From “Operation and Maintenance, Navy”, \$84,400,000;
- (3) From “Operation and Maintenance, Marine Corps”, \$4,300,000;
- (4) From “Operation and Maintenance, Air Force”, \$196,300,000;
- (5) From “Operation and Maintenance, Defense-Wide”, \$91,000,000;
- (6) From “Research, Development, Test and Evaluation, Navy”, \$40,000,000; and
- (7) From “Research, Development, Test and Evaluation, Defense-Wide”, \$40,000,000:

Applicability.

Provided, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project and activity within each appropriations account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8095. Of the amounts appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide”, \$144,803,000 shall be made available for the Arrow missile defense program: *Provided*, That of this amount, \$80,000,000 shall be available for the purpose of producing Arrow missile components in the United States and Arrow missile components and missiles in Israel to meet Israel’s defense requirements, consistent with each nation’s laws, regulations and procedures: *Provided further*, That funds made available under this provision for production of missiles and missile components may be transferred to appropriations available for the procurement of weapons and equipment, to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this provision is in addition to any other transfer authority contained in this Act.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8096. In addition to amounts provided elsewhere in this Act, \$60,000,000 is hereby appropriated for “Aircraft Procurement, Navy”: *Provided*, That these funds shall be available only for transfer to the Coast Guard for mission essential equipment for Coast Guard HC–130J aircraft.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8097. Of the amounts appropriated in this Act under the heading “Shipbuilding and Conversion, Navy”, \$635,502,000 shall be available until September 30, 2004, to fund prior year shipbuilding cost increases: *Provided*, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amounts specified: *Provided further*, That the amounts transferred shall be merged with and be available for the same purposes as the appropriations to which transferred:

To:

Under the heading, “Shipbuilding and Conversion, Navy, 1996/04”:

LPD–17 Amphibious Transport Dock Ship Program, \$95,300,000.

Under the heading, “Shipbuilding and Conversion, Navy, 1998/04”:

New SSN, \$81,060,000.

Under the heading, “Shipbuilding and Conversion, Navy, 1999/04”:

DDG–51 Destroyer Program, \$44,420,000;

New SSN, \$156,978,000;

LPD–17 Amphibious Transport Dock Ship Program, \$51,100,000.

Under the heading, “Shipbuilding and Conversion, Navy, 2000/04”:

DDG–51 Destroyer Program, \$24,510,000;

LPD–17 Amphibious Transport Dock Ship Program, \$112,778,000.

Under the heading, “Shipbuilding and Conversion, Navy, 2001/04”:

DDG–51 Destroyer Program, \$6,984,000;
New SSN, \$62,372,000.

SEC. 8098. The Secretary of the Navy may settle, or compromise, and pay any and all admiralty claims under 10 U.S.C. 7622 arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU, in any amount and without regard to the monetary limitations in subsections (a) and (b) of that section: *Provided*, That such payments shall be made from funds available to the Department of the Navy for operation and maintenance.

SEC. 8099. Notwithstanding any other provision of law or regulation, the Secretary of Defense may exercise the provisions of 38 U.S.C. 7403(g) for occupations listed in 38 U.S.C. 7403(a)(2) as well as the following:

Pharmacists, Audiologists, and Dental Hygienists.

(A) The requirements of 38 U.S.C. 7403(g)(1)(A) shall apply.

(B) The limitations of 38 U.S.C. 7403(g)(1)(B) shall not apply.

SEC. 8100. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of the Intelligence Authorization Act for fiscal year 2004.

SEC. 8101. The total amount appropriated in title II is hereby reduced by \$200,000,000 to reduce cost growth in information technology development, to be derived as follows:

(1) From “Operation and Maintenance, Army”, \$40,000,000.

(2) From “Operation and Maintenance, Navy”, \$60,000,000.

(3) From “Operation and Maintenance, Air Force”, \$60,000,000.

(4) From “Operation and Maintenance, Defense-Wide”, \$40,000,000.

SEC. 8102. In addition to funds made available elsewhere in this Act \$5,500,000 is hereby appropriated and shall remain available until expended to provide assistance, by grant or otherwise (such as, but not limited to, the provision of funds for repairs, maintenance, construction, and/or for the purchase of information technology, text books, teaching resources), to public schools that have unusually high concentrations of special needs military dependents enrolled: *Provided*, That in selecting school systems to receive such assistance, special consideration shall be given to school systems in States that are considered overseas assignments, and all schools within these school systems shall be eligible for assistance: *Provided further*, That up to \$2,000,000 shall be available for the Department of Defense to establish a non-profit trust fund to assist in the public-private funding of public school repair and maintenance projects, or provide directly to non-profit organizations who in return will use these monies to provide assistance in the form of repair, maintenance, or renovation to public school systems that have high concentrations of special needs military dependents and are located in States that are considered overseas assignments, and of which 2 percent shall be available to support the administration and execution of the funds: *Provided further*, That to the extent a Federal agency provides this assistance, by contract, grant, or otherwise, it may accept and expend non-Federal

funds in combination with these Federal funds to provide assistance for the authorized purpose, if the non-Federal entity requests such assistance and the non-Federal funds are provided on a reimbursable basis.

SEC. 8103. None of the funds in this Act may be used to initiate a new start program without prior notification to the Office of Secretary of Defense and the congressional defense committees.

SEC. 8104. The amounts appropriated in title II are hereby reduced by \$372,000,000 to reflect cash balance and rate stabilization adjustments in Department of Defense Working Capital Funds, as follows:

(1) From “Operation and Maintenance, Army”, \$107,000,000.

(2) From “Operation and Maintenance, Navy”, \$45,000,000.

(3) From “Operation and Maintenance, Air Force”, \$220,000,000.

SEC. 8105. The amount appropriated in title II for “Operation and Maintenance, Navy” is hereby reduced by \$44,000,000 to reduce excess funded carryover.

SEC. 8106. (a) In addition to the amounts provided elsewhere in this Act, the amount of \$5,500,000 is hereby appropriated to the Department of Defense for “Operation and Maintenance, Army National Guard”. Such amount shall be made available to the Secretary of the Army only to make a grant in the amount of \$5,500,000 to the entity specified in subsection (b) to facilitate access by veterans to opportunities for skilled employment in the construction industry.

(b) The entity referred to in subsection (a) is the Center for Military Recruitment, Assessment and Veterans Employment, a nonprofit labor-management co-operation committee provided for by section 302(c)(9) of the Labor-Management Relations Act, 1947 (29 U.S.C. 186(c)(9)), for the purposes set forth in section 6(b) of the Labor Management Cooperation Act of 1978 (29 U.S.C. 175a note).

SEC. 8107. FINANCING AND FIELDING OF KEY ARMY CAPABILITIES.—The Department of Defense and the Department of the Army shall make future budgetary and programming plans to fully finance the Non-Line of Sight (NLOS) Objective Force cannon and resupply vehicle program in order to field this system in the 2008 timeframe. As an interim capability to enhance Army lethality, survivability, and mobility for light and medium forces before complete fielding of the Objective Force, the Army shall ensure that budgetary and programmatic plans will provide for no fewer than six Stryker Brigade Combat Teams to be fielded between 2003 and 2008.

SEC. 8108. Of the funds made available in this Act, not less than \$40,600,000 shall be available to maintain an attrition reserve force of 18 B–52 aircraft, of which \$3,800,000 shall be available from “Military Personnel, Air Force”, \$25,100,000 shall be available from “Operation and Maintenance, Air Force”, and \$11,700,000 shall be available from “Aircraft Procurement, Air Force”: *Provided*, That the Secretary of the Air Force shall maintain a total force of 94 B–52 aircraft, including 18 attrition reserve aircraft, during fiscal year 2004: *Provided further*, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2005 amounts sufficient to maintain a B–52 force totaling 94 aircraft.

SEC. 8109. Of the funds made available under the heading “Operation and Maintenance, Air Force”, \$8,000,000 shall be available to realign railroad track on Elmendorf Air Force Base and Fort Richardson: *Provided*, That the Secretary of the Air Force is authorized, using funds available under the heading “Operation and Maintenance, Air Force”, to complete a phased repair project, which repairs may include upgrades and additions, to the infrastructure of the operational ranges managed by the Air Force in Alaska. The total cost of such phased projects shall not exceed \$26,000,000.

(TRANSFER OF FUNDS)

SEC. 8110. Of the amounts appropriated in Public Law 107–206 under the heading “Defense Emergency Response Fund”, an amount up to the fair market value of the leasehold interest in adjacent properties necessary for the force protection requirements of Tooele Army Depot, Utah, may be made available to resolve any property disputes associated with Tooele Army Depot, Utah, and to acquire such leasehold interest as required: *Provided*, That none of these funds may be used to acquire fee title to the properties.

SEC. 8111. Up to \$3,000,000 of the funds appropriated under the heading “Operation and Maintenance, Navy” in this Act for the Pacific Missile Range Facility may be made available to contract for the repair, maintenance, and operation of adjacent off-base water, drainage, and flood control systems, electrical upgrade to support additional missions critical to base operations, and support for a range footprint expansion to further guard against encroachment.

Grants.

SEC. 8112. In addition to the amounts appropriated or otherwise made available in this Act, \$34,950,000 is hereby appropriated to the Department of Defense: *Provided*, That the Secretary of Defense shall make grants in the amount of \$8,500,000 to the Fort Benning Infantry Museum; \$6,000,000 to the University of South Florida for establishment and operation of the Joint Military Science Leadership Program; \$5,000,000 to the American Red Cross for Armed Forces Emergency Services; \$3,500,000 to the National D-Day Museum; \$3,000,000 to the Chicago Park District for renovation of the Broadway Armory; \$2,100,000 to the National Guard Youth Foundation; \$2,100,000 to the Intrepid Sea-Air-Space Foundation; \$2,000,000 to the Army Museum of the Southwest at Fort Sill, Oklahoma; \$1,500,000 to the Tredegar National Civil War Center; \$1,000,000 to the Philadelphia Korean War Memorial; and \$250,000 to the CSS Alabama Association.

Reports.
Deadline.

SEC. 8113. None of the funds appropriated in this Act under the heading “Overseas Contingency Operations Transfer Account” may be transferred or obligated for Department of Defense expenses not directly related to the conduct of overseas contingencies: *Provided*, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the Committees on Appropriations of the Senate and House of Representatives that details any transfer of funds from the “Overseas Contingency Operations Transfer Account”: *Provided further*, That the report shall explain any transfer for the maintenance of real property, pay of civilian personnel, base operations support, and weapon, vehicle or equipment maintenance.

SEC. 8114. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading “Shipbuilding and Conversion, Navy” shall be

considered to be for the same purpose as any subdivision under the heading “Shipbuilding and Conversion, Navy” appropriations in any prior fiscal year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8115. The budget of the President for fiscal year 2005 submitted to the Congress pursuant to section 1105 of title 31, United States Code shall include separate budget justification documents for costs of United States Armed Forces’ participation in contingency operations for the Military Personnel accounts, the Operation and Maintenance accounts, and the Procurement accounts: *Provided*, That these documents shall include a description of the funding requested for each contingency operation, for each military service, to include all Active and Reserve components, and for each appropriations account: *Provided further*, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for each contingency operation, and programmatic data including, but not limited to, troop strength for each Active and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: *Provided further*, That these documents shall include budget exhibits OP–5 and OP–32 (as defined in the Department of Defense Financial Management Regulation) for all contingency operations for the budget year and the two preceding fiscal years.

10 USC 221 note.

SEC. 8116. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system.

(TRANSFER OF FUNDS)

SEC. 8117. Of the amounts appropriated in this Act under the headings “Research, Development, Test and Evaluation, Navy” and “Operation and Maintenance, Defense-Wide” \$56,200,000 shall be transferred to such appropriations available to the Department of Defense as may be required to carry out the intent of Congress as expressed in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, and amounts so transferred shall be available for the same purposes and for the same time period as the appropriations to which transferred.

SEC. 8118. During the current fiscal year, section 2533a(f) of Title 10, United States Code, shall not apply to any fish, shellfish, or seafood product. This section is applicable to contracts and sub-contracts for the procurement of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).

SEC. 8119. Notwithstanding section 2465 of title 10 U.S.C., the Secretary of the Navy may use funds appropriated in title II of this Act under the heading, “Operation and Maintenance, Navy”, to liquidate the expenses incurred for private security guard services performed at the Naval Support Unit, Saratoga Springs, New York by Burns International Security Services, Albany, New York in the amount of \$29,323.35, plus accrued interest, if any.

SEC. 8120. Of the amounts provided in title II of this Act under the heading, “Operation and Maintenance, Defense-Wide”, \$20,000,000 is available for the Regional Defense Counter-terrorism Fellowship Program, to fund the education and training of foreign military officers, ministry of defense civilians, and other foreign security officials, to include United States military officers and

civilian officials whose participation directly contributes to the education and training of these foreign students.

16 USC
410aaa-56 note,
431 note.

SEC. 8121. (a) EXCHANGE REQUIRED.—In exchange for the private property described in subsection (b), the Secretary of the Interior shall convey to the Veterans Home of California—Barstow, Veterans of Foreign Wars Post #385E (in this section referred to as the “recipient”), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately one acre in the Mojave National Preserve and designated (by section 8137 of the Department of Defense Appropriations Act, 2002 (Public Law 107-117; 115 Stat. 2278)) as a national memorial commemorating United States participation in World War I and honoring the American veterans of that war. Notwithstanding the conveyance of the property under this subsection, the Secretary shall continue to carry out the responsibilities of the Secretary under such section 8137.

(b) CONSIDERATION.—As consideration for the property to be conveyed by the Secretary under subsection (a), Mr. and Mrs. Henry Sandoz of Mountain Pass, California, have agreed to convey to the Secretary a parcel of real property consisting of approximately five acres, identified as parcel APN 569-051-44, and located in the west $\frac{1}{2}$ of the northeast $\frac{1}{4}$ of the northwest $\frac{1}{4}$ of the northwest $\frac{1}{4}$ of section 11, township 14 north, range 15 east, San Bernardino base and meridian.

(c) EQUAL VALUE EXCHANGE; APPRAISAL.—The values of the properties to be exchanged under this section shall be equal or equalized as provided in subsection (d). The value of the properties shall be determined through an appraisal performed by a qualified appraiser in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions (Department of Justice, December 2000).

(d) CASH EQUALIZATION.—Any difference in the value of the properties to be exchanged under this section shall be equalized through the making of a cash equalization payment. The Secretary shall deposit any cash equalization payment received by the Secretary under this subsection in the Land and Water Conservation Fund.

(e) REVERSIONARY CLAUSE.—The conveyance under subsection (a) shall be subject to the condition that the recipient maintain the conveyed property as a memorial commemorating United States participation in World War I and honoring the American veterans of that war. If the Secretary determines that the conveyed property is no longer being maintained as a war memorial, the property shall revert to the ownership of the United States.

(f) BOUNDARY ADJUSTMENT; ADMINISTRATION OF ACQUIRED LAND.—The boundaries of the Mojave National Preserve shall be adjusted to reflect the land exchange required by this section. The property acquired by the Secretary under this section shall become part of the Mojave National Preserve and be administered in accordance with the laws, rules, and regulations generally applicable to the Mojave National Preserve.

SEC. 8122. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act: *Provided*, That the Air Force shall allow the 53rd Weather Reconnaissance

Squadron to perform other missions in support of national defense requirements during the non-hurricane season.

SEC. 8123. The Secretary of the Air Force shall convey, without consideration, to the Inland Valley Development Agency all right, title, and interest of the United States in and to certain parcels of real property, including improvements thereon, located in San Bernardino, California, that consist of approximately 39 acres and are leased, as of June 1, 2003, by the Secretary to the Defense Finance and Accounting Service. The conveyance shall be subject to the condition that the Inland Valley Development Agency and the Director of the Defense Finance and Accounting Service enter into a lease-back agreement, acceptable to the Director, for premises required by the Director for support operations conducted by the Defense Finance and Accounting Service.

SEC. 8124. Notwithstanding the provisions of section 2401 of title 10, United States Code, the Secretary of the Navy is authorized to enter into a contract for the charter for a period through fiscal year 2008, of the vessel, RV CORY CHOUEST (United States Official Number 933435) in support of the Surveillance Towed Array Sensor (SURTASS) program: *Provided*, That funding for this lease shall be from within funds provided in this Act and future appropriations Acts.

SEC. 8125. In addition to the amounts appropriated or otherwise made available elsewhere in this Act, and notwithstanding any other provision of law, \$17,000,000 is hereby appropriated to “Operation and Maintenance, Army”, to remain available until September 30, 2004, to be available only for a grant in the amount of \$17,000,000 to the Silver Valley Unified School District, Silver Valley, California, for the purpose of school construction at Fort Irwin, California.

SEC. 8126. (a) The total amount appropriated or otherwise made available in titles II, III, and IV of this Act is hereby reduced by \$1,662,000,000 to reflect savings from outsourcing, management efficiencies, and revised economic assumptions, to be distributed as follows:

“Title II”, \$554,000,000;
“Title III”, \$554,000,000; and
“Title IV”, \$554,000,000.

(b) The Secretary of Defense shall allocate this reduction proportionately to each budget activity, activity group, subactivity group, and each program, project, and activity within each applicable appropriation account: *Provided*, That appropriations made available in this Act for the pay and benefits of military personnel are exempt from reductions under this provision.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8127. (a) The amount appropriated in title II for “Operation and Maintenance, Air Force” is hereby reduced by \$451,000,000 to reflect cash balance and rate stabilization adjustments in the Department of Defense Transportation Working Capital Fund.

(b) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall transfer \$451,000,000 from the Department of Defense Transportation Working Capital Fund to “Operation and Maintenance, Air Force” to offset the reduction made by subsection (a). The transfer required by this subsection

Deadline.

is in addition to any other transfer authority provided to the Department of Defense.

(RESCISSION)

SEC. 8128. Of the funds made available in chapter 3 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11), under the heading “Iraq Freedom Fund”, \$3,490,000,000 are hereby rescinded.

SEC. 8129. Of the total amount appropriated by this Act under the heading “Operation and Maintenance, Defense-Wide”, the Secretary of Defense may use up to \$855,566 to make additional payment under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (20 U.S.C. 7703a) to those local educational agencies whose percentage reduction in the payment amount for fiscal year 2002 was in excess of the reduction otherwise imposed under subsection (d) of such section for that fiscal year. The Secretary of Defense may waive collection of any overpayment made to local educational agencies under such section for fiscal year 2002.

SEC. 8130. None of the funds appropriated or otherwise made available by this Act may be used to implement any amendment or revision of, or cancel, the Department of Defense Directive 1344.7, “Personal Commercial Solicitation on DoD Installations”, until 90 days following the date the Secretary of Defense submits to Congress notice of the amendment, revision or cancellation, and the reasons therefore.

SEC. 8131. (a) Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this or any other Act may be obligated for the Terrorism Information Awareness Program: *Provided*, That this limitation shall not apply to the program hereby authorized for Processing, analysis, and collaboration tools for counterterrorism foreign intelligence, as described in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, for which funds are expressly provided in the National Foreign Intelligence Program for counterterrorism foreign intelligence purposes.

(b) None of the funds provided for Processing, analysis, and collaboration tools for counterterrorism foreign intelligence shall be available for deployment or implementation except for:

(1) lawful military operations of the United States conducted outside the United States; or

(2) lawful foreign intelligence activities conducted wholly overseas, or wholly against non-United States citizens.

(c) In this section, the term “Terrorism Information Awareness Program” means the program known either as Terrorism Information Awareness or Total Information Awareness, or any successor program, funded by the Defense Advanced Research Projects Agency, or any other Department or element of the Federal Government, including the individual components of such Program developed by the Defense Advanced Research Projects Agency.

SEC. 8132. (a) CLOSURE OF NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.—Notwithstanding any other provision of law, the Secretary of the Navy shall close Naval Station Roosevelt Roads, Puerto Rico, no later than 6 months after enactment of this Act.

(b) IMPLEMENTATION.—The closure provided for in subsection (a), and subsequent disposal, shall be carried out in accordance with the procedures and authorities contained in the Defense Base

Deadline.

Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(c) OFFICE OF ECONOMIC ADJUSTMENT ACTIVITIES.—Notwithstanding any other provision of law, the Office of Economic Adjustment of the Department of Defense may make grants and supplement other Federal funds using funds made available by this Act under the heading “Operation and Maintenance, Defense-Wide”, and the projects so supported shall be considered to be authorized by law.

SEC. 8133. Up to \$2,000,000 of the funds appropriated by this Act under the heading, “Operation and Maintenance, Army”, may be made available to contract for services required to solicit non-Federal donations to support construction and operation of the United States Army Museum at Fort Belvoir, Virginia: *Provided*, That notwithstanding any other provision of law, the Army is authorized to receive future payments in this or the subsequent fiscal year from any non-profit organization chartered to support the United States Army Museum to reimburse amounts expended by the Army pursuant to this section: *Provided further*, That any reimbursements received pursuant to this section shall be merged with “Operation and Maintenance, Army” and shall be made available for the same purposes and for the same time period as that appropriation account.

SEC. 8134. DESIGNATION OF AMERICA’S NATIONAL WORLD WAR II MUSEUM. (a) FINDINGS.—Congress makes the following findings:

(1) The National D-Day Museum, operated in New Orleans, Louisiana by an educational foundation, has been established with the vision “to celebrate the American Spirit”.

(2) The National D-Day Museum is the only museum in the United States that exists for the exclusive purpose of interpreting the American experience during the World War II years (1939–1945) on both the battlefield and the home front and, in doing so, covers all of the branches of the Armed Forces and the Merchant Marine.

(3) The National D-Day Museum was founded by the pre-eminent American historian, Stephen E. Ambrose, as a result of a conversation with President Dwight D. Eisenhower in 1963, when the President and former Supreme Commander, Allied Expeditionary Forces in Europe, credited Andrew Jackson Higgins, the chief executive officer of Higgins Industries in New Orleans, as the “man who won the war for us” because the 12,000 landing craft designed by Higgins Industries made possible all of the amphibious invasions of World War II and carried American soldiers into every theatre of the war.

(4) The National D-Day Museum, since its grand opening on June 6, 2000, the 56th anniversary of the D-Day invasion of Normandy, has attracted nearly 1,000,000 visitors from around the world, 85 percent of whom have been Americans from across the country.

(5) American World War II veterans, called the “greatest generation” of the Nation, are dying at the rapid rate of more than 1,200 veterans each day, creating an urgent need to preserve the stories, artifacts, and heroic achievements of that generation.

(6) The United States has a need to preserve forever the knowledge and history of the Nation's most decisive achievement in the 20th century and to portray that history to citizens, visitors, and school children for centuries to come.

(7) Congress, recognizing the need to preserve this knowledge and history, appropriated funds in 1992 to authorize the design and construction of The National D-Day Museum in New Orleans to commemorate the epic 1944 Normandy invasion, and subsequently appropriated additional funds in 1998, 2000, 2001, 2002, and 2003 to help expand the exhibits in the museum to include the D-Day invasions in the Pacific Theatre of Operations and the other campaigns of World War II.

(8) The State of Louisiana and thousands of donors and foundations across the country have contributed millions of dollars to help build this national institution.

(9) The Board of Trustees of The National D-Day Museum is national in scope and diverse in its makeup.

(10) The World War II Memorial now under construction on the National Mall in Washington, the District of Columbia, will always be the memorial in our Nation where people come to remember America's sacrifices in World War II, while The National D-Day Museum will always be the museum of the American experience in the World War II years (1939–1945), where people come to learn about Americans' experiences during that critical period, as well as a place where the history of our Nation's monumental struggle against worldwide aggression by would-be oppressors is preserved so that future generations can understand the role the United States played in the preservation and advancement of democracy and freedom in the middle of the 20th century.

(11) The National D-Day Museum seeks to educate a diverse group of audiences through its collection of artifacts, photographs, letters, documents, and first-hand personal accounts of the participants in the war and on the home front during one of history's darkest hours.

(12) The National D-Day Museum is devoted to the combat experience of United States citizen soldiers in all of the theatres of World War II and to the heroic efforts of the men and women on the home front who worked tirelessly to support the troops and the war effort.

(13) The National D-Day Museum continues to add to and maintain one of the largest personal history collections in the United States of the men and women who fought in World War II and who served on the home front.

(14) No other museum describes as well the volunteer spirit that arose throughout the United States and united the country during the World War II years.

(15) The National D-Day Museum is engaged in a 250,000 square foot expansion to include the Center for the Study of the American Spirit, an advanced format theatre, and a new United States pavilion.

(16) The planned "We're All in this Together" exhibit will describe the role every State, commonwealth, and territory played in World War II, and the computer database and software of The National D-Day Museum's educational program

will be made available to the teachers and school children of every State, commonwealth, and territory.

(17) The National D-Day Museum is an official Smithsonian affiliate institution with a formal agreement to borrow Smithsonian artifacts for future exhibitions.

(18) Le Memorial de Caen in Normandy, France has formally recognized The National D-Day Museum as its official partner in a Patriotic Alliance signed on October 16, 2002, by both museums.

(19) The official Battle of the Bulge museums in Luxembourg and the American Battlefield Monuments Commission are already collaborating with The National D-Day Museum on World War II exhibitions.

(20) For all of these reasons, it is appropriate to designate The National D-Day Museum as “America’s National World War II Museum”.

(b) PURPOSES.—The purposes of this section are, through the designation of The National D-Day Museum as “America’s National World War II Museum”, to express the United States Government’s support for—

(1) the continuing preservation, maintenance, and interpretation of the artifacts, documents, images, and history collected by the museum;

(2) the education of the American people as to the American experience in combat and on the home front during the World War II years, including the conduct of educational outreach programs for teachers and students throughout the United States;

(3) the operation of a premier facility for the public display of artifacts, photographs, letters, documents, and personal histories from the World War II years (1939–1945);

(4) the further expansion of the current European and Pacific campaign exhibits in the museum, including the Center for the Study of the American Spirit for education; and

(5) ensuring the understanding by all future generations of the magnitude of the American contribution to the Allied victory in World War II, the sacrifices made to preserve freedom and democracy, and the benefits of peace for all future generations in the 21st century and beyond.

(c) DESIGNATION OF “AMERICA’S NATIONAL WORLD WAR II MUSEUM”.—The National D-Day Museum, New Orleans, Louisiana, is designated as “America’s National World War II Museum”.

SEC. 8135. NATIVE AMERICAN VETERAN HOUSING LOANS. (a) Title I of Division K of the Consolidated Appropriations Resolution, 2003 (Public Law 108–7) is amended by striking out “expenses: *Provided*, That no new loans in excess of \$5,000,000 may be made in fiscal year 2003.” from the paragraph under the heading “Native American Veteran Housing Loan Program Account” and inserting in lieu thereof “expenses.”.

(b) The amendment made by subsection (a) of this section is effective on the date of the enactment of Public Law 108–7, February 20, 2003.

Effective date.

SEC. 8136. None of the funds appropriated in this Act shall be used to study, demonstrate, or implement any plans privatizing, divesting or transferring of any Civil Works missions, functions, or responsibilities for the United States Army Corps of Engineers

to other government agencies without specific direction in a subsequent Act of Congress.

SEC. 8137. None of the funds provided in this Act may be used to pay any fee charged by the Department of State for the purpose of constructing new United States diplomatic facilities.

10 USC 2532
note.

SEC. 8138. (a) The Secretary of Defense—

(1) shall review—

(A) contractual offset arrangements to which the policy established under section 2532 of title 10, United States Code, applies that are in effect on the date of the enactment of this Act;

(B) memoranda of understanding and related agreements to which the limitation in section 2531(c) of such title applies that have been entered into with a country with respect to which such contractual offset arrangements have been entered into and are in effect on such date; and

(C) waivers granted with respect to a foreign country under section 2534(d)(3) of title 10, United States Code, that are in effect on such date; and

(2) shall determine the effects of the use of such arrangements, memoranda of understanding, agreements, and waivers on the national technology and industrial base.

Reports.
Deadline.

(b) The Secretary shall submit a report on the results of the review under subsection (a) to Congress not later than March 1, 2005. The report shall include a discussion of each of the following:

(1) The effects of the contractual offset arrangements on specific subsectors of the industrial base of the United States and what actions have been taken to prevent or ameliorate any serious adverse effects on such subsectors.

(2) The extent, if any, to which the contractual offset arrangements and memoranda of understanding and related agreements have provided for technology transfer that would significantly and adversely affect the national technology and industrial base.

(3) The extent to which the use of such contractual offset arrangements is consistent with—

(A) the limitation in section 2531(c) of title 10, United States Code, that prohibits implementation of a memorandum of understanding and related agreements if the President, taking into consideration the results of the inter-agency review, determines that such memorandum of understanding or a related agreement has or is likely to have a significant adverse effect on United States industry that outweighs the benefits of entering into or implementing such memorandum or agreement; and

(B) the requirements under section 2534(d) of such title that—

(i) a waiver granted under such section not impede cooperative programs entered into between the Department of Defense and a foreign country and not impede the reciprocal procurement of defense items that is entered into in accordance with section 2531 of such title; and

(ii) the country with respect to which the waiver is granted not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(c) The Secretary shall submit to the President any recommendations regarding the use or administration of contractual offset arrangements and memoranda of understanding and related agreements referred to in subsection (a) that the Secretary considers an appropriate response to the findings resulting from the Secretary's review.

SEC. 8139. It is the sense of the Senate that—

(1) any request for funds for a fiscal year for an ongoing overseas military operation, including operations in Afghanistan and Iraq, should be included in the annual budget of the President for such fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code; and

(2) any funds provided for such fiscal year for such a military operation should be provided in appropriations Acts for such fiscal year through appropriations to specific accounts set forth in such Acts.

SEC. 8140. STUDY REGARDING MAIL DELIVERY IN THE MIDDLE EAST. (a) STUDY.—The Comptroller General of the United States shall conduct a review of the delivery of mail to troops in the Middle East and the study should:

(1) Determine delivery times, reliability, and losses for mail and parcels to and from troops stationed in the Middle East.

(2) Identify and analyze mail and parcel delivery service efficiency issues during Operations Desert Shield/Desert Storm, compared to such services which occurred during Operation Iraqi Freedom.

(3) Identify cost efficiencies and benefits of alternative delivery systems or modifications to existing delivery systems to improve the delivery times of mail and parcels.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the congressional defense committees on their findings and recommendations.

Deadline.

SEC. 8141. (a) LIMITATION ON USE OF FUNDS.—Notwithstanding any other provision of law, no funds appropriated or otherwise made available by this Act may be obligated or expended to decommission a Naval or Marine Corps Reserve aviation squadron until the report required by subsection (b) is submitted to the committees of Congress referred to in that subsection.

(b) REPORT ON NAVY AND MARINE CORPS TACTICAL AVIATION REQUIREMENTS.—

(1) Not later than February 1, 2004, the Comptroller General of the United States shall submit to the congressional defense committees a report on the requirements of the Navy and the Marine Corps for tactical aviation, including mission requirements, recapitalization requirements, and the role of Naval and Marine Corps Reserve assets in meeting such requirements.

Deadline.

(2) The report shall include the recommendations of the Comptroller General on an appropriate force structure for the active and reserve aviation units of the Navy and the Marine

Corps, and related personnel requirements, for the 10-year period beginning on the date of the report.

Reports.
Deadline.

SEC. 8142. The Secretary of the Air Force, in consultation with the Chief of Air Force Reserve, shall study the mission of the 932nd Airlift Wing, Scott Air Force Base, Illinois, and evaluate whether it would be appropriate to substitute for that mission a mixed mission of transporting patients, passengers, and cargo that would increase the airlift capability of the Air Force while continuing the use and training of aeromedical evacuation personnel. The Secretary shall submit a report on the results of the study and evaluation to the congressional defense committees not later than January 16, 2004.

Deadline.

SEC. 8143. REPORTS ON SAFETY ISSUES DUE TO DEFECTIVE PARTS. (a) REPORT FROM THE SECRETARY.—The Secretary shall by March 31, 2004, examine and report back to the congressional defense committees on—

(1) how to implement a system for tracking safety-critical parts so that parts discovered to be defective, including due to faulty or fraudulent work by a contractor or subcontractor, can be identified and found;

(2) appropriate standards and procedures to ensure timely notification of contracting agencies and contractors about safety issues including parts that may be defective, and whether the Government Industry Data Exchange Program should be made mandatory;

(3) efforts to find and test airplane parts that have been heat treated by companies alleged to have done so improperly; and

(4) whether contracting agencies and contractors have been notified about alleged improper heat treatment of airplane parts.

(b) REPORT FROM THE COMPTROLLER GENERAL.—The Comptroller General shall examine and report back to the congressional defense committees on—

(1) the oversight of subcontractors by prime contractors, and testing and quality assurance of the work of the subcontractors; and

(2) the oversight of prime contractors by the Department, the accountability of prime contractors for overseeing subcontractors, and the use of enforcement mechanisms by the Department.

10 USC 2784
note.

SEC. 8144. Section 8149(b) of the Department of Defense Appropriations Act, 2003 (Public Law 107–248; 116 Stat. 1572) is amended by adding at the end the following new paragraph:

“(3) This subsection shall remain in effect for fiscal year 2004.”.

SEC. 8145. (a) The Secretary of the Navy shall transfer by gift under section 7306 of title 10, United States Code, the Sturgeon Class submarine NARWHAL (SSN–671) to the National Submarine Science Discovery Center, Newport, Kentucky, upon receipt of an application for donation of such vessel to the Center that is satisfactory to the Secretary.

(b) Before transferring the submarine as required under subsection (a), the Secretary shall remove the nuclear reactor compartment and the other classified or otherwise sensitive military equipment of the submarine.

(c) Subsection (c) of section 7306 of title 10, United States Code, does not apply to the cost of carrying out subsection (b)

of this section, any other cost of dismantling the submarine, and the cost of any recycling or disposal of equipment and materiel removed from the submarine before transfer.

(d) Subsection (d) of section 7306 of title 10, United States Code, does not apply to the transfer required under subsection (a).

SEC. 8146. FISCAL YEAR 2004 EXEMPTION FOR CERTAIN MEMBERS OF THE ARMED FORCES FROM REQUIREMENT TO PAY SUBSISTENCE CHARGES WHILE HOSPITALIZED. (a) IN GENERAL.—Section 1075 of title 10, United States Code, is amended—

(1) by inserting “(a) IN GENERAL.—” before “When”; and

(2) by striking the second sentence and inserting the following:

“(b) EXCEPTIONS.—Subsection (a) shall not apply to any of the following:

“(1) An enlisted member, or former enlisted member, of a uniformed service who is entitled to retired or retainer pay or equivalent pay.

“(2) An officer or former officer of a uniformed service, or an enlisted member or former enlisted member of a uniformed service not described in paragraph (1), who is hospitalized under section 1074 because of an injury incurred (as determined under criteria prescribed by the Secretary of Defense)—

“(A) as a direct result of armed conflict;

“(B) while engaged in hazardous service;

“(C) in the performance of duty under conditions simulating war; or

“(D) through an instrumentality of war.

“(c) APPLICABILITY.—The exception provided in paragraph (2) of subsection (b) shall apply only during fiscal year 2004.”.

(b) EFFECTIVE DATE.—Subsections (b) and (c) of section 1075 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003, and apply with respect to injuries incurred before, on, or after that date.

10 USC 1075
note.

This Act may be cited as the “Department of Defense Appropriations Act, 2004”.

Approved September 30, 2003.

LEGISLATIVE HISTORY—H.R. 2658 (S. 1382):

HOUSE REPORTS: Nos. 108–187 (Comm. on Appropriations) and 108–283 (Comm. of Conference).

SENATE REPORTS: No. 108–87 accompanying S. 1382 (Comm. on Appropriations). CONGRESSIONAL RECORD, Vol. 149 (2003):

July 8, considered and passed House.

July 14–17, considered and passed Senate, amended.

Sept. 24, House agreed to conference report.

Sept. 25, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Sept. 30, Presidential statement.



Public Law 108–88
108th Congress

An Act

Sept. 30, 2003
[H.R. 3087]

To provide an extension of highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century.

Surface
Transportation
Extension Act of
2003.
23 USC 101 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Surface Transportation Extension Act of 2003”.

23 USC 104 note.

SEC. 2. ADVANCES.

(a) **IN GENERAL.**—The Secretary of Transportation shall apportion funds made available under section 1101(c) of the Transportation Equity Act for the 21st Century (112 Stat. 116), as amended by this Act, to each State in the ratio that—

(1) the State’s total fiscal year 2003 obligation authority for funds apportioned for the Federal-aid highway program; bears to

(2) all States’ total fiscal year 2003 obligation authority for funds apportioned for the Federal-aid highway program.

(b) **PROGRAMMATIC DISTRIBUTIONS.**—

(1) **PROGRAMS.**—Of the funds to be apportioned to each State under subsection (a), the Secretary shall ensure that the State is apportioned an amount of the funds, determined under paragraph (2), for the Interstate maintenance program, the National Highway System program, the bridge program, the surface transportation program, the congestion mitigation and air quality improvement program, the recreational trails program, the Appalachian development highway system program, and the minimum guarantee.

(2) **IN GENERAL.**—The amount that each State shall be apportioned under this subsection for each item referred to in paragraph (1) shall be determined by multiplying—

(A) the amount apportioned to the State under subsection (a); by

(B) the ratio that—

(i) the amount of funds apportioned for the item to the State for fiscal year 2003; bears to

(ii) the total of the amount of funds apportioned for the items to the State for fiscal year 2003.

(3) **ADMINISTRATION OF FUNDS.**—Funds authorized by the amendment made under subsection (d) shall be administered as if the funds had been apportioned, allocated, deducted, or set aside, as the case may be, under title 23, United States

Code; except that the deductions and set-asides in the following sections of such title shall not apply to such funds: sections 104(a)(1)(A), 104(a)(1)(B), 104(b)(1)(A), 104(d)(1), 104(d)(2), 104(f)(1), 104(h)(1), 118(c)(1), 140(b), 140(c), and 144(g)(1).

(4) SPECIAL RULES FOR MINIMUM GUARANTEE.—In carrying out the minimum guarantee under section 105(c) of title 23, United States Code, with funds apportioned under this section for the minimum guarantee, the \$2,800,000,000 set forth in paragraph (1) of such section 105(c) shall be treated as being \$1,166,666,667 and the aggregate of amounts apportioned to the States under this section for the minimum guarantee shall be treated, for purposes of such section 105(c), as amounts made available under section 105 of such title.

(5) EXTENSION OF OFF-SYSTEM BRIDGE SETASIDE.—Section 144(g)(3) of title 23, United States Code, is amended by inserting after “2003” the following: “and in the period of October 1, 2003, through February 29, 2004,”.

(c) REPAYMENT FROM FUTURE APPORTIONMENTS.—

(1) IN GENERAL.—The Secretary shall reduce the amount that would be apportioned, but for this section, to a State for programs under chapter 1 of title 23, United States Code, for fiscal year 2004, under a law reauthorizing the Federal-aid highway program enacted after the date of enactment of this Act by the amount that is apportioned to each State under subsection (a) and section 5(c) for each such program.

(2) PROGRAM CATEGORY RECONCILIATION.—The Secretary may establish procedures under which funds apportioned under subsection (a) for a program category for which funds are not authorized under a law described in paragraph (1) may be restored to the Federal-aid highway program.

(d) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 1101 of the Transportation Equity Act for the 21st Century (112 Stat. 111–115) is amended by adding at the end the following:

“(c) ADVANCE AUTHORIZATION.—

“(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out section 2(a) of the Surface Transportation Extension Act of 2003 \$13,483,458,333 for the period of October 1, 2003, through February 29, 2004.

“(2) SPECIAL RULE.—Funds apportioned under section 2(a) of the Surface Transportation Extension Act of 2003 shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.

“(3) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code.”.

(e) LIMITATION ON OBLIGATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), for the period of October 1, 2003, through February 29, 2004, the Secretary shall allocate to each State for programs funded under this section and section 5(c) an amount of obligation authority made available under an Act making appropriations for the Department of Transportation for fiscal year 2004 that is—

(A) equal to the greater of—

(i) the State’s unobligated balance, as of October 1, 2003, of Federal-aid highway apportionments subject

to any limitation on obligations; except that unobligated balances of contract authority from minimum guarantee and Appalachian development highway system apportionments for which obligation authority was made available until used shall not be included for purposes of calculating a State's unobligated balance of apportionments for this clause; or

(ii) $\frac{5}{12}$ of the State's total fiscal year 2003 obligation authority for funds apportioned for the Federal-aid highway program; but

(B) not greater than 75 percent of the State's total fiscal year 2003 obligation authority for funds apportioned for the Federal-aid highway program.

(2) **LIMITATION ON AMOUNT.**—The total of all allocations under paragraph (1) and allocations, for programs funded under sections 4, 5 (other than subsection (c)), and 6(a) of this Act, of obligation authority made available under an Act making appropriations for the Department of Transportation for fiscal year 2004 shall not exceed \$14,101,250,000; except that this limitation shall not apply to \$266,250,000 in obligations for minimum guarantee for the period of October 1, 2003, through February 29, 2004.

(3) **TIME PERIOD FOR OBLIGATIONS OF FUNDS.**—A State shall not obligate any funds for any Federal-aid highway program project after February 29, 2004, until the date of enactment of a multiyear law reauthorizing the Federal-aid highway program.

(4) **TREATMENT OF OBLIGATIONS.**—Any obligation of an allocation of obligation authority made under this subsection shall be considered to be an obligation for Federal-aid highways and highway safety construction programs for fiscal year 2004 for the purposes of the matter under the heading “(LIMITATION ON OBLIGATIONS)” under the heading “FEDERAL-AID HIGHWAYS” in an Act making appropriations for the Department of Transportation for fiscal year 2004.

SEC. 3. TRANSFERS OF UNOBLIGATED APPORTIONMENTS.

(a) **IN GENERAL.**—In addition to any other authority of a State to transfer funds, for fiscal year 2004, a State may transfer any funds apportioned to the State for any program under section 104(b) (including amounts apportioned under section 104(b)(3) or set aside, made available, or suballocated under section 133(d)) or section 144 of title 23, United States Code, before, on, or after the date of enactment of this Act, that are subject to any limitation on obligations, and that are not obligated, to any other of those programs.

(b) **TREATMENT OF TRANSFERRED FUNDS.**—Any funds transferred to another program under subsection (a) shall be subject to the provisions of the program to which the funds are transferred, except that funds transferred to a program under section 133 (other than subsections (d)(1) and (d)(2)) of title 23, United States Code, shall not be subject to section 133(d) of that title.

(c) **RESTORATION OF APPORTIONMENTS.**—

(1) **IN GENERAL.**—As soon as practicable after the date of enactment of a law reauthorizing the Federal-aid highway program enacted after the date of enactment of this Act, the Secretary of Transportation shall restore any funds that a

State transferred under subsection (a) for any project not eligible for the funds but for this section to the program category from which the funds were transferred.

(2) PROGRAM CATEGORY RECONCILIATION.—The Secretary may establish procedures under which funds transferred under subsection (a) from a program category for which funds are not authorized may be restored to the Federal-aid highway program.

(3) LIMITATION ON STATUTORY CONSTRUCTION.—No provision of law, except a statute enacted after the date of enactment of this Act that expressly limits the application of this subsection, shall impair the authority of the Secretary to restore funds pursuant to this subsection.

(d) GUIDANCE.—The Secretary may issue guidance for use in carrying out this section.

SEC. 4. ADMINISTRATIVE EXPENSES.

(a) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for administrative expenses of the Federal-aid highway program \$187,500,000 for fiscal year 2004.

(b) CONTRACT AUTHORITY.—Funds made available by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs; except that such funds shall remain available until expended.

SEC. 5. OTHER FEDERAL-AID HIGHWAY PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS UNDER TITLE I OF TEA21.—

(1) FEDERAL LANDS HIGHWAYS.—

(A) INDIAN RESERVATION ROADS.—Section 1101(a)(8)(A) of the Transportation Equity Act for the 21st Century (112 Stat. 112) is amended—

(i) by inserting before the period at the end the following: “and \$114,583,333 for the period of October 1, 2003, through February 29, 2004”; and

(ii) by adding at the end the following: “The minimum amount made available for such period that the Secretary, in cooperation with the Secretary of the Interior, shall reserve for Indian reservation road bridges under section 202(d)(4) of title 23, United States Code, shall be \$5,416,667 instead of \$13,000,000.”.

(B) PUBLIC LANDS HIGHWAYS.—Section 1101(a)(8)(B) of such Act (112 Stat. 112) is amended by inserting before the period at the end the following: “and \$102,500,000 for the period of October 1, 2003, through February 29, 2004”.

(C) PARK ROADS AND PARKWAYS.—Section 1101(a)(8)(C) of such Act (112 Stat. 112) is amended by inserting before the period at the end the following: “and \$68,750,000 for the period of October 1, 2003, through February 29, 2004”.

(D) REFUGE ROADS.—Section 1101(a)(8)(D) of such Act (112 Stat. 112) is amended by inserting before the period at the end the following: “and \$8,333,333 for the period of October 1, 2003, through February 29, 2004”.

(2) NATIONAL CORRIDOR PLANNING AND DEVELOPMENT AND COORDINATED BORDER INFRASTRUCTURE PROGRAMS.—Section 1101(a)(9) of such Act (112 Stat. 112) is amended by inserting before the period at the end the following: “and \$58,333,333 for the period of October 1, 2003, through February 29, 2004”.

(3) CONSTRUCTION OF FERRY BOATS AND FERRY TERMINAL FACILITIES.—

(A) IN GENERAL.—Section 1101(a)(10) of such Act (112 Stat. 113) is amended by inserting before the period at the end the following: “and \$15,833,333 for the period of October 1, 2003, through February 29, 2004”.

(B) SET ASIDE FOR ALASKA, NEW JERSEY, AND WASHINGTON.—To carry out section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 129 note; 105 Stat. 2005; 112 Stat. 185), of funds made available by the amendment made by subparagraph (A)—

(i) \$4,166,667 shall be available for section 1064(d)(2);

(ii) \$2,083,333 shall be available for section 1064(d)(3); and

(iii) \$2,083,333 shall be available for section 1064(d)(4).

(4) NATIONAL SCENIC BYWAYS PROGRAM.—Section 1101(a)(11) of the Transportation Equity Act for the 21st Century (112 Stat. 113) is amended—

(A) by striking “and” the last place it appears; and

(B) by inserting before the period at the end the following: “, and \$11,458,333 for the period of October 1, 2003, through February 29, 2004”.

(5) VALUE PRICING PILOT PROGRAM.—Section 1101(a)(12) of such Act (112 Stat. 113) is amended—

(A) by striking “and”; and

(B) by inserting before the period at the end the following: “, and \$4,583,333 for the period of October 1, 2003, through February 29, 2004”.

(6) HIGHWAY USE TAX EVASION PROJECTS.—Section 1101(a)(14) of such Act (112 Stat. 113) is amended by inserting before the period at the end the following: “and \$2,083,333 for the period of October 1, 2003, through February 29, 2004”.

(7) COMMONWEALTH OF PUERTO RICO HIGHWAY PROGRAM.—

(A) IN GENERAL.—Section 1101(a)(15) of such Act (112 Stat. 113) is amended by inserting before the period at the end the following: “and \$45,833,333 for the period of October 1, 2003, through February 29, 2004”.

(B) CONFORMING AMENDMENT.—Section 1214(r) of such Act (112 Stat. 209) is amended by striking “2003” and inserting “2004”.

(8) SAFETY GRANTS.—Section 1212(i)(1)(D) of such Act (23 U.S.C. 402 note; 112 Stat. 196; 112 Stat. 840) is amended by inserting before the period at the end the following: “and \$208,333 for the period of October 1, 2003, through February 29, 2004”.

(9) TRANSPORTATION AND COMMUNITY AND SYSTEM PRESERVATION PILOT PROGRAM.—Section 1221(e)(1) of such Act (23 U.S.C. 101 note; 112 Stat. 223) is amended by inserting before the period at the end the following: “and \$10,416,667 for the period of October 1, 2003, through February 29, 2004”.

(10) TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION.—Section 188 of title 23, United States Code, is amended—

(A) in subsection (a)(1)—

(i) by striking “and” at the end of subparagraph

(D);

(ii) by striking the period at the end of subparagraph (E) and inserting “; and”; and

(iii) by adding at the end the following:

“(F) \$58,333,333 for the period of October 1, 2003, through February 29, 2004.”;

(B) in subsection (a)(2) by inserting after “2003” the following: “and \$833,333 for the period of October 1, 2003, through February 29, 2004”; and

(C) in subsection (c)—

(i) by striking “2003” and inserting “2004”; and

(ii) by striking the period at the end of the table and inserting the following:

“2004\$1,083,333,333.”.

(b) AUTHORIZATION OF APPROPRIATIONS UNDER TITLE V OF TEA21.—

(1) SURFACE TRANSPORTATION RESEARCH.—Section 5001(a)(1) of the Transportation Equity Act for the 21st Century (112 Stat. 419) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$43,750,000 for the period of October 1, 2003, through February 29, 2004”.

(2) TECHNOLOGY DEPLOYMENT PROGRAM.—Section 5001(a)(2) of such Act (112 Stat. 419) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$22,916,667 for the period of October 1, 2003, through February 29, 2004”.

(3) TRAINING AND EDUCATION.—Section 5001(a)(3) of such Act (112 Stat. 420) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$8,750,000 for the period of October 1, 2003, through February 29, 2004”.

(4) BUREAU OF TRANSPORTATION STATISTICS.—Section 5001(a)(4) of such Act (112 Stat. 420) is amended by inserting before the period at the end the following: “, and \$12,916,667 for the period of October 1, 2003, through February 29, 2004”.

(5) ITS STANDARDS, RESEARCH, OPERATIONAL TESTS, AND DEVELOPMENT.—Section 5001(a)(5) of such Act (112 Stat. 420) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$47,916,667 for the period of October 1, 2003, through February 29, 2004”.

(6) ITS DEPLOYMENT.—Section 5001(a)(6) of such Act (112 Stat. 420) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$51,666,667 for the period of October 1, 2003, through February 29, 2004”.

(7) UNIVERSITY TRANSPORTATION RESEARCH.—Section 5001(a)(7) of such Act (112 Stat. 420) is amended—

(A) by striking “2002, and” and inserting “2002,”; and

(B) by inserting after “2003” the following: “, and \$11,250,000 for the period of October 1, 2003, through February 29, 2004”.

(c) METROPOLITAN PLANNING.—

(1) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out section 134 of title 23, United States Code, \$100,000,000 for the period of October 1, 2003, through February 29, 2004.

(2) DISTRIBUTION OF FUNDS.—The Secretary shall distribute funds made available by this subsection to the States in accordance with section 104(f)(2) of title 23, United States Code.

(3) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.

(d) TERRITORIES.—Section 1101 of the Transportation Equity Act for the 21st Century (112 Stat. 111–115) is further amended by adding at the end the following:

“(d) TERRITORIES.—

“(1) IN GENERAL.—In lieu of the amounts deducted under section 104(b)(1) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands \$15,166,667 for the period of October 1, 2003, through February 29, 2004.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(e) ALASKA HIGHWAY.—Section 1101 of such Act is further amended by adding at the end the following:

“(e) ALASKA HIGHWAY.—

“(1) IN GENERAL.—In lieu of the amounts deducted under section 104(b)(1) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Alaska Highway program under section 218 of such title \$7,833,333 for the period of October 1, 2003, through February 29, 2004.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(f) OPERATION LIFESAVER.—Section 1101 of such Act is further amended by adding at the end the following:

“(f) OPERATION LIFESAVER.—

“(1) IN GENERAL.—In lieu of the amount set aside under section 104(d)(1) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out the operation lifesaver program under such section \$208,333 for the period of October 1, 2003, through February 29, 2004.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(g) BRIDGE DISCRETIONARY.—Section 1101 of such Act is further amended by adding at the end the following:

“(g) BRIDGE DISCRETIONARY.—

“(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) \$41,666,667 to the Secretary at the discretion of the Secretary to carry out section 144(g) of title 23, United States Code, for the period of October 1, 2003, through February 29, 2004.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(h) INTERSTATE MAINTENANCE.—Section 1101 of such Act is further amended by adding at the end the following:

“(h) INTERSTATE MAINTENANCE.—

“(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) \$41,666,667 to the Secretary to carry out projects described in section 118(c)(1) of title 23, United States Code, for the period of October 1, 2003, through February 29, 2004.

“(2) PROJECT SELECTION CRITERIA.—The project selection criteria in section 118(c)(2) of such title shall apply to amounts made available by this subsection.

Applicability.

“(3) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs; except that such funds shall remain available until expended.”.

(i) RECREATIONAL TRAILS ADMINISTRATIVE COSTS.—Section 1101 of such Act is further amended by adding at the end the following:

“(i) RECREATIONAL TRAILS ADMINISTRATIVE COSTS.—

“(1) IN GENERAL.—In lieu of the amount to be deducted under section 104(h)(1) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary to cover costs of the Secretary described in such section \$312,500 for the period of October 1, 2003, through February 29, 2004.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(j) RAILWAY-HIGHWAY CROSSING HAZARD ELIMINATION IN HIGH SPEED RAIL CORRIDORS.—Section 1101 of such Act is further amended by adding at the end the following:

“(j) RAILWAY-HIGHWAY CROSSING HAZARD ELIMINATION IN HIGH SPEED RAIL CORRIDORS.—

“(1) IN GENERAL.—In lieu of the amount to be deducted under section 104(d)(2) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary for elimination of hazards of railway-highway crossings in accordance with such section \$2,187,500 for the period of October 1, 2003, through February 29, 2004; except that not less than \$104,167 instead of \$250,000 shall be available for the period of October 1, 2003, through February 29, 2004, for eligible improvements described in subparagraph (E) of such section.

“(2) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs.”.

(k) NONDISCRIMINATION.—Section 1101 of such Act is further amended by adding at the end the following:

“(k) NONDISCRIMINATION.—

“(1) SKILLS TRAINING.—In lieu of the amount to be deducted under section 140(b) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary for the administration of such section \$4,166,667 for the period of October 1, 2003, through February 29, 2004.

“(2) ON-THE-JOB TRAINING.—In lieu of the amount to be deducted under section 140(c) of title 23, United States Code, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary for the administration of such section \$4,166,667 for the period of October 1, 2003, through February 29, 2004.

“(3) CONTRACT AUTHORITY.—Funds made available by this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, and shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs; except that funds made available by paragraph (1) shall remain available until expended.”.

(l) ADMINISTRATION OF FUNDS.—Funds authorized by the amendments made by this section shall be administered as if the funds had been apportioned, allocated, deducted, or set aside, as the case may be, under title 23, United States Code, except that the deductions under sections 104(a)(1)(A) and 104(a)(1)(B) of such title shall not apply to funds made available by the amendment made by subsection (a)(1) of this section.

(m) **REDUCTION OF ALLOCATED PROGRAMS.**—The Secretary of Transportation shall reduce the amount that would be made available, but for this section, for fiscal year 2004 for allocation under a program, that is continued both by a law reauthorizing such program enacted after the date of enactment of this Act and by this section, by the amount made available for such program by this section.

(n) **PROGRAM CATEGORY RECONCILIATION.**—The Secretary may establish procedures under which funds allocated under this section for fiscal year 2004 for a program category for which funds are not authorized for fiscal year 2004 under a multiyear law reauthorizing the Federal-aid highway program enacted after the date of enactment of this Act may be restored to the Federal-aid highway program.

SEC. 6. EXTENSION OF HIGHWAY SAFETY PROGRAMS.

(a) **CHAPTER 1 HIGHWAY SAFETY PROGRAMS.**—

(1) **SEAT BELT SAFETY INCENTIVE GRANTS.**—Section 157 of title 23, United States Code, is amended—

(A) in subsection (a)(3) by striking “2001” and inserting “2002”;

(B) in subsection (a)(8)(B) by striking “2001” and inserting “2002”;

(C) in subsection (b) by striking “2002” and inserting “2003”;

(D) in subsection (c)(1) by striking “2002” and inserting “2003”;

(E) in subsection (c)(2) by striking “2002” and inserting “2003”;

(F) in subsection (f)(4) by striking “2002” and inserting “2003”;

(G) in subsection (g)(1)—

(i) by striking “and”; and

(ii) by inserting before the period at the end the following: “, and \$46,666,667 for the period of October 1, 2003, through February 29, 2004”;

(H) in the heading to subsection (g)(3)(B) by striking “2003” and inserting “2004”; and

(I) in subsection (g)(3)(B) by striking “2003” and inserting “2004”.

(2) **PREVENTION OF INTOXICATED DRIVER INCENTIVE GRANTS.**—Section 163(e)(1) of such title is amended—

(A) by striking “and”; and

(B) by inserting before the period at the end the following: “, and \$50,000,000 for the period of October 1, 2003, through February 29, 2004”.

(b) **CHAPTER 4 HIGHWAY SAFETY PROGRAMS.**—Section 2009(a)(1) of the Transportation Equity Act for the 21st Century (112 Stat. 337) is amended—

(1) by striking “and”; and

(2) by inserting before the period at the end the following: “, and \$68,750,000 for the period of October 1, 2003, through February 29, 2004”.

(c) **HIGHWAY SAFETY RESEARCH AND DEVELOPMENT.**—Section 2009(a)(2) of such Act (112 Stat. 337) is amended by inserting after “2003” the following: “, and \$30,000,000 for the period of October 1, 2003, through February 29, 2004”.

(d) OCCUPANT PROTECTION INCENTIVE GRANTS.—Section 2009(a)(3) of such Act (112 Stat. 337) is amended—

(1) by striking “and”; and

(2) by inserting before the period at the end the following: “, and \$8,333,333 for the period of October 1, 2003, through February 29, 2004”.

(e) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES INCENTIVE GRANTS.—

(1) EXTENSION OF PROGRAM.—Section 410 of title 23, United States Code, is amended—

(A) in subsection (a)(3) by striking “6” and inserting “7”; and

(B) in subsection (a)(4)(C) by striking “and sixth” and inserting “, sixth, and seventh”; and

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2009(a)(4) of such Act (112 Stat. 337) is amended—

(A) by striking “and” the last place it appears; and

(B) by inserting before the period at the end the following: “, and \$16,666,667 for the period of October 1, 2003, through February 29, 2004”.

(f) NATIONAL DRIVER REGISTER.—Section 2009(a)(6) of such Act (112 Stat. 338) is amended by inserting after “2003” the following: “, and \$833,333 for the period of October 1, 2003, through February 29, 2004”.

(g) ALLOCATIONS.—Section 2009(b) of such Act (112 Stat. 338) is amended—

(1) in paragraph (1) by striking “2003” and inserting “2004”; and

(2) in paragraph (2) by striking “2003” and inserting “2004”.

(h) APPLICABILITY OF TITLE 23.—Section 2009(c) of such Act (112 Stat. 338) is amended by striking “2003” and inserting “2004”.

SEC. 7. EXTENSION OF MOTOR CARRIER SAFETY PROGRAM.

(a) ADMINISTRATIVE EXPENSES.—

(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Secretary of Transportation to pay administrative expenses of the Federal Motor Carrier Safety Administration \$71,487,500 for the period of October 1, 2003, through February 29, 2004.

(2) USE OF FUNDS.—Funds authorized by this subsection may be used for personnel costs; administrative infrastructure; rent; information technology; and programs for research and technology, regulatory development, and other operating expenses and similar matters.

(b) MOTOR CARRIER SAFETY ASSISTANCE PROGRAM.—Section 31104(a) of title 49, United States Code, is amended by adding at the end the following:

“(7) Not more than \$68,750,000 for the period of October 1, 2003, through February 29, 2004.”.

(c) INFORMATION SYSTEMS AND COMMERCIAL DRIVER’S LICENSE GRANTS.—

(1) AUTHORIZATION OF APPROPRIATION.—Section 31107(a) of such title is amended—

(A) by striking “and” at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting a semicolon;

(C) by striking the period at the end of paragraph (4) and inserting “; and”; and

(D) by adding at the end the following:

“(5) \$8,333,333 for the period of October 1, 2003 through February 29, 2004.”.

(2) EMERGENCY CDL GRANTS.—From amounts made available by section 31107(a) of title 49, United States Code, for the period of October 1, 2003 through February 29, 2004, the Secretary of Transportation may make grants of up to \$416,667 to a State whose commercial driver’s license program may fail to meet the compliance requirements of section 31311(a) of such title.

(d) CRASH CAUSATION STUDY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Federal Motor Carrier Safety Administration to continue the crash causation study required by section 224 of the Motor Carrier Safety Improvement Act of 1999 (49 U.S.C. 31100 note; 113 Stat. 1770–1771), \$416,667 for the period of October 1, 2003 through February 29, 2004.

(e) CONTRACT AUTHORITY.—Funds made available by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code.

SEC. 8. EXTENSION OF FEDERAL TRANSIT PROGRAMS.

(a) ALLOCATING AMOUNTS.—Section 5309(m) of title 49, United States Code, is amended—

(1) in paragraph (1) by inserting “and for the period of October 1, 2003, through February 29, 2004” after “2003”;

(2) in paragraph (2)(B) by inserting after clause (ii) the following:

“(iii) OCTOBER 1, 2003 THROUGH FEBRUARY 29, 2004.—Of the amounts made available under paragraph (1)(B), \$4,333,333 shall be available for the period of October 1, 2003, through February 29, 2004, for capital projects described in clause (i).”;

(3) in paragraph (3)(B) by inserting after “2003” the following: “(and \$1,250,000 shall be available for the period October 1, 2003, through February 29, 2004)”; and

(4) in paragraph (3)(C) by inserting after “2003” the following: “(and \$20,833,334 shall be available for the period October 1, 2003, through February 29, 2004)”.

(b) APPORTIONMENT OF APPROPRIATIONS FOR FIXED GUIDEWAY MODERNIZATION.—

(1) SPECIAL RULE FOR OCTOBER 1, 2003 THROUGH FEBRUARY 29, 2004.—The Secretary of Transportation shall determine the amount that each urbanized area is to be apportioned for fixed guideway modernization under section 5337 of title 49, United States Code, on a pro rata basis to reflect the partial fiscal year 2004 funding made available by sections 5338(b)(2)(A)(vi) and 5338(b)(2)(B)(vi) of such title.

Urban areas.
49 USC 5337
note.

(2) TECHNICAL AMENDMENT.—Section 5337 of such title is amended by striking the first subsection (e), relating to special rule.

(c) FORMULA GRANTS AUTHORIZATIONS.—Section 5338(a) of such title is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) by striking “and” at the end of paragraphs (2)(A)(iv) and (2)(B)(iv);

(3) by striking the period at the end of paragraphs (2)(A)(v) and (2)(B)(v) and inserting “; and”;

(4) by adding at the end of paragraph (2)(A) the following:

“(vi) \$1,292,948,344 for the period of October 1, 2003, through February 29, 2004.”;

(5) by adding at the end in paragraph (2)(B) the following:

“(vi) \$323,459,169 for the period of October 1, 2003, through February 29, 2004.”; and

(6) in paragraph (2)(C) by inserting after “a fiscal year” the following: “(other than for the period of October 1, 2003, through February 29, 2004)”.

(d) ALLOCATION OF FORMULA GRANT FUNDS FOR OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004.—Of the aggregate of amounts made available by and appropriated under section 5338(a)(2) of title 49, United States Code, for the period of October 1, 2003, through February 29, 2004—

(1) \$2,020,813 shall be available to the Alaska Railroad for improvements to its passenger operations under section 5307 of such title;

(2) \$20,833,334 shall be available to carry out section 5308 of such title; and

(3) of the remaining amount—

(A) 2.4 percent shall be available to provide transportation services to elderly individuals and individuals with disabilities under section 5310 of such title;

(B) 6.37 percent shall be available to provide financial assistance for other than urbanized areas under section 5311 of such title; and

(C) 91.23 percent shall be available to provide financial assistance for urbanized areas under section 5307 of such title.

(e) CAPITAL PROGRAM AUTHORIZATIONS.—Section 5338(b) of such title is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) by striking “and” at the end of paragraphs (2)(A)(iv) and (2)(B)(iv);

(3) by striking the period at the end of paragraphs (2)(A)(v) and (2)(B)(v) and inserting “; and”;

(4) by adding at the end of paragraph (2)(A) the following:

“(vi) \$1,022,503,342 for the period of October 1, 2003, through February 29, 2004.”; and

(5) by adding at the end of paragraph (2)(B) the following:

“(vi) \$255,801,669 for the period of October 1, 2003, through February 29, 2004.”.

(f) PLANNING AUTHORIZATIONS AND ALLOCATIONS.—Section 5338(c) is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) by striking “and” at the end of paragraphs (2)(A)(iv) and (2)(B)(iv);

(3) by striking the period at the end of paragraphs (2)(A)(v) and (2)(B)(v) and inserting “; and”;

(4) by adding at the end of paragraph (2)(A) the following:

“(vi) \$24,636,667 for the period of October 1, 2003, through February 29, 2004.”;

(5) by adding at the end of paragraph (2)(B) the following:

“(vi) \$6,100,000 for the period of October 1, 2003, through February 29, 2004.”; and

(6) in paragraph (2)(C) by inserting “or any portion of a fiscal year” after “fiscal year”.

(g) RESEARCH AUTHORIZATIONS.—Section 5338(d) of such title is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) by striking “and” at the end of paragraphs (2)(A)(iv) and (2)(B)(iv);

(3) by striking the period at the end of paragraphs (2)(A)(v) and (2)(B)(v) and inserting “; and”;

(4) by adding at the end of paragraph (2)(A) the following:

“(vi) \$16,536,667 for the period of October 1, 2003, through February 29, 2004.”;

(5) by adding at the end of paragraph (2)(B) the following:

“(vi) \$4,095,000 for the period of October 1, 2003, through February 29, 2004.”; and

(6) in paragraph (2)(C) by inserting after “a fiscal year” the following: “(other than for the period of October 1, 2003, through February 29, 2004)”.

(h) ALLOCATION OF RESEARCH FUNDS FOR OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004.—Of the funds made available by or appropriated under section 5338(d)(2) of title 49, United States Code, for the period of October 1, 2003, through February 29, 2004—

(1) not less than \$2,187,500 shall be available for providing rural transportation assistance under section 5311(b)(2) of such title;

(2) not less than \$3,437,500 shall be available for carrying out transit cooperative research programs under section 5313(a) of such title;

(3) not less than \$1,666,667 shall be available to carry out programs under the National Transit Institute under section 5315 of such title, including not more than \$416,667 shall be available to carry out section 5315(a)(16) of such title; and

(4) the remainder shall be available for carrying out national planning and research programs under sections 5311(b)(2), 5312, 5313(a), 5314, and 5322 of such title.

(i) UNIVERSITY TRANSPORTATION RESEARCH AUTHORIZATIONS.—Section 5338(e) of such title is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) in paragraph (2)(A) by inserting after “2003” the following: “and \$2,020,833 for the period of October 1, 2003, through February 29, 2004”;

(3) in paragraph (2)(B) by inserting after “2003” the following: “and \$505,833 for the period of October 1, 2003, through February 29, 2004”; and

(4) in clauses (i) and (iii) of paragraph (2)(C) by inserting after “fiscal year” the following: “(other than for the period of October 1, 2003, through February 29, 2004)”.

(j) ALLOCATION OF UNIVERSITY TRANSPORTATION RESEARCH FUNDS.—

(1) IN GENERAL.—Of the amounts made available under section 5338(e)(2)(A) of title 49, United States Code, for the period October 1, 2003, through February 29, 2004—

(A) \$833,333 shall be available for the center identified in section 5505(j)(4)(A) of such title; and

(B) \$833,333 shall be available for the center identified in section 5505(j)(4)(F) of such title.

(2) TRAINING AND CURRICULUM DEVELOPMENT.—Notwithstanding section 5338(e)(2) of such title, any amounts made available under such section for such period that remain after distribution under paragraph (1), shall be available for the purposes identified in section 3015(d) of the Transportation Equity Act for the 21st Century (112 Stat. 857).

(3) CONFORMING AMENDMENT.—Section 3015(d)(2) of the Transportation Equity Act for the 21st Century (112 Stat. 857) is amended by inserting “and in the period October 31, 2003, through February 29, 2004” after “2003”.

(k) ADMINISTRATION AUTHORIZATIONS.—Section 5338(f) of such title is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) by striking “and” at the end of paragraphs (2)(A)(iv) and (2)(B)(iv);

(3) by striking the period at the end of paragraphs (2)(A)(v) and (2)(B)(v) and inserting “; and”;

(4) by adding at the end of paragraph (2)(A) the following: “(vi) \$24,585,834 for the period of October 1, 2003, through February 29, 2004.”; and

(5) by adding at the end of paragraph (2)(B) the following: “(vi) \$6,150,833 for the period of October 1, 2003, through February 29, 2004.”.

(l) JOB ACCESS AND REVERSE COMMUTE PROGRAM.—Section 3037(l) of the Transportation Equity Act for the 21st Century (49 U.S.C. 5309 note; 112 Stat. 391–392) is amended—

(1) by striking “and” at the end of paragraphs (1)(A)(iv) and (1)(B)(iv);

(2) by striking the period at the end of paragraphs (1)(A)(v) and (1)(B)(v) and inserting “; and”;

(3) by adding at the end of paragraph (1)(A) the following: “(vi) \$50,519,167 for the period of October 1, 2003, through February 29, 2004.”;

(4) by adding at the end of paragraph (1)(B) the following: “(vi) \$12,638,333 for the period of October 1, 2003, through February 29, 2004.”; and

(5) by inserting before the period at the end of paragraph (2) the following: “; except that in the period of October 1, 2003, through February 29, 2004, \$4,166,667 shall be used for such projects”.

49 USC 5338
note.

(m) RURAL TRANSPORTATION ACCESSIBILITY INCENTIVE PROGRAM.—Section 3038(g) of such Act (49 U.S.C. 5310 note; 112 Stat. 393) is amended—

(1) by adding at the end of paragraph (1) the following:
“(F) \$2,187,500 for the period of October 1, 2003, through February 29, 2004.”; and

(2) in paragraph (2) by inserting after “2003” the following:
“(and \$708,333 shall be available for the period of October 1, 2003, through February 29, 2004)”.

(n) URBANIZED AREA FORMULA GRANTS.—Section 5307(b) of title 49, United States Code, is amended—

(1) in the heading to paragraph (2) by inserting “AND FOR THE PERIOD OF OCTOBER 1, 2003, THROUGH FEBRUARY 29, 2004” after “2003”;

(2) in paragraph (2)(A)—

(A) by inserting “and for the period of October 1, 2003, through February 29, 2004” after “2003,”;

(B) by striking “or” at the end of clause (ii);

(C) by striking the period at the end of clause (iii) and inserting “; and”; and

(D) by adding at the end the following:

“(iv) a portion of the area was not designated as an urbanized area as determined under the 1990 Federal decennial census and received assistance under section 5311 in fiscal year 2002.”;

(3) by adding at the end of paragraph (2)(B) the following:
“Each portion of an area not designated as an urbanized area under the 1990 Federal decennial census and eligible to receive funds under subparagraph (A)(iv) shall receive an amount of funds made available to carry out this section that is no less than the amount the portion of the area received under section 5311 in fiscal year 2002.”.

(o) OBLIGATION CEILING.—Section 3040 of the Transportation Equity Act for the 21st Century (112 Stat. 394) is amended—

(1) by striking “and” at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting “; and”; and

(3) by adding at the end the following:

“(6) \$3,042,501,691 for the period of October 1, 2003, through February 29, 2004.”.

(p) FUEL CELL BUS AND BUS FACILITIES PROGRAM.—Section 3015(b) of such Act (112 Stat. 361) is amended by inserting “(or, in the case of the period of October 1, 2003, through February 29, 2004, \$2,020,833)” after “\$4,850,000”.

(q) ADVANCED TECHNOLOGY PILOT PROJECT.—Section 3015(c)(2) of such Act (49 U.S.C. 322 note; 112 Stat. 361) is amended—

(1) by inserting “and for the period of October 1, 2003, through February 29, 2004,” after “2003,”; and

(2) by inserting “and \$2,083,333 for such period” after “\$5,000,000 per fiscal year”.

(r) PROJECTS FOR NEW FIXED GUIDEWAY SYSTEMS AND EXTENSIONS TO EXISTING SYSTEMS.—Subsections (a), (b), and (c)(1) of section 3030 of such Act (112 Stat. 373–381) are amended by inserting “and for the period of October 1, 2003, through February 29, 2004,” after “2003”.

(s) NEW JERSEY URBAN CORE PROJECT.—Subparagraphs (A), (B), and (C) of section 3031(a)(3) of the Intermodal Surface

23 USC 322 note.

Transportation Efficiency Act of 1991 (105 Stat. 2122; 112 Stat. 379) are amended by inserting “and for the period of October 1, 2003, through February 29, 2004,” after “2003,”.

23 USC 101 note.

(t) TREATMENT OF FUNDS.—Amounts made available under the amendments made by this section shall be treated for purposes of section 1101(b) of the Transportation Equity Act for the 21st Century (23 U.S.C. 101 note) as amounts made available for programs under title III of such Act.

SEC. 9. SPORT FISHING AND BOATING SAFETY.

(a) FUNDING FOR NATIONAL OUTREACH AND COMMUNICATIONS PROGRAM.—Section 4(c) of the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777c(c)) is amended—

(1) by striking “and” at the end of paragraph (4);

(2) by inserting “and” after the semicolon at the end of paragraph (5); and

(3) by inserting after paragraph (5) the following:

“(6) \$4,166,667 for the period of October 1, 2003, through February 29, 2004;”.

(b) CLEAN VESSEL ACT FUNDING.—Section 4(b) of such Act (16 U.S.C. 777c(b)) is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) by inserting after paragraph (3) the following:

“(4) FIRST 5 MONTHS OF FISCAL YEAR 2004.—For the period of October 1, 2003, through February 29, 2004, of the balance of each annual appropriation remaining after making the distribution under subsection (a), an amount equal to \$34,166,667, reduced by 82 percent of the amount appropriated for that fiscal year from the Boat Safety Account of the Aquatic Resources Trust Fund established by section 9504 of the Internal Revenue Code of 1986 to carry out the purposes of section 13106(a) of title 46, United States Code, shall be used as follows:

“(A) \$4,166,667 shall be available to the Secretary of the Interior for 3 fiscal years for obligation for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note).

“(B) \$3,333,333 shall be available to the Secretary of the Interior for 3 fiscal years for obligation for qualified projects under section 7404(d) of the Sportfishing and Boating Safety Act of 1998 (16 U.S.C. 777g–1(d)).

“(C) The balance remaining after the application of subparagraphs (A) and (B) shall be transferred to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106 of title 46, United States Code.”.

(c) BOAT SAFETY FUNDS.—Section 13106(c) of title 46, United States Code, is amended to read as follows:

“(c) Of the amount transferred to the Secretary of Transportation under paragraph (4) of section 4(b) of the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777c(b)), \$2,083,333 is available to the Secretary for payment of expenses of the Coast Guard for personnel and activities directly related to coordinating and carrying out the national recreational boating safety program under this title, of which \$833,333 shall be available to the Secretary only to ensure compliance with chapter 43 of this title. No funds available to the Secretary under this subsection may be used to

replace funding traditionally provided through general appropriations, nor for any purposes except those purposes authorized by this section. Amounts made available by this subsection shall remain available until expended. The Secretary shall publish annually in the Federal Register a detailed accounting of the projects, programs, and activities funded under this subsection.”.

Federal Register,
publication.

SEC. 10. BUDGET LIMITATIONS.

(a) **ADJUSTMENTS TO ANNUALIZED DISCRETIONARY SPENDING LIMITS.**—In the matter that precedes subparagraph (A) of section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, strike “through 2002”.

2 USC 901.

(b) **DISCRETIONARY SPENDING LIMITS.**—Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Strike paragraphs (1) through (7) and redesignate paragraph (8) (which relates to fiscal year 2004) as paragraph (1) and in such redesignated paragraph strike “(1) with respect to fiscal year 2004”, redesignate the remaining matter as subparagraph (C), and before such redesignated matter insert the following:

“(1) with respect to fiscal year 2004—

“(A) for the highway category: \$31,834,000,000 in outlays;

“(B) for the mass transit category: \$1,462,000,000 in new budget authority and \$6,629,000,000 in outlays; and”.

(2) Redesignate paragraphs (9) through (16) as paragraphs (2) through (9).

(c) **CATEGORY DEFINED.**—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

2 USC 900.

(1) in subparagraph (B) by inserting after “Century” the following: “and the Surface Transportation Extension Act of 2003”; and

(2) in subparagraph (C)—

(A) by inserting after “Century” the first place it appears the following: “and the Surface Transportation Extension Act of 2003”; and

(B) by striking “that Act” and inserting “those Acts”.

(d) **CONFORMANCE WITH THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2004.**—Notwithstanding any other provision of law, all adjustments made pursuant to section 110(a)(2) of title 23, United States Code, to sums authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) to carry out each of the Federal-aid highway and highway safety construction programs (other than emergency relief) in fiscal year 2004 shall be deemed to be zero.

(e) **SENSE OF CONGRESS ON ADJUSTMENT TO ALIGN HIGHWAY SPENDING WITH REVENUES.**—It is the sense of Congress that, in any multiyear reauthorization of the Federal-aid highway program, the alignment of highway spending with revenues under section 251(b)(1)(B)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 should be restructured to minimize year-to-year fluctuations in highway spending levels and to ensure the uniform enforcement of such levels.

SEC. 11. LEVEL OF OBLIGATION LIMITATIONS.

(a) **HIGHWAY CATEGORY.**—Section 8103(a) of the Transportation Equity Act for the 21st Century (2 U.S.C. 901 note; 112 Stat. 492) is amended—

- (1) by striking “and” at the end of paragraph (4);
- (2) by striking the period at the end of paragraph (5) and inserting “; and”; and
- (3) by adding at the end the following:
“(6) for fiscal year 2004, \$34,498,000,000.”

(b) **MASS TRANSIT CATEGORY.**—Section 8103(b) of such Act (2 U.S.C. 901 note; 112 Stat. 492) is amended—

- (1) by striking “and” at the end of paragraph (4);
- (2) by striking the period at the end of paragraph (5) and inserting “; and”; and
- (3) by adding at the end the following:
“(6) for fiscal year 2004, \$7,303,000,000.”

(c) **TREATMENT OF FUNDS.**—Notwithstanding any other provision of law, funds made available under this Act, including the amendments made by this Act, shall be deemed to be zero for the purposes of section 110 of the title 23, United States Code.

SEC. 12. EXTENSION OF AUTHORIZATION FOR USE OF TRUST FUNDS FOR OBLIGATIONS UNDER TEA-21.

(a) **HIGHWAY TRUST FUND.**—

(1) **IN GENERAL.**—Paragraph (1) of section 9503(c) of the Internal Revenue Code of 1986 is amended—

- (A) in the matter before subparagraph (A), by striking “October 1, 2003” and inserting “March 1, 2004”,
- (B) by striking “or” at the end of subparagraph (D),
- (C) by striking the period at the end of subparagraph (E) and inserting “, or”,
- (D) by inserting after subparagraph (E), the following new subparagraph:

“(F) authorized to be paid out of the Highway Trust Fund under the Surface Transportation Extension Act of 2003.”, and

(E) in the matter after subparagraph (F), as added by this paragraph, by striking “TEA 21 Restoration Act” and inserting “Surface Transportation Extension Act of 2003”.

(2) **MASS TRANSIT ACCOUNT.**—Paragraph (3) of section 9503(e) of such Code is amended—

- (A) in the matter before subparagraph (A), by striking “October 1, 2003” and inserting “March 1, 2004”,
- (B) in subparagraph (B), by striking “or” at the end of such subparagraph,
- (C) in subparagraph (C), by inserting “or” after “Century”,

(D) by inserting after subparagraph (C) the following new subparagraph:

“(D) the Surface Transportation Extension Act of 2003.”, and

(E) in the matter after subparagraph (D), as added by this paragraph, by striking “TEA 21 Restoration Act” and inserting “Surface Transportation Extension Act of 2003”.

(3) EXCEPTION TO LIMITATION ON TRANSFERS.—Subparagraph (B) of section 9503(b)(5) of such Code is amended by striking “October 1, 2003” and inserting “March 1, 2004”. 26 USC 9503.

(b) AQUATIC RESOURCES TRUST FUND.—

(1) SPORT FISH RESTORATION ACCOUNT.—Paragraph (2) of section 9504(b) of the Internal Revenue Code of 1986 is amended— 26 USC 9504.

(A) in subparagraph (A), by striking “Wildlife and Sport Fish Restoration Programs Improvement Act of 2000” and inserting “Surface Transportation Extension Act of 2003”, and

(B) in subparagraphs (B) and (C), by striking “TEA 21 Restoration Act” in each such subparagraph and inserting “Surface Transportation Extension Act of 2003”.

(2) BOAT SAFETY ACCOUNT.—Subsection (c) of section 9504 of such Code is amended—

(A) by striking “October 1, 2003” and inserting “March 1, 2004”, and

(B) by striking “TEA 21 Restoration Act” and inserting “Surface Transportation Extension Act of 2003”.

(3) EXCEPTION TO LIMITATION ON TRANSFERS.—Paragraph (2) of section 9504(d) of such Code is amended by striking “October 1, 2003” and inserting “March 1, 2004”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act. 26 USC 9503 note.

(d) TEMPORARY RULE REGARDING ADJUSTMENTS.—During the period beginning on the date of the enactment of this Act and ending on February 29, 2004, for purposes of making any estimate under section 9503(d) of the Internal Revenue Code of 1986 of receipts of the Highway Trust Fund, the Secretary of the Treasury shall treat—

(1) each expiring provision of paragraphs (1) through (4) of section 9503(b) of such Code which is related to appropriations or transfers to such Fund to have been extended through the end of the 24-month period referred to in section 9503(d)(1)(B) of such Code, and

(2) with respect to each tax imposed under the sections referred to in section 9503(b)(1) of such Code, the rate of such tax during the 24-month period referred to in section 9503(d)(1)(B) of such Code to be the same as the rate of such tax as in effect on the date of the enactment of this Act.

Approved September 30, 2003.

LEGISLATIVE HISTORY—H.R. 3087 (S. 1640):

SENATE REPORTS: No. 108–54 accompanying S. 1640 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 24, considered and passed House.

Sept. 26, considered and passed Senate.



Public Law 108–89
108th Congress

An Act

To extend the Temporary Assistance for Needy Families block grant program,
and certain tax and trade programs, and for other purposes.

Oct. 1, 2003
[H.R. 3146]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

**TITLE I—FAMILY ASSISTANCE
PROVISIONS**

**SEC. 101. EXTENSION OF THE TEMPORARY ASSISTANCE FOR NEEDY
FAMILIES BLOCK GRANT PROGRAM THROUGH MARCH
31, 2004.**

(a) IN GENERAL.—Activities authorized by part A of title IV of the Social Security Act, and by sections 510, 1108(b), and 1925 of such Act, shall continue through March 31, 2004, in the manner authorized for fiscal year 2002, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority for carrying out such activities during the first two quarters of fiscal year 2004 at the level provided for the first two quarters of fiscal year 2002.

(b) CONFORMING AMENDMENTS.—

(1) SUPPLEMENTAL GRANTS FOR POPULATION INCREASES IN CERTAIN STATES.—Section 403(a)(3)(H) of the Social Security Act (42 U.S.C. 603(a)(3)(H)) is amended—

(A) in the subparagraph heading, by striking “OF GRANTS FOR FISCAL YEAR 2002”; and

(B) in clause (ii)—

(i) by striking “2003” and inserting “March 31, 2004”; and

(ii) by striking “2001” and inserting “fiscal year 2001”.

(2) CONTINGENCY FUND.—Section 403(b)(3)(C)(ii) of such Act (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking “2003” and inserting “2004”.

(3) MAINTENANCE OF EFFORT.—Section 409(a)(7) of such Act (42 U.S.C. 609(a)(7)) is amended—

(A) in subparagraph (A), by striking “or 2004” and inserting “2004, or 2005”; and

(B) in subparagraph (B)(ii), by striking “2003” and inserting “2004”.

SEC. 102. EXTENSION OF THE NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE AND CHILD WELFARE WAIVER AUTHORITY THROUGH MARCH 31, 2004.

Activities authorized by sections 429A and 1130(a) of the Social Security Act shall continue through March 31, 2004, in the manner authorized for fiscal year 2002, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority for carrying out such activities during the first two quarters of fiscal year 2004 at the level provided for the first two quarters of fiscal year 2002.

TITLE II—TAX PROVISIONS

SEC. 201. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) **IN GENERAL.**—Subparagraph (D) of section 6103(l)(13) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking “September 30, 2003” and inserting “December 31, 2004”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to requests made after September 30, 2003.

Applicability.
26 USC 6103
note.

SEC. 202. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) **IN GENERAL.**—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

26 USC 7528.

“SEC. 7528. INTERNAL REVENUE SERVICE USER FEES.

“(a) **GENERAL RULE.**—The Secretary shall establish a program requiring the payment of user fees for—

“(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

“(2) other similar requests.

“(b) **PROGRAM CRITERIA.**—

“(1) **IN GENERAL.**—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) **EXEMPTIONS, ETC.**—

“(A) **IN GENERAL.**—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(B) **EXEMPTION FOR CERTAIN REQUESTS REGARDING PENSION PLANS.**—The Secretary shall not require payment of user fees under such program for requests for determination letters with respect to the qualified status of a pension benefit plan maintained solely by 1 or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

“(i) made after the later of—

“(I) the fifth plan year the pension benefit plan is in existence, or

“(II) the end of any remedial amendment period with respect to the plan beginning within the first 5 plan years, or

“(ii) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

“(C) DEFINITIONS AND SPECIAL RULES.—For purposes of subparagraph (B)—

“(i) PENSION BENEFIT PLAN.—The term ‘pension benefit plan’ means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

“(ii) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means an eligible employer (as defined in section 408(p)(2)(C)(i)(I)) which has at least 1 employee who is not a highly compensated employee (as defined in section 414(q)) and is participating in the plan. The determination of whether an employer is an eligible employer under subparagraph (B) shall be made as of the date of the request described in such subparagraph.

“(iii) DETERMINATION OF AVERAGE FEES CHARGED.—For purposes of any determination of average fees charged, any request to which subparagraph (B) applies shall not be taken into account.

“(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

“Category	Average Fee
Employee plan ruling and opinion	\$250
Exempt organization ruling	\$350
Employee plan determination	\$300
Exempt organization determination	\$275
Chief counsel ruling	\$200.

“(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after December 31, 2004.”.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

“Sec. 7528. Internal Revenue Service user fees.”.

(2) Section 10511 of the Revenue Act of 1987 is repealed.

26 USC 7801
note.

(3) Section 620 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

26 USC 7801
note.
26 USC 7528
note.

(c) LIMITATIONS.—Notwithstanding any other provision of law, any fees collected pursuant to section 7528 of the Internal Revenue Code of 1986, as added by subsection (a), shall not be expended by the Internal Revenue Service unless provided by an appropriations Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

Applicability.
26 USC 7528
note.

TITLE III—TRADE PROVISIONS

SEC. 301. EXTENSION OF COBRA FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking “September 30, 2003” and inserting “March 31, 2004”.

TITLE IV—MEDICARE COST-SHARING PROVISIONS

SEC. 401. EXTENSION OF MEDICARE COST-SHARING FOR CERTAIN QUALIFYING INDIVIDUALS.

(a) EXTENSION OF SUNSET.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is amended—

(1) by striking subclause (II);

(2) beginning in the matter preceding subclause (I), by striking “ending with December 2002” and all that follows through “for medicare cost-sharing described” in subclause (I) and inserting “ending with March 2004) for medicare cost-sharing described”; and

(3) by striking “, and” at the end and inserting a semicolon.

(b) TOTAL AMOUNT AVAILABLE FOR ALLOCATION.—Section 1933(c) of the Social Security Act (42 U.S.C. 1396u–3(c)) is amended—

(1) in paragraph (1)(E), by striking “fiscal year 2002” and inserting “each of fiscal years 2002 and 2003”; and

(2) in paragraph (2)(A), by striking “the sum of” and all that follows through “1902(a)(10)(E)(iv)(II) in the State; to” and inserting “the total number of individuals described in section 1902(a)(10)(E)(iv) in the State; to”.

(c) SPECIAL RULE FOR FIRST QUARTER OF 2004.—Section 1933 of the Social Security Act (42 U.S.C. 1396u–3) is amended by adding at the end the following:

“(g) SPECIAL RULE.—With respect to the period that begins on January 1, 2004, and ends on March 31, 2004, a State shall select qualifying individuals, and provide such individuals with assistance, in accordance with the provisions of this section as in effect with respect to calendar year 2003, except that for such purpose—

“(1) references in the preceding subsections of this section to ‘fiscal year’ and ‘calendar year’ shall be deemed to be references to such period; and

“(2) the total allocation amount under subsection (c) for such period shall be \$100,000,000.”.

SEC. 402. EXTENSION OF PROVISION EQUALIZING URBAN AND RURAL STANDARDIZED MEDICARE INPATIENT HOSPITAL PAYMENTS.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 402(b) of the Miscellaneous Appropriations Act, 2003 (Public Law 108–7; 117 Stat. 548) are each amended by striking “September 30, 2003” and inserting “March 31, 2004”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) shall take effect as if included in the enactment of the Miscellaneous Appropriations Act, 2003.

(2) AUTHORITY TO DELAY IMPLEMENTATION.—

(A) IN GENERAL.—If the Secretary of Health and Human Services (in this subsection referred to as the “Secretary”) determines that it is not administratively feasible to implement the amendments made by subsection (a), notwithstanding such amendments and in order to comply with Congressional intent, the Secretary may delay the implementation of such amendments until such time as the Secretary determines to be appropriate, but in no case later than November 1, 2003.

(B) TEMPORARY ADJUSTMENT FOR REMAINDER OF FISCAL YEAR 2004 TO EFFECT FULL RATE CHANGE.—If the Secretary delays implementation of the amendments made by subsection (a) under subparagraph (A), the Secretary shall make such adjustment to the amount of payments affected by such delay, for the portion of fiscal year 2004 after the date of the delayed implementation, in such manner as the Secretary estimates will ensure that the total payments for inpatient hospital services so affected with respect to such fiscal year is the same as would have been made if this paragraph had not been enacted.

(C) NO EFFECT ON PAYMENTS FOR SUBSEQUENT PAYMENT PERIODS.—The application of subparagraphs (A) and (B) shall not affect payment rates and shall not be taken into account in calculating payment amounts for services furnished for periods after September 30, 2004.

(D) ADMINISTRATION OF PROVISIONS.—

(i) NO RULEMAKING OR NOTICE REQUIRED.—The Secretary may carry out the authority under this paragraph by program memorandum or otherwise and is not required to prescribe regulations or to provide notice in the Federal Register in order to carry out such authority.

(ii) LIMITATION ON REVIEW.—There shall be no administrative or judicial review under section 1869 or 1878 of the Social Security Act (42 U.S.C. 1395ff and 1395oo), or otherwise of any delay or determination made by the Secretary under this paragraph or the

117 STAT. 1136

PUBLIC LAW 108–89—OCT. 1, 2003

application of the payment rates determined under
this paragraph.

Approved October 1, 2003.

LEGISLATIVE HISTORY—H.R. 3146:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 24, considered and passed House.

Sept. 30, considered and passed Senate, amended. House concurred in Senate
amendment.



Public Law 108–90
108th Congress

An Act

Making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes.

Oct. 1, 2003
[H.R. 2555]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes, namely:

Department of
Homeland
Security
Appropriations
Act, 2004.

TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

For necessary expenses of the Office of the Secretary of Homeland Security, as authorized by section 102 of the Homeland Security Act of 2002 (6 U.S.C. 112), and executive management of the Department of Homeland Security, as authorized by law, \$80,794,000: *Provided*, That not to exceed \$40,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine.

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

For necessary expenses of the Office of the Under Secretary for Management and Administration, as authorized by sections 701–705 of the Homeland Security Act of 2002 (6 U.S.C. 341–345), \$130,983,000: *Provided*, That of the total amount provided, \$20,000,000 shall remain available until expended solely for the alteration and improvement of facilities and for relocation costs necessary for the interim housing of the Department’s headquarters’ operations and organizations collocated therewith.

DEPARTMENT-WIDE TECHNOLOGY INVESTMENTS

For development and acquisition of information technology equipment, software, services, and related activities for the Department of Homeland Security, and for the costs of conversion to narrowband communications, including the cost for operation of the land mobile radio legacy systems, \$185,000,000, to remain available until expended: *Provided*, That none of the funds appropriated shall be used to support or supplement the appropriations provided for the United States Visitor and Immigrant Status Indicator Technology project or the Automated Commercial Environment.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.), \$58,664,000, of which not to exceed \$100,000 may be used for certain confidential operational expenses, including the payment of informants, to be expended at the direction of the Inspector General.

TITLE II—SECURITY, ENFORCEMENT, AND
INVESTIGATIONSOFFICE OF THE UNDER SECRETARY FOR BORDER AND
TRANSPORTATION SECURITY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Under Secretary for Border and Transportation Security, as authorized by subtitle A, title IV, of the Homeland Security Act of 2002 (6 U.S.C. 201 et seq.), \$8,106,000.

UNITED STATES VISITOR AND IMMIGRANT STATUS INDICATOR
TECHNOLOGY

For necessary expenses for the development of the United States Visitor and Immigrant Status Indicator Technology project, as authorized by section 110 of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (8 U.S.C. 1221 note), \$330,000,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading may be obligated for the United States Visitor and Immigrant Status Indicator Technology project until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11, part 3; (2) complies with the Department of Homeland Security enterprise information systems architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) is reviewed and approved by the Department of Homeland Security and the Office of Management and Budget; and (5) is reviewed by the General Accounting Office.

CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

For necessary expenses for enforcement of laws relating to border security, immigration, customs, and agricultural inspections and regulatory activities related to plant and animal imports; acquisition, lease, maintenance and operation of aircraft; purchase and lease of up to 4,500 (3,935 for replacement only) police-type vehicles; and contracting with individuals for personal services abroad; \$4,396,350,000; of which \$3,000,000 shall be derived from the Harbor Maintenance Trust Fund for administrative expenses related to the collection of the Harbor Maintenance Fee pursuant to Public Law 103–182 and notwithstanding section 1511(e)(1) of

Public Law 107–296; of which not to exceed \$40,000 shall be for official reception and representation expenses; of which not to exceed \$100,800,000 shall remain available until September 30, 2005, for inspection technology; of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)), shall be derived from that account; of which not to exceed \$150,000 shall be available for payment for rental space in connection with preclearance operations; of which not to exceed \$1,000,000 shall be for awards of compensation to informants, to be accounted for solely under the certificate of the Under Secretary for Border and Transportation Security; and of which not to exceed \$5,000,000 shall be available for payments or advances arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to immigration: *Provided*, That none of the funds appropriated shall be available to compensate any employee for overtime in an annual amount in excess of \$30,000, except that the Under Secretary for Border and Transportation Security may exceed that amount as necessary for national security purposes and in cases of immigration emergencies: *Provided further*, That of the total amount provided, \$12,725,000 shall be for activities to enforce laws against forced child labor in fiscal year 2004, of which not to exceed \$4,000,000 shall remain available until expended: *Provided further*, That no funds shall be available for the site acquisition, design, or construction of any Border Patrol checkpoint in the Tucson sector: *Provided further*, That the Border Patrol shall relocate its checkpoints in the Tucson sector at least once every 7 days in a manner designed to prevent persons subject to inspection from predicting the location of any such checkpoint.

Arizona.

AUTOMATION MODERNIZATION

For expenses for customs and border protection automated systems, \$441,122,000, to remain available until expended, of which not less than \$318,690,000 shall be for the development of the Automated Commercial Environment: *Provided*, That none of the funds appropriated under this heading may be obligated for the Automated Commercial Environment until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Under Secretary for Border and Transportation Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11, part 3; (2) complies with the Bureau of Customs and Border Protection’s enterprise information systems architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) is reviewed and approved by the Bureau of Customs and Border Protection Investment Review Board, the Department of Homeland Security, and the Office of Management and Budget; and (5) is reviewed by the General Accounting Office.

CONSTRUCTION

For necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of laws relating to customs and immigration, \$90,363,000, to remain available until expended.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

(INCLUDING RESCISSION OF FUNDS)

For necessary expenses for enforcement of immigration and customs laws, detention and removals, and investigations; and purchase and lease of up to 1,600 (1,450 for replacement only) police-type vehicles; \$2,151,050,000, of which not to exceed \$5,000,000 shall be available until expended for conducting special operations pursuant to section 3131 of the Customs Enforcement Act of 1986 (19 U.S.C. 2081); of which not to exceed \$15,000 shall be for official reception and representation expenses; of which not to exceed \$1,000,000 shall be for awards of compensation to informants, to be accounted for solely under the certificate of the Under Secretary for Border and Transportation Security; of which not less than \$100,000 shall be for promotion of public awareness of the child pornography tipline; of which not less than \$200,000 shall be for Project Alert; and of which not to exceed \$5,000,000 shall be available to fund or reimburse other Federal agencies for the costs associated with the care, maintenance, and repatriation of smuggled illegal aliens: *Provided*, That none of the funds appropriated shall be available to compensate any employee for overtime in an annual amount in excess of \$30,000, except that the Under Secretary for Border and Transportation Security may waive that amount as necessary for national security purposes and in cases of immigration emergencies: *Provided further*, That of the total amount provided, \$3,000,000 shall be for activities to enforce laws against forced child labor in fiscal year 2004, of which not to exceed \$1,000,000 shall remain available until expended.

In addition, of the funds appropriated under this heading in chapter 6 of title I of Public Law 108–11 (117 Stat. 583), \$54,000,000 are rescinded.

FEDERAL AIR MARSHALS

For necessary expenses of the Federal air marshals, \$626,400,000, to remain available until expended.

FEDERAL PROTECTIVE SERVICE

(TRANSFER OF FUNDS)

For necessary expenses for the operations of the Federal Protective Service, \$424,211,000 shall be transferred from the revenues and collections in the General Services Administration, Federal Buildings Fund.

AUTOMATION MODERNIZATION

For expenses of immigration and customs enforcement automated systems, \$40,000,000, to remain available until expended:

Provided, That none of the funds appropriated under this heading may be obligated for Atlas until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Under Secretary for Border and Transportation Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11, part 3; (2) complies with the Bureau of Immigration and Customs enforcement enterprise information systems architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) is reviewed and approved by the Bureau of Immigration and Customs Enforcement Investment Review Board, the Department of Homeland Security, and the Office of Management and Budget; and (5) is reviewed by the General Accounting Office.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND
PROCUREMENT

For necessary expenses for the operations, maintenance, and procurement of marine vessels, aircraft, and other related equipment of the air and marine program, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include the following: the interdiction of narcotics and other goods; the provision of support to Federal, State, and local agencies in the enforcement or administration of laws enforced by the Bureau of Immigration and Customs Enforcement; and at the discretion of the Under Secretary for Border and Transportation Security, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts, \$210,200,000, to remain available until expended: *Provided*, That no aircraft or other related equipment, with the exception of aircraft that are one of a kind and have been identified as excess to Bureau of Immigration and Customs Enforcement requirements and aircraft that have been damaged beyond repair, shall be transferred to any other Federal agency, department, or office outside of the Department of Homeland Security during fiscal year 2004 without the prior approval of the Committees on Appropriations of the Senate and the House of Representatives.

CONSTRUCTION

For necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of the laws relating to customs and immigration, \$26,775,000, to remain available until expended.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For necessary expenses of the Transportation Security Administration related to providing civil aviation security services pursuant to the Aviation and Transportation Security Act (Public Law 107-71; 115 Stat. 597), \$3,732,700,000, to remain available until expended, of which not to exceed \$3,000 shall be for official reception

and representation expenses: *Provided*, That of the total amount provided under this heading, not to exceed \$1,805,700,000 shall be for passenger screening activities; not to exceed \$1,318,700,000 shall be for baggage screening activities; and not to exceed \$703,300,000 shall be for airport security direction and enforcement presence: *Provided further*, That security service fees authorized under section 44940 of title 49, United States Code, shall be credited to this appropriation as offsetting collections: *Provided further*, That none of the funds appropriated or otherwise made available by this or any other Act may be obligated or expended to carry out provisions of section 44923(h) of title 49 United States Code: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2004, so as to result in a final fiscal year appropriation from the General Fund estimated at not more than \$1,662,700,000: *Provided further*, That any security service fees collected pursuant to section 118 of Public Law 107–71 in excess of the amount appropriated under this heading shall be treated as offsetting collections in fiscal year 2005: *Provided further*, That none of the funds in this Act shall be used to recruit or hire personnel into the Transportation Security Administration which would cause the agency to exceed a staffing level of 45,000 full-time equivalent screeners: *Provided further*, That of the total amount provided under this heading, \$250,000,000 shall be available only for physical modification of commercial service airports for the purpose of installing checked baggage explosive detection systems and \$150,000,000 shall be available only for procurement of checked baggage explosive detection systems.

MARITIME AND LAND SECURITY

For necessary expenses of the Transportation Security Administration related to maritime and land transportation security grants and services pursuant to the Aviation and Transportation Security Act (49 U.S.C. 40101 note), \$263,000,000, to remain available until September 30, 2005: *Provided*, That of the total amount provided under this heading, \$125,000,000 shall be available for port security grants, which shall be distributed under the same terms and conditions as provided for under Public Law 107–117; and \$17,000,000 shall be available to execute grants, contracts, and interagency agreements for the purpose of deploying Operation Safe Commerce.

INTELLIGENCE

For necessary expenses for intelligence activities pursuant to the Aviation and Transportation Security Act (115 Stat. 597), \$13,600,000.

RESEARCH AND DEVELOPMENT

For necessary expenses for research and development related to transportation security, \$155,200,000, to remain available until expended: *Provided*, That of the total amount provided under this heading, \$45,000,000 shall be available for the research and development of explosive detection devices.

ADMINISTRATION

For necessary administrative expenses of the Transportation Security Administration to carry out the Aviation and Transportation Security Act (115 Stat. 597), \$427,200,000, to remain available until September 30, 2005.

UNITED STATES COAST GUARD

OPERATING EXPENSES

(INCLUDING RESCISSION OF FUNDS)

For necessary expenses for the operation and maintenance of the Coast Guard not otherwise provided for; purchase or lease of not to exceed twenty-five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97–377 (42 U.S.C. 402 note); section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; \$4,713,055,000, of which \$340,000,000 shall be for defense-related activities; of which \$25,000,000 shall be derived from the Oil Spill Liability Trust Fund; and of which not to exceed \$3,000 shall be for official reception and representation expenses: *Provided*, That none of the funds appropriated by this or any other Act shall be available for administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided by this Act shall be available for expenses incurred for yacht documentation under section 12109 of title 46, United States Code, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further*, That notwithstanding section 1116(c) of title 10, United States Code, amounts made available under this heading may be used to make payments into the Department of Defense Medicare-Eligible Retiree Health Care Fund for fiscal year 2004 under section 1116(a) of such title.

In addition, of the funds appropriated under this heading in chapter 6 of title I of Public Law 108–11 (117 Stat. 583), \$71,000,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, \$17,000,000, to remain available until expended.

RESERVE TRAINING

For necessary expenses of the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; \$95,000,000.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law; \$967,200,000, of which \$23,500,000 shall be

Budget.

derived from the Oil Spill Liability Trust Fund; of which \$66,500,000 shall be available until September 30, 2008, to acquire, repair, renovate, or improve vessels, small boats, and related equipment; of which \$162,500,000 shall be available until September 30, 2006, for other equipment, including \$3,500,000 for defense message system implementation and \$1,000,000 for oil spill prevention efforts under the Ports and Waterways Safety Systems program; of which \$70,000,000 shall be available for personnel compensation and benefits and related costs; of which \$668,200,000 shall be available until September 30, 2008, for the Integrated Deepwater Systems program: *Provided*, That the Commandant of the Coast Guard is authorized to dispose of surplus real property, by sale or lease, and the proceeds shall be credited to this appropriation as offsetting collections and shall be available until September 30, 2006, only for Rescue 21: *Provided further*, That upon initial submission to the Congress of the fiscal year 2005 President's budget, the Secretary of Homeland Security shall transmit to the Congress a comprehensive capital investment plan for the United States Coast Guard that includes funding for each budget line item for fiscal years 2005 through 2009, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget.

ALTERATION OF BRIDGES

33 USC 518 note.

For necessary expenses for alteration or removal of obstructive bridges, \$19,250,000, to remain available until expended: *Provided*, That in fiscal year 2004 and thereafter, funds for bridge alteration projects conducted pursuant to the Act of June 21, 1940 (33 U.S.C. 511 et seq.) shall be available for such projects only to the extent that the steel, iron, and manufactured products used in such projects are produced in the United States, unless contrary to law or international agreement, or unless the Commandant of the Coast Guard determines such action to be inconsistent with the public interest or the cost unreasonable.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses for applied scientific research, development, test, and evaluation, and for maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law; \$15,000,000, to remain available until expended, of which \$3,500,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That there may be credited to and used for the purposes of this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

RETIRED PAY

For retired pay, including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payment for career status bonuses under the National Defense Authorization Act, and payments for medical care

of retired personnel and their dependents under chapter 55 of title 10, United States Code, \$1,020,000,000.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase of not to exceed 730 vehicles for police-type use, of which 610 shall be for replacement only, and hire of passenger motor vehicles; purchase of American-made sidecar compatible motorcycles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; payment of per diem or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; conduct of and participation in firearms matches; presentation of awards; travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act if approval is obtained in advance from the Committees on Appropriations of the Senate and the House of Representatives; research and development; grants to conduct behavioral research in support of protective research and operations; and payment in advance for commercial accommodations as may be necessary to perform protective functions; \$1,137,280,000, of which not to exceed \$25,000 shall be for official reception and representation expenses; of which not to exceed \$100,000 shall be to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; of which \$2,100,000 shall be for forensic and related support of investigations of missing and exploited children; and of which \$5,000,000 shall be a grant for activities related to the investigations of exploited children and shall remain available until expended: *Provided*, That up to \$18,000,000 provided for protective travel shall remain available until September 30, 2005: *Provided further*, That in fiscal year 2004 and thereafter, subject to the reimbursement of actual costs to this account, funds appropriated in this account shall be available, at the discretion of the Director, for the following: training United States Postal Service law enforcement personnel and Postal police officers, training Federal law enforcement officers, training State and local government law enforcement officers on a space-available basis, and training private sector security officials on a space-available basis: *Provided further*, That the United States Secret Service is authorized to obligate funds in anticipation of reimbursements from agencies and entities, as defined in section 105 of title 5, United States Code, receiving training sponsored by the James J. Rowley Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available under this heading at the end of the fiscal year: *Provided further*, That in fiscal year 2004 and thereafter, the James J. Rowley Training Center is authorized to provide short-term medical services for students undergoing training at the Center.

18 USC 3056
note.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED
EXPENSES

For necessary expenses for acquisition, construction, repair, alteration, and improvement of facilities, \$3,579,000, to remain available until expended.

TITLE III—PREPAREDNESS AND RECOVERY

OFFICE FOR DOMESTIC PREPAREDNESS

STATE AND LOCAL PROGRAMS

For grants, contracts, cooperative agreements, and other activities, including grants to State and local governments for terrorism prevention activities, notwithstanding any other provision of law, \$3,287,000,000, which shall be allocated as follows:

(1) \$1,700,000,000 for formula-based grants and \$500,000,000 for law enforcement terrorism prevention grants pursuant to section 1014 of the USA PATRIOT Act of 2001 (42 U.S.C. 3714): *Provided*, That no funds shall be made available to any State prior to the submission of an updated State plan to the Office for Domestic Preparedness: *Provided further*, That the application for grants shall be made available to States within 30 days after enactment of this Act; that States shall submit applications within 30 days after the grant announcement; and that the Office for Domestic Preparedness shall act within 15 days after receipt of an application or receipt of an updated State plan, whichever is later: *Provided further*, That each State shall obligate not less than 80 percent of the total amount of the grant to local governments within 60 days after the grant award; and

(2) \$725,000,000 for discretionary grants for use in high-threat, high-density urban areas, as determined by the Secretary of Homeland Security: *Provided*, That no less than 80 percent of any grant to a State shall be made available by the State to local governments within 60 days after the receipt of the funds: *Provided further*, That section 1014(c)(3) of the USA PATRIOT Act of 2001 (42 U.S.C. 3714(c)(3)) shall not apply to these grants:

Provided, That none of the funds appropriated under this heading shall be used for the construction or renovation of facilities: *Provided further*, That funds appropriated for law enforcement terrorism prevention grants under paragraph (1) and discretionary grants under paragraph (2) of this heading shall be available for operational costs, to include personnel overtime and overtime associated with Office for Domestic Preparedness certified training, as needed.

FIREFIGHTER ASSISTANCE GRANTS

For necessary expenses for programs authorized by section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229), \$750,000,000, to remain available until September 30, 2005: *Provided*, That not to exceed 5 percent of this amount shall be available for program administration.

Grants.
Deadlines.

COUNTERTERRORISM FUND

For necessary expenses, as determined by the Secretary of Homeland Security, to reimburse any Federal agency for the costs of providing support to counter, investigate, or prosecute unexpected threats or acts of terrorism, including payment of rewards in connection with these activities, \$10,000,000, to remain available until expended: *Provided*, That the Secretary shall notify the Committees on Appropriations of the Senate and the House of Representatives 15 days prior to the obligation of any amount of these funds in accordance with section 503 of this Act.

Notification.

EMERGENCY PREPAREDNESS AND RESPONSE

OFFICE OF THE UNDER SECRETARY FOR EMERGENCY PREPAREDNESS
AND RESPONSE

For necessary expenses for the Office of the Under Secretary for Emergency Preparedness and Response, as authorized by section 502 of the Homeland Security Act of 2002 (6 U.S.C. 312), \$3,450,000.

PREPAREDNESS, MITIGATION, RESPONSE, AND RECOVERY

For necessary expenses for preparedness, mitigation, response, and recovery activities of the Emergency Preparedness and Response Directorate, \$225,000,000, including activities authorized by the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947 (50 U.S.C. 404, 405), Reorganization Plan No. 3 of 1978 (5 U.S.C. App.), and the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.): *Provided*, That of the total amount appropriated, \$60,000,000 shall be for Urban Search and Rescue Teams, of which not to exceed 3 percent may be made available for administrative costs.

ADMINISTRATIVE AND REGIONAL OPERATIONS

For necessary expenses for administrative and regional operations of the Emergency Preparedness and Response Directorate, \$167,000,000, including activities authorized by the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947 (50 U.S.C. 404, 405), Reorganization Plan No. 3 of 1978 (5 U.S.C. App.), and the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.): *Provided*, That not to exceed \$3,000 shall be for official reception and representation expenses.

OPERATING EXPENSES

(RESCISSION OF FUNDS)

Of the funds appropriated under this heading by chapter 6 of title I of Public Law 108–11 (117 Stat. 583), \$3,000,000 are rescinded.

PUBLIC HEALTH PROGRAMS

For necessary expenses for countering potential biological, disease, and chemical threats to civilian populations, \$484,000,000, including \$400,000,000, to remain available until expended, for the Strategic National Stockpile.

BIODEFENSE COUNTERMEASURES

For necessary expenses for securing medical countermeasures against biological terror attacks, \$5,593,000,000, to remain available until September 30, 2013: *Provided*, That not to exceed \$3,418,000,000 may be obligated during fiscal years 2004 through 2008, of which not to exceed \$890,000,000 may be obligated during fiscal year 2004.

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM

The aggregate charges assessed during fiscal year 2004, as authorized by the Energy and Water Development Appropriations Act, 2001 (Public Law 106–377; 114 Stat. 1441A–59 et seq.), shall not be less than 100 percent of the amounts anticipated by the Department of Homeland Security necessary for its radiological emergency preparedness program for the next fiscal year: *Provided*, That the methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees: *Provided further*, That fees received under this heading shall be deposited in this account as offsetting collections and will become available for authorized purposes on October 1, 2004, and remain available until expended.

DISASTER RELIEF

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$1,800,000,000, to remain available until expended; of which not to exceed \$22,000,000 shall be transferred to and merged with the appropriation for “Office of Inspector General” for audits and investigations.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For administrative expenses to carry out the direct loan program, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5162), \$560,000: *Provided*, That gross obligations for the principal amount of direct loans shall not exceed \$25,000,000: *Provided further*, That the cost of modifying such loans shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

NATIONAL PRE-DISASTER MITIGATION FUND

For a pre-disaster mitigation grant program pursuant to title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131 et seq.), \$150,000,000, to remain available until expended: *Provided*, That grants made for pre-disaster mitigation shall be awarded on a competitive basis subject to the criteria in section 203(g) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(g)): *Provided further*, That, notwithstanding section 203(f) of that Act (42 U.S.C. 5133(f)), grant awards shall be made without reference to State allocations, quotas, or other formula-based allocation of funds: *Provided further*, That total administrative costs shall not exceed 3 percent of the total appropriation.

FLOOD MAP MODERNIZATION FUND

For necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), \$200,000,000, and such additional sums as may be provided by State and local governments or other political subdivisions for cost-shared mapping activities under section 1360(f)(2) of such Act, to remain available until expended: *Provided*, That total administrative costs shall not exceed 3 percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), not to exceed \$32,663,000 for salaries and expenses associated with flood mitigation and flood insurance operations; and not to exceed \$77,809,000 for flood hazard mitigation, to remain available until September 30, 2005, including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c), which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2005, and which amount shall be derived from offsetting collections assessed and collected pursuant to section 1307 of that Act (42 U.S.C. 4014), and shall be retained and used for necessary expenses under this heading: *Provided*, That in fiscal year 2004, no funds in excess of: (1) \$55,000,000 for operating expenses; (2) \$565,897,000 for agents' commissions and taxes; and (3) \$40,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund.

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding subparagraphs (B) and (C) of subsection (b)(3), and subsection (f) of section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c), \$20,000,000, to remain available until September 30, 2005, for activities designed to reduce the risk of flood damage to structures pursuant to such Act, of which \$20,000,000 shall be derived from the National Flood Insurance Fund.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For necessary expenses for emergency management performance grants, as authorized by the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reductions Act of 1977 (42 U.S.C. 7701 et seq.), and Reorganization Plan No. 3 of 1978 (5 U.S.C. App.), \$180,000,000: *Provided*, That total administrative costs shall not exceed 3 percent of the total appropriation.

EMERGENCY FOOD AND SHELTER

To carry out an emergency food and shelter program pursuant to title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.), \$153,000,000, to remain available until expended: *Provided*, That total administrative costs shall not exceed 3.5 percent of the total appropriation.

CERRO GRANDE FIRE CLAIMS

For payment of claims under the Cerro Grande Fire Assistance Act (Public Law 106–246; 114 Stat. 583), \$38,062,000, to remain available until expended: *Provided*, That not to exceed 5 percent may be made available for administrative costs.

TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING,
ASSESSMENTS, AND SERVICES

CITIZENSHIP AND IMMIGRATION SERVICES

For necessary expenses for citizenship and immigration services, including international services, \$236,126,000, of which not to exceed \$5,000 shall be for official reception and representation expenses.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, including materials and support costs of Federal law enforcement basic training; purchase of not to exceed 117 vehicles for police-type use and hire of passenger motor vehicles; expenses for student athletic and related activities; the conduct of and participation in firearms matches and presentation of awards; public awareness and enhancement of community support of law enforcement training; room and board for student interns; a flat monthly reimbursement to employees authorized to use personal cell phones for official duties; and services as authorized by section 3109 of title 5, United States Code; \$155,423,000, of which up to \$36,174,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 2005; and of which not to exceed \$12,000 shall be for official reception and representation expenses: *Provided*, That in fiscal year 2004 and thereafter, the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes: *Provided further*, That

6 USC 464a.

6 USC 464b.

in fiscal year 2004 and thereafter, the Center is authorized to accept detailees from other Federal agencies, on a non-reimbursable basis, to staff the accreditation function: *Provided further*, That in fiscal year 2004 and thereafter, students attending training at any Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: *Provided further*, That in fiscal year 2004 and thereafter, funds appropriated in this account shall be available, at the discretion of the Director, for the following: training United States Postal Service law enforcement personnel and Postal police officers; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation, except that reimbursement may be waived by the Secretary for law enforcement training activities in foreign countries undertaken under section 801 of the Antiterrorism and Effective Death Penalty Act of 1996 (28 U.S.C. 509 note); training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; and travel expenses of non-Federal personnel to attend course development meetings and training sponsored by the Center: *Provided further*, That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training sponsored by the Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: *Provided further*, That in fiscal year 2004 and thereafter, the Center is authorized to provide short-term medical services for students undergoing training at the Center.

6 USC 464c.

6 USC 464d.

6 USC 464e.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For acquisition of necessary additional real property and facilities, construction, and ongoing maintenance, facility improvements, and related expenses of the Federal Law Enforcement Training Center, \$37,357,000, to remain available until expended: *Provided*, That the Center is authorized to accept reimbursement to this appropriation from government agencies requesting the construction of special use facilities.

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

MANAGEMENT AND ADMINISTRATION

For salaries and expenses of the immediate Office of the Under Secretary for Information Analysis and Infrastructure Protection and for management and administration of programs and activities, as authorized by title II of the Homeland Security Act of 2002 (6 U.S.C. 121 et seq.), \$125,000,000.

ASSESSMENTS AND EVALUATIONS

For expenses for information analysis and infrastructure protection as authorized by title II of the Homeland Security Act of 2002 (6 U.S.C. 121 et seq.), \$714,300,000, to remain available until September 30, 2005.

SCIENCE AND TECHNOLOGY

MANAGEMENT AND ADMINISTRATION

For salaries and expenses of the immediate Office of the Under Secretary for Science and Technology and for management and administration of programs and activities, as authorized by title III of the Homeland Security Act of 2002 (6 U.S.C. 181 et seq.), \$44,168,000.

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

For expenses of science and technology research, including advanced research projects; development; test and evaluation; acquisition; and operations, as authorized by title III of the Homeland Security Act of 2002 (6 U.S.C. 181 et seq.), \$874,000,000, to remain available until expended.

TITLE V—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. Subject to the requirements of section 503 of this Act, the unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this Act: *Provided*, That balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 503. (a) None of the funds provided by this Act, provided by previous appropriation Acts to the agencies in or transferred to the Department of Homeland Security that remain available for obligation or expenditure in fiscal year 2004, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds for any program, project, or activity for which funds have been denied or restricted by the Congress; or (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose, unless both Committees on Appropriations of the Senate and the House of Representatives are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, provided by previous appropriation Acts to the agencies in or transferred to the Department of Homeland Security that remain available for obligation or expenditure in fiscal year 2004, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for programs, projects, or activities through a reprogramming of funds in excess of \$5,000,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by

10 percent as approved by the Congress; or (3) results from any general savings from a reduction in personnel that would result in a change in existing programs, projects, or activities as approved by the Congress; unless the Committees on Appropriations of the Senate and the House of Representatives are notified 15 days in advance of such reprogramming of funds.

(c) Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Homeland Security by this Act or provided by previous appropriation Acts may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by such transfers: *Provided*, That any transfer under this section shall be treated as a reprogramming of funds under subsection (b) of this section and shall not be available for obligation unless the Committees on Appropriations of the Senate and the House of Representatives are notified 15 days in advance of such transfer.

SEC. 504. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2004 from appropriations for salaries and expenses for fiscal year 2004 in this Act shall remain available through September 30, 2005, in the account and for the purposes for which the appropriations were provided: *Provided*, That prior to the obligation of such funds, a request shall be submitted to the Committees on Appropriations of the Senate and the House of Representatives for approval in accordance with section 503 of this Act. 6 USC 453a.

SEC. 505. In fiscal year 2004 and thereafter, unless otherwise provided, funds may be used for purchase of uniforms without regard to the general purchase price limitation for the current fiscal year; purchase of insurance for official motor vehicles operated in foreign countries; entering into contracts with the Department of State to furnish health and medical services to employees and their dependents serving in foreign countries; services authorized by section 3109 of title 5, United States Code; and the hire and purchase of motor vehicles, as authorized by section 1343 of title 31, United States Code: *Provided*, That purchase for police-type use of passenger vehicles may be made without regard to the general purchase price limitation for the current fiscal year.

SEC. 506. The Federal Emergency Management Agency “Working Capital Fund” shall be available to the Department of Homeland Security, as authorized by sections 503 and 1517 of the Homeland Security Act of 2002 (6 U.S.C. 313, 557), for expenses and equipment necessary for maintenance and operations of such administrative services as the Secretary of Homeland Security determines may be performed more advantageously as central services: *Provided*, That such fund shall hereafter be known as the “Department of Homeland Security Working Capital Fund”. 31 USC 501 note.

SEC. 507. The Federal Emergency Management Agency “Bequests and Gifts” account shall be available to the Department of Homeland Security, as authorized by sections 503 and 1517 of the Homeland Security Act of 2002 (6 U.S.C. 313, 557), for the Secretary of Homeland Security to accept, hold, administer and utilize gifts and bequests, including property, to facilitate the work of the Department of Homeland Security: *Provided*, That such fund shall hereafter be known as “Department of Homeland Security, Gifts and Donations”: *Provided further*, That any gift

or bequest shall be used in accordance with the terms of that gift or bequest to the greatest extent practicable.

SEC. 508. Funds made available by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of an Act authorizing intelligence activities for fiscal year 2004.

Establishment.
6 USC 464a note.

SEC. 509. The Federal Law Enforcement Training Center shall establish an accrediting body, to include representatives from the Federal law enforcement community and non-Federal accreditation experts involved in law enforcement training, to establish standards for measuring and assessing the quality and effectiveness of Federal law enforcement training programs, facilities, and instructors.

SEC. 510. None of the funds in this Act may be used to make a grant unless the Secretary of Homeland Security notifies the Committees on Appropriations of the Senate and the House of Representatives not less than 3 full business days before any grant allocation, discretionary grant award, or letter of intent totaling \$1,000,000 or more is announced by the Department or its directorates from: (1) any discretionary or formula-based grant program of the Office for Domestic Preparedness; (2) any letter of intent from the Transportation Security Administration; or (3) any port security grant: *Provided*, That no notification shall involve funds that are not available for obligation.

SEC. 511. Notwithstanding any other provision of law, no agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations of the Senate and the House of Representatives, except that the Federal Law Enforcement Training Center is authorized to obtain the temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities.

SEC. 512. The Director of the Federal Law Enforcement Training Center shall ensure that all training facilities under the control of the Center are operated at optimal capacity throughout the fiscal year.

19 USC 1498
note.

SEC. 513. For fiscal year 2004 and thereafter, none of the funds appropriated or otherwise made available to the Department of Homeland Security may be used for the production of customs declarations that do not inquire whether the passenger had been in the proximity of livestock.

19 USC 1307
note.

SEC. 514. For fiscal year 2004 and thereafter, none of the funds appropriated or otherwise made available to the Department of Homeland Security shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a determination, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

19 USC 1307
note.

SEC. 515. For fiscal year 2004 and thereafter, none of the funds appropriated or otherwise made available to the Department of Homeland Security may be used to allow—

(1) the importation into the United States of any good, ware, article, or merchandise mined, produced, or manufactured

by forced or indentured child labor, as determined under section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); or

(2) the release into the United States of any good, ware, article, or merchandise on which there is in effect a detention order under such section 307 on the basis that the good, ware, article, or merchandise may have been mined, produced, or manufactured by forced or indentured child labor.

SEC. 516. None of the funds appropriated or otherwise made available by this Act may be used for expenses of any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus.

SEC. 517. None of the funds appropriated or otherwise made available by this Act shall be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide to the Transportation Security Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to aviation security: *Provided*, That the prohibition of funds in this section does not apply to—

(1) negotiations between the agency and airport sponsors to achieve agreement on “below-market” rates for these items, or

(2) space for necessary security checkpoints.

SEC. 518. None of the funds in this Act may be used in contravention of the applicable provisions of the Buy American Act (41 U.S.C. 10a et seq.).

SEC. 519. (a) None of the funds provided by this or previous appropriations Acts may be obligated for deployment or implementation, on other than a test basis, of the Computer Assisted Passenger Prescreening System (CAPPS II) that the Transportation Security Administration (TSA) plans to utilize to screen aviation passengers, until the General Accounting Office has reported to the Committees on Appropriations of the Senate and the House of Representatives that—

(1) a system of due process exists whereby aviation passengers determined to pose a threat and either delayed or prohibited from boarding their scheduled flights by the TSA may appeal such decision and correct erroneous information contained in CAPPS II;

(2) the underlying error rate of the government and private data bases that will be used both to establish identity and assign a risk level to a passenger will not produce a large number of false positives that will result in a significant number of passengers being treated mistakenly or security resources being diverted;

(3) the TSA has stress-tested and demonstrated the efficacy and accuracy of all search tools in CAPPS II and has demonstrated that CAPPS II can make an accurate predictive assessment of those passengers who may constitute a threat to aviation;

(4) the Secretary of Homeland Security has established an internal oversight board to monitor the manner in which CAPPS II is being developed and prepared;

(5) the TSA has built in sufficient operational safeguards to reduce the opportunities for abuse;

(6) substantial security measures are in place to protect CAPPS II from unauthorized access by hackers or other intruders;

(7) the TSA has adopted policies establishing effective oversight of the use and operation of the system; and

(8) there are no specific privacy concerns with the technological architecture of the system.

(b) During the testing phase permitted by paragraph (a) of this section, no information gathered from passengers, foreign or domestic air carriers, or reservation systems may be used to screen aviation passengers, or delay or deny boarding to such passengers.

Reports.
Deadline.

(c) The General Accounting Office shall submit the report required under paragraph (a) of this section no later than February 15, 2004.

Fees.
6 USC 469.

SEC. 520. For fiscal year 2004 and thereafter, the Secretary of Homeland Security shall charge reasonable fees for providing credentialing and background investigations in the field of transportation: *Provided*, That the establishment and collection of fees shall be subject to the following requirements:

(1) such fees, in the aggregate, shall not exceed the costs incurred by the Department of Homeland Security associated with providing the credential or performing the background record checks;

(2) the Secretary shall charge fees in amounts that are reasonably related to the costs of providing services in connection with the activity or item for which the fee is charged;

(3) a fee may not be collected except to the extent such fee will be expended to pay for the costs of conducting or obtaining a criminal history record check and a review of available law enforcement databases and commercial databases and records of other governmental and international agencies; reviewing and adjudicating requests for waiver and appeals of agency decisions with respect to providing the credential, performing the background record check, and denying requests for waiver and appeals; and any other costs related to providing the credential or performing the background record check; and

(4) any fee collected shall be available for expenditure only to pay the costs incurred in providing services in connection with the activity or item for which the fee is charged and shall remain available until expended.

Air Cargo.

SEC. 521. The Secretary of Homeland Security is directed to research, develop, and procure certified systems to inspect and screen air cargo on passenger aircraft at the earliest date possible: *Provided*, That until such technology is procured and installed, the Secretary shall take all possible actions to enhance the known shipper program to prohibit high-risk cargo from being transported on passenger aircraft.

This Act may be cited as the “Department of Homeland Security Appropriations Act, 2004”.

Approved October 1, 2003.

LEGISLATIVE HISTORY—H.R. 2555:

HOUSE REPORTS: Nos. 108–169 (Comm. on Appropriations) and 108–280 (Comm. of Conference).

SENATE REPORTS: No. 108–86 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 24, considered and passed House.

July 21–24, considered and passed Senate, amended.

Sept. 24, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Oct. 1, Presidential remarks and statement.



Public Law 108–91
108th Congress

An Act

Oct. 3, 2003
[H.R. 659]

To amend section 242 of the National Housing Act regarding the requirements for mortgage insurance under such Act for hospitals.

Hospital
Mortgage
Insurance Act of
2003.
12 USC 1701
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Hospital Mortgage Insurance Act of 2003”.

SEC. 2. STANDARDS FOR DETERMINING NEED AND FEASIBILITY FOR HOSPITALS.

(a) IN GENERAL.—Paragraph (4) of section 242(d) of the National Housing Act (12 U.S.C. 1715z–7) is amended to read as follows:

“(4)(A) The Secretary shall require satisfactory evidence that the hospital will be located in a State or political subdivision of a State with reasonable minimum standards of licensure and methods of operation for hospitals and satisfactory assurance that such standards will be applied and enforced with respect to the hospital.

“(B) The Secretary shall establish the means for determining need and feasibility for the hospital, if the State does not have an official procedure for determining need for hospitals. If the State has an official procedure for determining need for hospitals, the Secretary shall require that such procedure be followed before the application for insurance is submitted, and the application shall document that need has also been established under that procedure.”.

12 USC 1715z–7
note.
Applicability.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect and apply as of the date of the enactment of this Act.

(2) EFFECT OF REGULATORY AUTHORITY.—Any authority of the Secretary of Housing and Urban Development to issue regulations to carry out the amendment made by subsection (a) may not be construed to affect the effectiveness or applicability of such amendment under paragraph (1) of this subsection.

SEC. 3. EXEMPTION FOR CRITICAL ACCESS HOSPITALS.

(a) IN GENERAL.—Section 242 of the National Housing Act (12 U.S.C. 1715z–7) is amended—

(1) in subsection (b)(1)(B), by inserting “, unless the facility is a critical access hospital (as that term is defined in section

1861(mm)(1) of the Social Security Act (42 U.S.C. 1395x(mm)(1)))” after “tuberculosis”; and

(2) by adding at the end the following:

“(i) TERMINATION OF EXEMPTION FOR CRITICAL ACCESS HOSPITALS.—

“(1) IN GENERAL.—The exemption for critical access hospitals under subsection (b)(1)(B) shall have no effect after July 31, 2006.

“(2) REPORT TO CONGRESS.—Not later than 3 years after July 31, 2003, the Secretary shall submit a report to Congress detailing the effects of the exemption of critical access hospitals from the provisions of subsection (b)(1)(B) on—

“(A) the provision of mortgage insurance to hospitals under this section; and

“(B) the General Insurance Fund established under section 519.”.

SEC. 4. STUDY OF BARRIERS TO RECEIPT OF INSURED MORTGAGES BY FEDERALLY QUALIFIED HEALTH CENTERS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall conduct a study on the barriers to the receipt of mortgage insurance by federally qualified health centers (as defined in section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))) under section 1101 of the National Housing Act (12 U.S.C. 1749aaa), or other programs under that Act.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit a report regarding any appropriate legislative and regulatory changes needed to enable federally qualified health centers to access mortgage insurance under section 1101 of the National Housing Act (12 U.S.C. 1749aaa), or other programs under that Act to—

(1) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(2) the Committee on Financial Services of the House of Representatives.

Approved October 3, 2003.

LEGISLATIVE HISTORY—H.R. 659:

HOUSE REPORTS: No. 108–27 (Comm. on Financial Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 12, considered and passed House.

Sept. 2, considered and passed Senate, amended.

Sept. 17, House concurred in Senate amendment.



Public Law 108–92
108th Congress

An Act

Oct. 3, 2003
[H.R. 978]

To amend chapter 84 of title 5, United States Code, to provide that certain Federal annuity computations are adjusted by 1 percentage point relating to periods of receiving disability payments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ANNUITY COMPUTATION ADJUSTMENT FOR PERIODS OF DISABILITY.

(a) IN GENERAL.—Section 8415 of title 5, United States Code, is amended—

(1) by redesignating the second subsection (i) as subsection (k); and

(2) by adding at the end the following:

“(l) In the case of any annuity computation under this section that includes, in the aggregate, at least 2 months of credit under section 8411(d) for any period while receiving benefits under subchapter I of chapter 81, the percentage otherwise applicable under this section for that period so credited shall be increased by 1 percentage point.”.

(b) CONFORMING AMENDMENT.—Section 8422(d)(2) of title 5, United States Code (as added by section 122(b)(2) of Public Law 107–135) is amended by striking “8415(i)” and inserting “8415(k)”.

Applicability.
5 USC 8415 note.

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to any annuity entitlement to which is based on a separation from service occurring on or after the date of enactment of this Act.

Approved October 3, 2003.

LEGISLATIVE HISTORY—H.R. 978 (S. 481):

SENATE REPORTS: No. 108–108 accompanying S. 481 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 10, considered and passed House.

Sept. 11, considered and passed Senate.



Public Law 108–93
108th Congress

An Act

To direct the Secretary of the Interior to conduct a special resource study to determine the national significance of the Miami Circle site in the State of Florida as well as the suitability and feasibility of its inclusion in the National Park System as part of Biscayne National Park, and for other purposes.

Oct. 3, 2003
[S. 111]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL RESOURCE STUDY.

Deadlines.

(a) **STUDY.**—Not later than 3 years after the date funds are made available, the Secretary of the Interior (hereinafter referred to as the “Secretary”) shall conduct a special resource study to determine the national significance of the Miami Circle archaeological site in Miami-Dade County, Florida (hereinafter referred to as “Miami Circle”), as well as the suitability and feasibility of its inclusion in the National Park System as part of the Biscayne National Park. In conducting the study, the Secretary shall consult with the appropriate American Indian tribes and other interested groups and organizations.

Native
Americans.

(b) **CONTENT OF STUDY.**—In addition to determining national significance, feasibility, and suitability, the study shall include the analysis and recommendations of the Secretary on—

(1) any areas in or surrounding the Miami Circle that should be included in Biscayne National Park;

(2) whether additional staff, facilities, or other resources would be necessary to administer the Miami Circle as a unit of Biscayne National Park; and

(3) any effect on the local area from the inclusion of Miami Circle in Biscayne National Park.

(c) **SUBMISSION OF REPORT.**—Not later than 30 days after completion of the study, the Secretary shall submit a report on the findings and recommendations of the study to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the United States House of Representatives.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Approved October 3, 2003.

LEGISLATIVE HISTORY—S. 111:

HOUSE REPORTS: No. 108–268 (Comm. on Resources).

SENATE REPORTS: No. 108–4 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 4, considered and passed Senate.

Sept. 23, considered and passed House.



Public Law 108–94
108th Congress

An Act

To direct the Secretary of the Interior to conduct a study of Coltsville in the State of Connecticut for potential inclusion in the National Park System.

Oct. 3, 2003
[S. 233]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Coltsville Study
Act of 2003.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Coltsville Study Act of 2003”.

SEC. 2. FINDINGS.

Congress finds that—

(1) Hartford, Connecticut, home to Colt Manufacturing Company (referred to in this Act as “Colt”), played a major role in the Industrial Revolution;

Colt
Manufacturing
Company.

(2) Samuel Colt, founder of Colt, and his wife, Elizabeth Colt, inspired Coltsville, a community in the State of Connecticut that flourished during the Industrial Revolution and included Victorian mansions, an open green area, botanical gardens, and a deer park;

(3) the residence of Samuel and Elizabeth Colt in Hartford, Connecticut, known as “Armsmear”, is a national historic landmark, and the distinctive Colt factory is a prominent feature of the Hartford, Connecticut, skyline;

(4) the Colt legacy is not only about firearms, but also about industrial innovation and the development of technology that would change the way of life in the United States, including—

(A) the development of telegraph technology; and

(B) advancements in jet engine technology by Francis Pratt and Amos Whitney, who served as apprentices at Colt;

(5) Coltsville—

(A) set the standard for excellence during the Industrial Revolution; and

(B) continues to prove significant—

(i) as a place in which people of the United States can learn about that important period in history; and

(ii) by reason of the close proximity of Coltsville to the Mark Twain House, Trinity College, Old North Cemetery, and many historic homesteads and architecturally renowned buildings;

(6) in 1998, the National Park Service conducted a special resource reconnaissance study of the Connecticut River Valley to evaluate the significance of precision manufacturing sites; and

(7) the report on the study stated that—

(A) no other region of the United States contains an equal concentration of resources relating to the precision manufacturing theme that began with firearms production;

(B) properties relating to precision manufacturing encompass more than merely factories; and

(C) further study, which should be undertaken, may recommend inclusion of churches and other social institutions.

SEC. 3. STUDY.

Deadline.

(a) **IN GENERAL.**—Not later than 3 years after the date on which funds are made available to carry out this Act, the Secretary of the Interior (referred to in this Act as the “Secretary”) shall complete a study of the site in the State of Connecticut commonly known as “Coltsville” to evaluate—

(1) the national significance of the site and surrounding area;

(2) the suitability and feasibility of designating the site and surrounding area as a unit of the National Park System; and

(3) the importance of the site to the history of precision manufacturing.

(b) **APPLICABLE LAW.**—The study required under subsection (a) shall be conducted in accordance with Public Law 91-383 (16 U.S.C. 1a-1 et seq.).

Deadline.

SEC. 4. REPORT.

Not later than 30 days after the date on which the study under section 3(a) is completed, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that describes—

(1) the findings of the study; and

(2) any conclusions and recommendations of the Secretary.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Approved October 3, 2003.

LEGISLATIVE HISTORY—S. 233:

HOUSE REPORTS: No. 108-252 (Comm. on Resources).

SENATE REPORTS: No. 108-9 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 4, considered and passed Senate.

Sept. 23, considered and passed House.



Public Law 108–95
108th Congress

An Act

To make certain adjustments to the boundaries of the Mount Naomi Wilderness Area, and for other purposes.

Oct. 3, 2003

[S. 278]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Mount Naomi Wilderness Boundary Adjustment Act”.

Mount Naomi
Wilderness
Boundary
Adjustment Act.
16 USC 1132
note.

SEC. 2. BOUNDARY ADJUSTMENTS.

(a) **LANDS REMOVED.**—The boundary of the Mount Naomi Wilderness is adjusted to exclude the approximately 31 acres of land depicted on the Map as “Land Excluded”.

(b) **LANDS ADDED.**—Subject to valid existing rights, the boundary of the Mount Naomi Wilderness is adjusted to include the approximately 31 acres of land depicted on the Map as “Land Added”. The Utah Wilderness Act of 1984 (Public Law 98–428) shall apply to the land added to the Mount Naomi Wilderness pursuant to this subsection.

SEC. 3. MAP.

(a) **DEFINITION.**—For the purpose of this Act, the term “Map” shall mean the map entitled “Mt. Naomi Wilderness Boundary Adjustment” and dated May 23, 2002.

(b) **MAP ON FILE.**—The Map shall be on file and available for inspection in the office of the Chief of the Forest Service, Department of Agriculture.

(c) CORRECTIONS.—The Secretary of Agriculture may make technical corrections to the Map.

Approved October 3, 2003.

LEGISLATIVE HISTORY—S. 278:

HOUSE REPORTS: No. 108-253 (Comm. on Resources).

SENATE REPORTS: No. 108-23 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 7, considered and passed Senate.

Sept. 23, considered and passed House.



Public Law 108–96
108th Congress

An Act

To reauthorize programs under the Runaway and Homeless Youth Act and the Missing Children’s Assistance Act, and for other purposes.

Oct. 10, 2003
[H.R. 1925]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Runaway, Homeless, and Missing Children Protection Act”.

Runaway,
Homeless, and
Missing Children
Protection Act.
Grants.
42 USC 5601
note.

**TITLE I—AMENDMENTS TO RUNAWAY
AND HOMELESS YOUTH ACT**

SEC. 101. AMENDMENT TO FINDINGS.

Section 302 of the Runaway and Homeless Youth Act (42 U.S.C. 5701) is amended to read as follows:

“SEC. 302. FINDINGS.

“The Congress finds that—

“(1) youth who have become homeless or who leave and remain away from home without parental permission, are at risk of developing, and have a disproportionate share of, serious health, behavioral, and emotional problems because they lack sufficient resources to obtain care and may live on the street for extended periods thereby endangering themselves and creating a substantial law enforcement problem for communities in which they congregate;

“(2) many such young people, because of their age and situation, are urgently in need of temporary shelter and services, including services that are linguistically appropriate and acknowledge the environment of youth seeking these services;

“(3) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop an accurate national reporting system to report the problem, and to assist in the development of an effective system of care (including preventive and aftercare services, emergency shelter services, extended residential shelter, and street outreach services) outside the welfare system and the law enforcement system;

“(4) to make a successful transition to adulthood, runaway youth, homeless youth, and other street youth need opportunities to complete high school or earn a general equivalency degree, learn job skills, and obtain employment; and

“(5) improved coordination and collaboration between the Federal programs that serve runaway and homeless youth are necessary for the development of a long-term strategy for responding to the needs of this population.”.

SEC. 102. GRANT PROGRAM CONFORMING AMENDMENT.

The heading for part A of the Runaway and Homeless Youth Act (42 U.S.C. 5711 et seq.) is amended by striking “RUNAWAY AND HOMELESS YOUTH” and inserting “BASIC CENTER”.

SEC. 103. GRANTS FOR SERVICES PROVIDED.

Section 311(a)(2)(C) of the Runaway and Homeless Youth Act (42 U.S.C. 5711(a)(2)(C)) is amended—

- (1) in clause (ii) by striking “and”;
- (2) in clause (iii) by striking the period and inserting “; and”; and
- (3) after clause (iii) by inserting the following:
 - “(iv) at the request of runaway and homeless youth, testing for sexually transmitted diseases.”.

SEC. 104. REPEAL OF OBSOLETE PROVISION RELATING TO CERTAIN ALLOTMENTS.

Section 311(b) the Runaway and Homeless Youth Act (42 U.S.C. 5711(b)) is amended—

- (1) in paragraph (2), by striking “Subject to paragraph (3), the” and inserting “The”;
- (2) by striking paragraph (3); and
- (3) by redesignating paragraph (4) as paragraph (3).

SEC. 105. ELIGIBILITY PROVISION.

Section 312(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5712(a)) is amended by striking “juveniles” each place it appears and inserting “youth”.

SEC. 106. RECOGNITION OF STATE LAW RELATING TO CAPACITY LIMITATION ON ELIGIBLE RUNAWAY AND HOMELESS YOUTH CENTERS.

Section 312(b)(2)(A) of the Runaway and Homeless Youth Act (42 U.S.C. 5712(b)(2)(A)) is amended by inserting after “youth” the following: “, except where the applicant assures that the State where the center or locally controlled facility is located has a State or local law or regulation that requires a higher maximum to comply with licensure requirements for child and youth serving facilities”.

SEC. 107. MATERNITY GROUP HOMES.

(a) **ELIGIBILITY.**—Section 322(a)(1) of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2(a)(1)) is amended—

- (1) by inserting after “group homes,” the following: “including maternity group homes,”; and
- (2) by inserting after “use of credit,” the following: “parenting skills (as appropriate),”.

(b) **DEFINITION.**—Section 322 of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2) is amended by adding at the end the following new subsection:

“(c) **DEFINITION.**—In this part, the term ‘maternity group home’ means a community-based, adult-supervised transitional living arrangement that provides pregnant or parenting youth and their children with a supportive and supervised living arrangement in

which such pregnant or parenting youth are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence in order to ensure the well-being of their children.”.

SEC. 108. LIMITED EXTENSION OF 540-DAY SHELTER ELIGIBILITY PERIOD.

Section 322(a)(2) of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2(a)(2)) is amended by inserting after “days” the following: “, except that a youth in a program under this part who is under the age of 18 years on the last day of the 540-day period may, if otherwise qualified for the program, remain in the program until the earlier of the youth’s 18th birthday or the 180th day after the end of the 540-day period”.

SEC. 109. PART A PLAN COORDINATION ASSURANCES.

Section 312(b)(4)(B) of the Runaway and Homeless Youth Act (42 U.S.C. 5712(b)(4)(B)) is amended by striking “personnel” and all that follows through the semicolon and inserting “McKinney-Vento school district liaisons, designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)), to assure that runaway and homeless youth are provided information about the educational services available to such youth under subtitle B of title VII of that Act;”.

SEC. 110. PART B PLAN COORDINATION AGREEMENT.

Section 322(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2(a)) is amended—

(1) by striking “and” after the semicolon at the end of paragraph (13);

(2) by striking the period at the end of paragraph (14) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(15) to coordinate services with McKinney-Vento school district liaisons, designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)), to assure that runaway and homeless youth are provided information about the educational services available to such youth under subtitle B of title VII of that Act.”.

SEC. 111. PART B PLAN DEVELOPMENT.

Section 322(a)(7) of the Runaway and Homeless Youth Act (42 U.S.C. 5714–2(a)(7)) is amended to read as follows:

“(7) to develop an adequate plan to ensure proper referral of homeless youth to social service, law enforcement, educational (including post-secondary education), vocational, training (including services and programs for youth available under the Workforce Investment Act of 1998), welfare (including programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996), legal service, and health care programs and to help integrate and coordinate such services for youths;”.

SEC. 112. COORDINATION OF PROGRAMS.

Section 341 of the Runaway and Homeless Youth Act (42 U.S.C. 5714–21) is amended—

(1) in paragraph (1), by striking “and” after the semicolon at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:
 “(3) shall consult, as appropriate, the Secretary of Housing and Urban Development to ensure coordination of programs and services for homeless youth.”.

SEC. 113. CLARIFICATION OF GRANT AUTHORITY.

Section 343(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5714–23(a)) is amended by inserting after “service projects” the following: “regarding activities under this title”.

SEC. 114. TECHNICAL AMENDMENT RELATING TO DEMONSTRATION PROJECTS.

The section heading of section 344 of the Runaway and Homeless Youth Act (42 U.S.C. 5714–24) is amended by striking “TEMPORARY”.

SEC. 115. REPEAL OF OBSOLETE PROVISION RELATING TO STUDY.

The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by striking section 345 (42 U.S.C. 5714–25).

SEC. 116. AGE LIMIT FOR HOMELESS YOUTH.

Section 387(3)(A)(i) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)(A)(i)) is amended by inserting after “of age” the following: “, or, in the case of a youth seeking shelter in a center under part A, not more than 18 years of age”.

SEC. 117. AUTHORIZATION OF APPROPRIATIONS.

(a) OTHER THAN PART E.—Section 388(a)(1) of the Runaway and Homeless Youth Act (42 U.S.C. 5751(a)(1)) is amended by striking “such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003” and inserting “\$105,000,000 for fiscal year 2004, and such sums as may be necessary for fiscal years 2005, 2006, 2007, and 2008”.

(b) PART E.—Section 388(a)(4) of the Runaway and Homeless Youth Act (42 U.S.C. 5751(a)(4)) is amended by striking “2000, 2001, 2002, and 2003” and inserting “2004, 2005, 2006, 2007, and 2008”.

(c) PART B ALLOCATION.—Section 388(a)(2)(B) of the Runaway and Homeless Youth Act (42 U.S.C. 5751(a)(2)(B)) is amended by striking “not less than 20 percent, and not more than 30 percent” and inserting “45 percent and, in those fiscal years in which continuation grant obligations and the quality and number of applicants for parts A and B warrant not more than 55 percent”.

Deadline.
 42 USC 5701
 note.

SEC. 118. REPORT ON PROMISING STRATEGIES TO END YOUTH HOMELESSNESS.

Not later than 2 years after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation with the United States Interagency Council on Homelessness, shall submit to the Congress a report on promising strategies to end youth homelessness.

42 USC 5714–1
 note.

SEC. 119. STUDY OF HOUSING SERVICES AND STRATEGIES.

The Secretary of Health and Human Services shall conduct a study of programs funded under part B of the Runaway and

Homeless Youth Act (42 U.S.C. 5714–1 et seq.) to report on long-term housing outcomes for youth after exiting the program. The study of any such program should provide information on housing services available to youth upon exiting the program, including assistance in locating and retaining permanent housing and referrals to other residential programs. In addition, the study should identify housing models and placement strategies that prevent future episodes of homelessness.

SEC. 120. RESTRICTION ON USE OF FUNDS.

The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by adding at the end the following new section:

“SEC. 389. RESTRICTION ON USE OF FUNDS.

42 USC 5752.

“(a) **IN GENERAL.**—None of the funds contained in this title may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

“(b) **SEPARATE ACCOUNTING.**—Any individual or entity who receives any funds contained in this title and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this title.”.

TITLE II—AMENDMENTS TO MISSING CHILDREN’S ASSISTANCE ACT

SEC. 201. AMENDMENT TO FINDINGS.

Section 402 of the Missing Children’s Assistance Act (42 U.S.C. 5771) is amended to read as follows:

“SEC. 402. FINDINGS.

“The Congress finds that—

“(1) each year thousands of children are abducted or removed from the control of a parent having legal custody without such parent’s consent, under circumstances which immediately place the child in grave danger;

“(2) many missing children are at great risk of both physical harm and sexual exploitation;

“(3) in many cases, parents and local law enforcement officials have neither the resources nor the expertise to mount expanded search efforts;

“(4) abducted children are frequently moved from one locality to another, requiring the cooperation and coordination of local, State, and Federal law enforcement efforts;

“(5) the National Center for Missing and Exploited Children—

“(A) serves as the national resource center and clearinghouse;

“(B) works in partnership with the Department of Justice, the Federal Bureau of Investigation, the Department of the Treasury, the Department of State, and many other agencies in the effort to find missing children and prevent child victimization; and

“(C) operates a national and increasingly worldwide network, linking the Center online with each of the missing

children clearinghouses operated by the 50 States, the District of Columbia, and Puerto Rico, as well as with Scotland Yard in the United Kingdom, the Royal Canadian Mounted Police, INTERPOL headquarters in Lyon, France, and others, which enable the Center to transmit images and information regarding missing children to law enforcement across the United States and around the world instantly.”.

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

(a) ANNUAL GRANT TO NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN.—Section 404(b)(2) of the Missing Children’s Assistance Act (42 U.S.C. 5773(b)(2)) is amended by striking “2005” and inserting “2008”.

(b) IN GENERAL.—Section 408(a) of the Missing Children’s Assistance Act (42 U.S.C. 5777(a)) is amended by striking “2005.” and inserting “2008”.

Approved October 10, 2003.

LEGISLATIVE HISTORY—H.R. 1925 (S. 1451):

HOUSE REPORTS: No. 108–118 (Comm. on Education and the Workforce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 20, considered and passed House.

Sept. 30, considered and passed Senate.



Public Law 108–97
108th Congress

An Act

To designate the facility of the United States Postal Service located at 1000 Avenida Sanchez Osorio in Carolina, Puerto Rico, as the “Roberto Clemente Walker Post Office Building”.

Oct. 10, 2003
[H.R. 2826]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1000 Avenida Sanchez Osorio in Carolina, Puerto Rico, shall be known and designated as the “Roberto Clemente Walker Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Roberto Clemente Walker Post Office Building”.

Approved October 10, 2003.

LEGISLATIVE HISTORY—H.R. 2826:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Sept. 23, considered and passed House.
Oct. 1, considered and passed Senate.



Public Law 108–98
108th Congress

An Act

Oct. 10, 2003
[S. 570]

To amend the Higher Education Act of 1965 with respect to the qualifications of foreign schools.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOREIGN SCHOOL ELIGIBILITY.

(a) IN GENERAL.—Section 102(a)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)(2)(A)) is amended to read as follows:

Regulations.

“(A) IN GENERAL.—For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 101 (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 101(a)(4)). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of title IV unless—

“(i) in the case of a graduate medical school located outside the United States—

“(I)(aa) at least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of title IV; and

“(bb) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of title IV; or

“(II) the institution has a clinical training program that was approved by a State as of January 1, 1992; or

“(ii) in the case of a veterinary school located outside the United States that does not meet the requirements of section 101(a)(4), the institution’s students

complete their clinical training at an approved veterinary school located in the United States.”.

(b) EFFECTIVE DATE.—This Act and the amendments made by this Act shall be effective as if enacted on October 1, 1998. 20 USC 1002 note.

Approved October 10, 2003.

LEGISLATIVE HISTORY—S. 570:

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 16, considered and passed Senate.

Sept. 30, considered and passed House.



Public Law 108–99
108th Congress

An Act

Oct. 15, 2003
[H.R. 2152]

To amend the Immigration and Nationality Act to extend for an additional 5 years the special immigrant religious worker program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF SPECIAL IMMIGRANT RELIGIOUS WORKER PROGRAM.

Section 101(a)(27)(C)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)(C)(ii)) is amended by striking “2003,” each place it appears and inserting “2008,”.

8 USC 1101 note.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall take effect on October 1, 2003.

Approved October 15, 2003.

LEGISLATIVE HISTORY—H.R. 2152:

HOUSE REPORTS: No. 108–271 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 17, considered and passed House.

Oct. 3, considered and passed Senate.



Public Law 108–100
108th Congress

An Act

To facilitate check truncation by authorizing substitute checks, to foster innovation in the check collection system without mandating receipt of checks in electronic form, and to improve the overall efficiency of the Nation's payments system, and for other purposes.

Oct. 28, 2003
[H.R. 1474]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Check Clearing for the 21st Century Act” or the “Check 21 Act”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings; purposes.
- Sec. 3. Definitions.
- Sec. 4. General provisions governing substitute checks.
- Sec. 5. Substitute check warranties.
- Sec. 6. Indemnity.
- Sec. 7. Expedited recredit for consumers.
- Sec. 8. Expedited recredit procedures for banks.
- Sec. 9. Delays in an emergency.
- Sec. 10. Measure of damages.
- Sec. 11. Statute of limitations and notice of claim.
- Sec. 12. Consumer awareness.
- Sec. 13. Effect on other law.
- Sec. 14. Variation by agreement.
- Sec. 15. Regulations.
- Sec. 16. Study and report on funds availability.
- Sec. 17. Statistical reporting of costs and revenues for transporting checks between Federal Reserve banks.
- Sec. 18. Evaluation and report by the Comptroller General.
- Sec. 19. Depository services efficiency and cost reduction.
- Sec. 20. Effective date.

SEC. 2. FINDINGS; PURPOSES.

(a) **FINDINGS.**—The Congress finds as follows:

(1) In the Expedited Funds Availability Act, enacted on August 10, 1987, the Congress directed the Board of Governors of the Federal Reserve System to consider establishing regulations requiring Federal reserve banks and depository institutions to provide for check truncation, in order to improve the check processing system.

(2) In that same Act, the Congress—

(A) provided the Board of Governors of the Federal Reserve System with full authority to regulate all aspects of the payment system, including the receipt, payment, collection, and clearing of checks, and related functions of the payment system pertaining to checks; and

Check Clearing
for the 21st
Century Act.
12 USC 5001
note.

12 USC 5001.

(B) directed that the exercise of such authority by the Board superseded any State law, including the Uniform Commercial Code, as in effect in any State.

(3) Check truncation is no less desirable in 2003 for both financial service customers and the financial services industry, to reduce costs, improve efficiency in check collections, and expedite funds availability for customers than it was over 15 years ago when Congress first directed the Board to consider establishing such a process.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To facilitate check truncation by authorizing substitute checks.

(2) To foster innovation in the check collection system without mandating receipt of checks in electronic form.

(3) To improve the overall efficiency of the Nation's payments system.

12 USC 5002.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) ACCOUNT.—The term “account” means a deposit account at a bank.

(2) BANK.—The term “bank” means any person that is located in a State and engaged in the business of banking and includes—

(A) any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act);

(B) any Federal reserve bank;

(C) any Federal home loan bank; or

(D) to the extent it acts as a payor—

(i) the Treasury of the United States;

(ii) the United States Postal Service;

(iii) a State government; or

(iv) a unit of general local government (as defined in section 602(24) of the Expedited Funds Availability Act).

(3) BANKING TERMS.—

(A) COLLECTING BANK.—The term “collecting bank” means any bank handling a check for collection except the paying bank.

(B) DEPOSITARY BANK.—The term “depositary bank” means—

(i) the first bank to which a check is transferred, even if such bank is also the paying bank or the payee; or

(ii) a bank to which a check is transferred for deposit in an account at such bank, even if the check is physically received and indorsed first by another bank.

(C) PAYING BANK.—The term “paying bank” means—

(i) the bank by which a check is payable, unless the check is payable at or through another bank and is sent to the other bank for payment or collection; or

(ii) the bank at or through which a check is payable and to which the check is sent for payment or collection.

(D) RETURNING BANK.—

(i) IN GENERAL.—The term “returning bank” means a bank (other than the paying or depository bank) handling a returned check or notice in lieu of return.

(ii) TREATMENT AS COLLECTING BANK.—No provision of this Act shall be construed as affecting the treatment of a returning bank as a collecting bank for purposes of section 4-202(b) of the Uniform Commercial Code.

(4) BOARD.—The term “Board” means the Board of Governors of the Federal Reserve System.

(5) BUSINESS DAY.—The term “business day” has the same meaning as in section 602(3) of the Expedited Funds Availability Act.

(6) CHECK.—The term “check”—

(A) means a draft, payable on demand and drawn on or payable through or at an office of a bank, whether or not negotiable, that is handled for forward collection or return, including a substitute check and a travelers check; and

(B) does not include a noncash item or an item payable in a medium other than United States dollars.

(7) CONSUMER.—The term “consumer” means an individual who—

(A) with respect to a check handled for forward collection, draws the check on a consumer account; or

(B) with respect to a check handled for return, deposits the check into, or cashes the check against, a consumer account.

(8) CONSUMER ACCOUNT.—The term “consumer account” has the same meaning as in section 602(10) of the Expedited Funds Availability Act.

(9) CUSTOMER.—The term “customer” means a person having an account with a bank.

(10) FORWARD COLLECTION.—The term “forward collection” means the transfer by a bank of a check to a collecting bank for settlement or the paying bank for payment.

(11) INDEMNIFYING BANK.—The term “indemnifying bank” means a bank that is providing an indemnity under section 6 with respect to a substitute check.

(12) MICR LINE.—The terms “MICR line” and “magnetic ink character recognition line” mean the numbers, which may include the bank routing number, account number, check number, check amount, and other information, that are printed near the bottom of a check in magnetic ink in accordance with generally applicable industry standards.

(13) NONCASH ITEM.—The term “noncash item” has the same meaning as in section 602(14) of the Expedited Funds Availability Act.

(14) PERSON.—The term “person” means a natural person, corporation, unincorporated company, partnership, government unit or instrumentality, trust, or any other entity or organization.

(15) RECONVERTING BANK.—The term “reconverting bank” means—

(A) the bank that creates a substitute check; or

(B) if a substitute check is created by a person other than a bank, the first bank that transfers or presents such substitute check.

(16) **SUBSTITUTE CHECK.**—The term “substitute check” means a paper reproduction of the original check that—

(A) contains an image of the front and back of the original check;

(B) bears a MICR line containing all the information appearing on the MICR line of the original check, except as provided under generally applicable industry standards for substitute checks to facilitate the processing of substitute checks;

(C) conforms, in paper stock, dimension, and otherwise, with generally applicable industry standards for substitute checks; and

(D) is suitable for automated processing in the same manner as the original check.

(17) **STATE.**—The term “State” has the same meaning as in section 3(a) of the Federal Deposit Insurance Act.

(18) **TRUNCATE.**—The term “truncate” means to remove an original paper check from the check collection or return process and send to a recipient, in lieu of such original paper check, a substitute check or, by agreement, information relating to the original check (including data taken from the MICR line of the original check or an electronic image of the original check), whether with or without subsequent delivery of the original paper check.

(19) **UNIFORM COMMERCIAL CODE.**—The term “Uniform Commercial Code” means the Uniform Commercial Code in effect in a State.

(20) **OTHER TERMS.**—Unless the context requires otherwise, the terms not defined in this section shall have the same meanings as in the Uniform Commercial Code.

12 USC 5003.

SEC. 4. GENERAL PROVISIONS GOVERNING SUBSTITUTE CHECKS.

(a) **NO AGREEMENT REQUIRED.**—A person may deposit, present, or send for collection or return a substitute check without an agreement with the recipient, so long as a bank has made the warranties in section 5 with respect to such substitute check.

(b) **LEGAL EQUIVALENCE.**—A substitute check shall be the legal equivalent of the original check for all purposes, including any provision of any Federal or State law, and for all persons if the substitute check—

(1) accurately represents all of the information on the front and back of the original check as of the time the original check was truncated; and

(2) bears the legend: “This is a legal copy of your check. You can use it the same way you would use the original check.”.

(c) **ENDORSEMENTS.**—A bank shall ensure that the substitute check for which the bank is the reconverting bank bears all endorsements applied by parties that previously handled the check (whether in electronic form or in the form of the original paper check or a substitute check) for forward collection or return.

(d) **IDENTIFICATION OF RECONVERTING BANK.**—A bank shall identify itself as a reconverting bank on any substitute check for which the bank is a reconverting bank so as to preserve any

previous reconverting bank identifications in conformance with generally applicable industry standards.

(e) **APPLICABLE LAW.**—A substitute check that is the legal equivalent of the original check under subsection (b) shall be subject to any provision, including any provision relating to the protection of customers, of part 229 of title 12 of the Code of Federal Regulations, the Uniform Commercial Code, and any other applicable Federal or State law as if such substitute check were the original check, to the extent such provision of law is not inconsistent with this Act.

SEC. 5. SUBSTITUTE CHECK WARRANTIES.

12 USC 5004.

A bank that transfers, presents, or returns a substitute check and receives consideration for the check warrants, as a matter of law, to the transferee, any subsequent collecting or returning bank, the depository bank, the drawee, the drawer, the payee, the depositor, and any endorser (regardless of whether the warrantee receives the substitute check or another paper or electronic form of the substitute check or original check) that—

(1) the substitute check meets all the requirements for legal equivalence under section 4(b); and

(2) no depository bank, drawee, drawer, or endorser will receive presentment or return of the substitute check, the original check, or a copy or other paper or electronic version of the substitute check or original check such that the bank, drawee, drawer, or endorser will be asked to make a payment based on a check that the bank, drawee, drawer, or endorser has already paid.

SEC. 6. INDEMNITY.

12 USC 5005.

(a) **INDEMNITY.**—A reconverting bank and each bank that subsequently transfers, presents, or returns a substitute check in any electronic or paper form, and receives consideration for such transfer, presentment, or return shall indemnify the transferee, any subsequent collecting or returning bank, the depository bank, the drawee, the drawer, the payee, the depositor, and any endorser, up to the amount described in subsections (b) and (c), as applicable, to the extent of any loss incurred by any recipient of a substitute check if that loss occurred due to the receipt of a substitute check instead of the original check.

(b) **INDEMNITY AMOUNT.**—

(1) **AMOUNT IN EVENT OF BREACH OF WARRANTY.**—The amount of the indemnity under subsection (a) shall be the amount of any loss (including costs and reasonable attorney's fees and other expenses of representation) proximately caused by a breach of a warranty provided under section 5.

(2) **AMOUNT IN ABSENCE OF BREACH OF WARRANTY.**—In the absence of a breach of a warranty provided under section 5, the amount of the indemnity under subsection (a) shall be the sum of—

(A) the amount of any loss, up to the amount of the substitute check; and

(B) interest and expenses (including costs and reasonable attorney's fees and other expenses of representation).

(c) **COMPARATIVE NEGLIGENCE.**—

(1) **IN GENERAL.**—If a loss described in subsection (a) results in whole or in part from the negligence or failure to act in good faith on the part of an indemnified party, then that

party's indemnification under this section shall be reduced in proportion to the amount of negligence or bad faith attributable to that party.

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection reduces the rights of a consumer or any other person under the Uniform Commercial Code or other applicable provision of Federal or State law.

(d) **EFFECT OF PRODUCING ORIGINAL CHECK OR COPY.**—

(1) **IN GENERAL.**—If the indemnifying bank produces the original check or a copy of the original check (including an image or a substitute check) that accurately represents all of the information on the front and back of the original check (as of the time the original check was truncated) or is otherwise sufficient to determine whether or not a claim is valid, the indemnifying bank shall—

(A) be liable under this section only for losses covered by the indemnity that are incurred up to the time that the original check or copy is provided to the indemnified party; and

(B) have a right to the return of any funds it has paid under the indemnity in excess of those losses.

(2) **COORDINATION OF INDEMNITY WITH IMPLIED WARRANTY.**—The production of the original check, a substitute check, or a copy under paragraph (1) by an indemnifying bank shall not absolve the bank from any liability on a warranty established under this Act or any other provision of law.

(e) **SUBROGATION OF RIGHTS.**—

(1) **IN GENERAL.**—Each indemnifying bank shall be subrogated to the rights of any indemnified party to the extent of the indemnity.

(2) **RECOVERY UNDER WARRANTY.**—A bank that indemnifies a party under this section may attempt to recover from another party based on a warranty or other claim.

(3) **DUTY OF INDEMNIFIED PARTY.**—Each indemnified party shall have a duty to comply with all reasonable requests for assistance from an indemnifying bank in connection with any claim the indemnifying bank brings against a warrantor or other party related to a check that forms the basis for the indemnification.

12 USC 5006.

SEC. 7. EXPEDITED RECREDIT FOR CONSUMERS.

(a) **RECREDIT CLAIMS.**—

(1) **IN GENERAL.**—A consumer may make a claim for expedited recredit from the bank that holds the account of the consumer with respect to a substitute check, if the consumer asserts in good faith that—

(A) the bank charged the consumer's account for a substitute check that was provided to the consumer;

(B) either—

(i) the check was not properly charged to the consumer's account; or

(ii) the consumer has a warranty claim with respect to such substitute check;

(C) the consumer suffered a resulting loss; and

(D) the production of the original check or a better copy of the original check is necessary to determine the validity of any claim described in subparagraph (B).

(2) 40-DAY PERIOD.—Any claim under paragraph (1) with respect to a consumer account may be submitted by a consumer before the end of the 40-day period beginning on the later of—

(A) the date on which the financial institution mails or delivers, by a means agreed to by the consumer, the periodic statement of account for such account which contains information concerning the transaction giving rise to the claim; or

(B) the date on which the substitute check is made available to the consumer.

(3) EXTENSION UNDER EXTENUATING CIRCUMSTANCES.—If the ability of the consumer to submit the claim within the 40-day period under paragraph (2) is delayed due to extenuating circumstances, including extended travel or the illness of the consumer, the 40-day period shall be extended by a reasonable amount of time.

(b) PROCEDURES FOR CLAIMS.—

(1) IN GENERAL.—To make a claim for an expedited recredit under subsection (a) with respect to a substitute check, the consumer shall provide to the bank that holds the account of such consumer—

(A) a description of the claim, including an explanation of—

(i) why the substitute check was not properly charged to the consumer's account; or

(ii) the warranty claim with respect to such check;

(B) a statement that the consumer suffered a loss and an estimate of the amount of the loss;

(C) the reason why production of the original check or a better copy of the original check is necessary to determine the validity of the charge to the consumer's account or the warranty claim; and

(D) sufficient information to identify the substitute check and to investigate the claim.

(2) CLAIM IN WRITING.—

(A) IN GENERAL.—The bank holding the consumer account that is the subject of a claim by the consumer under subsection (a) may, in the discretion of the bank, require the consumer to submit the information required under paragraph (1) in writing.

(B) MEANS OF SUBMISSION.—A bank that requires a submission of information under subparagraph (A) may permit the consumer to make the submission electronically, if the consumer has agreed to communicate with the bank in that manner.

(c) RECREDIT TO CONSUMER.—

(1) CONDITIONS FOR RECREDIT.—The bank shall recredit a consumer account in accordance with paragraph (2) for the amount of a substitute check that was charged against the consumer account if—

(A) a consumer submits a claim to the bank with respect to that substitute check that meets the requirement of subsection (b); and

(B) the bank has not—

(i) provided to the consumer—

(I) the original check; or

(II) a copy of the original check (including an image or a substitute check) that accurately represents all of the information on the front and back of the original check, as of the time at which the original check was truncated; and

(ii) demonstrated to the consumer that the substitute check was properly charged to the consumer account.

(2) TIMING OF RECREDIT.—

(A) IN GENERAL.—The bank shall recredit the consumer's account for the amount described in paragraph (1) no later than the end of the business day following the business day on which the bank determines the consumer's claim is valid.

(B) RECREDIT PENDING INVESTIGATION.—If the bank has not yet determined that the consumer's claim is valid before the end of the 10th business day after the business day on which the consumer submitted the claim, the bank shall recredit the consumer's account for—

(i) the lesser of the amount of the substitute check that was charged against the consumer account, or \$2,500, together with interest if the account is an interest-bearing account, no later than the end of such 10th business day; and

(ii) the remaining amount of the substitute check that was charged against the consumer account, if any, together with interest if the account is an interest-bearing account, not later than the 45th calendar day following the business day on which the consumer submits the claim.

(d) AVAILABILITY OF RECREDIT.—

(1) NEXT BUSINESS DAY AVAILABILITY.—Except as provided in paragraph (2), a bank that provides a recredit to a consumer account under subsection (c) shall make the recredited funds available for withdrawal by the consumer by the start of the next business day after the business day on which the bank recredits the consumer's account under subsection (c).

(2) SAFEGUARD EXCEPTIONS.—A bank may delay availability to a consumer of a recredit provided under subsection (c)(2)(B)(i) until the start of either the business day following the business day on which the bank determines that the consumer's claim is valid or the 45th calendar day following the business day on which the consumer submits a claim for such recredit in accordance with subsection (b), whichever is earlier, in any of the following circumstances:

(A) NEW ACCOUNTS.—The claim is made during the 30-day period beginning on the business day the consumer account was established.

(B) REPEATED OVERDRAFTS.—Without regard to the charge that is the subject of the claim for which the recredit was made—

(i) on 6 or more business days during the 6-month period ending on the date on which the consumer submits the claim, the balance in the consumer account was negative or would have become negative if checks or other charges to the account had been paid; or

(ii) on 2 or more business days during such 6-month period, the balance in the consumer account was negative or would have become negative in the amount of \$5,000 or more if checks or other charges to the account had been paid.

(C) PREVENTION OF FRAUD LOSSES.—The bank has reasonable cause to believe that the claim is fraudulent, based on facts (other than the fact that the check in question or the consumer is of a particular class) that would cause a well-grounded belief in the mind of a reasonable person that the claim is fraudulent.

(3) OVERDRAFT FEES.—No bank that, in accordance with paragraph (2), delays the availability of a recredit under subsection (c) to any consumer account may impose any overdraft fees with respect to drafts drawn by the consumer on such recredited amount before the end of the 5-day period beginning on the date notice of the delay in the availability of such amount is sent by the bank to the consumer.

(e) REVERSAL OF RECREDIT.—A bank may reverse a recredit to a consumer account if the bank—

(1) determines that a substitute check for which the bank recredited a consumer account under subsection (c) was in fact properly charged to the consumer account; and

(2) notifies the consumer in accordance with subsection (f)(3).

(f) NOTICE TO CONSUMER.—

(1) NOTICE IF CONSUMER CLAIM NOT VALID.—If a bank determines that a substitute check subject to the consumer's claim was in fact properly charged to the consumer's account, the bank shall send to the consumer, no later than the business day following the business day on which the bank makes a determination—

(A) the original check or a copy of the original check (including an image or a substitute check) that—

(i) accurately represents all of the information on the front and back of the original check (as of the time the original check was truncated); or

(ii) is otherwise sufficient to determine whether or not the consumer's claim is valid; and

(B) an explanation of the basis for the determination by the bank that the substitute check was properly charged, including a statement that the consumer may request copies of any information or documents on which the bank relied in making the determination.

(2) NOTICE OF RECREDIT.—If a bank recredits a consumer account under subsection (c), the bank shall send to the consumer, no later than the business day following the business day on which the bank makes the recredit, a notice of—

(A) the amount of the recredit; and

(B) the date the recredited funds will be available for withdrawal.

(3) NOTICE OF REVERSAL OF RECREDIT.—In addition to the notice required under paragraph (1), if a bank reverses a recredited amount under subsection (e), the bank shall send to the consumer, no later than the business day following the business day on which the bank reverses the recredit, a notice of—

(A) the amount of the reversal; and

(B) the date the recredit was reversed.

(4) **MODE OF DELIVERY.**—A notice described in this subsection shall be delivered by United States mail or by any other means through which the consumer has agreed to receive account information.

(g) **OTHER CLAIMS NOT AFFECTED.**—Providing a recredit in accordance with this section shall not absolve the bank from liability for a claim made under any other law, such as a claim for wrongful dishonor under the Uniform Commercial Code, or from liability for additional damages under section 6 or 10.

(h) **CLARIFICATION CONCERNING CONSUMER POSSESSION.**—A consumer who was provided a substitute check may make a claim for an expedited recredit under this section with regard to a transaction involving the substitute check whether or not the consumer is in possession of the substitute check.

Applicability.

(i) **SCOPE OF APPLICATION.**—This section shall only apply to customers who are consumers.

12 USC 5007.

SEC. 8. EXPEDITED RECREDIT PROCEDURES FOR BANKS.

(a) **RECREDIT CLAIMS.**—

(1) **IN GENERAL.**—A bank may make a claim against an indemnifying bank for expedited recredit for which that bank is indemnified if—

(A) the claimant bank (or a bank that the claimant bank has indemnified) has received a claim for expedited recredit from a consumer under section 7 with respect to a substitute check or would have been subject to such a claim had the consumer's account been charged;

(B) the claimant bank has suffered a resulting loss or is obligated to recredit a consumer account under section 7 with respect to such substitute check; and

(C) production of the original check, another substitute check, or a better copy of the original check is necessary to determine the validity of the charge to the customer account or any warranty claim connected with such substitute check.

(2) **120-DAY PERIOD.**—Any claim under paragraph (1) may be submitted by the claimant bank to an indemnifying bank before the end of the 120-day period beginning on the date of the transaction that gave rise to the claim.

(b) **PROCEDURES FOR CLAIMS.**—

(1) **IN GENERAL.**—To make a claim under subsection (a) for an expedited recredit relating to a substitute check, the claimant bank shall send to the indemnifying bank—

(A) a description of—

(i) the claim, including an explanation of why the substitute check cannot be properly charged to the consumer account; or

(ii) the warranty claim;

(B) a statement that the claimant bank has suffered a loss or is obligated to recredit the consumer's account under section 7, together with an estimate of the amount of the loss or recredit;

(C) the reason why production of the original check, another substitute check, or a better copy of the original check is necessary to determine the validity of the charge to the consumer account or the warranty claim; and

(D) information sufficient for the indemnifying bank to identify the substitute check and to investigate the claim.

(2) REQUIREMENTS RELATING TO COPIES OF SUBSTITUTE CHECKS.—If the information submitted by a claimant bank pursuant to paragraph (1) in connection with a claim for an expedited recredit includes a copy of any substitute check for which any such claim is made, the claimant bank shall take reasonable steps to ensure that any such copy cannot be—

(A) mistaken for the legal equivalent of the check under section 4(b); or

(B) sent or handled by any bank, including the indemnifying bank, as a forward collection or returned check.

(3) CLAIM IN WRITING.—

(A) IN GENERAL.—An indemnifying bank may, in the discretion of the bank, require the claimant bank to submit the information required by paragraph (1) in writing, including a copy of the written or electronically submitted claim, if any, that the consumer provided in accordance with section 7(b).

(B) MEANS OF SUBMISSION.—An indemnifying bank that requires a submission of information under subparagraph (A) may permit the claimant bank to make the submission electronically, if the claimant bank has agreed to communicate with the indemnifying bank in that manner.

(c) RECREDIT BY INDEMNIFYING BANK.—

(1) PROMPT ACTION REQUIRED.—No later than 10 business days after the business day on which an indemnifying bank receives a claim under subsection (a) from a claimant bank with respect to a substitute check, the indemnifying bank shall—

Deadline.

(A) provide, to the claimant bank, the original check (with respect to such substitute check) or a copy of the original check (including an image or a substitute check) that—

(i) accurately represents all of the information on the front and back of the original check (as of the time the original check was truncated); or

(ii) is otherwise sufficient to determine the bank's claim is not valid; and

(B) recredit the claimant bank for the amount of the claim up to the amount of the substitute check, plus interest if applicable; or

(C) provide information to the claimant bank as to why the indemnifying bank is not obligated to comply with subparagraph (A) or (B).

(2) RECREDIT DOES NOT ABROGATE OTHER LIABILITIES.—Providing a recredit under this subsection to a claimant bank with respect to a substitute check shall not absolve the indemnifying bank from liability for claims brought under any other law or from additional damages under section 6 or 10 with respect to such check.

(3) REFUND TO INDEMNIFYING BANK.—If a claimant bank reverses, in accordance with section 7(e), a recredit previously made to a consumer account under section 7(c), or otherwise receives a credit or recredit with regard to such substitute

check, the claimant bank shall promptly refund to any indemnifying bank any amount previously advanced by the indemnifying bank in connection with such substitute check.

(d) **PRODUCTION OF ORIGINAL CHECK OR A SUFFICIENT COPY GOVERNED BY SECTION 6(d).**—If the indemnifying bank provides the claimant bank with the original check or a copy of the original check (including an image or a substitute check) under subsection (c)(1)(A), section 6(d) shall govern any right of the indemnifying bank to any repayment of any funds the indemnifying bank has reccredited to the claimant bank pursuant to subsection (c).

12 USC 5008.

SEC. 9. DELAYS IN AN EMERGENCY.

A delay by a bank beyond the time limits prescribed or permitted by this Act shall be excused if the delay is caused by interruption of communication or computer facilities, suspension of payments by another bank, war, emergency conditions, failure of equipment, or other circumstances beyond the control of a bank and if the bank uses such diligence as the circumstances require.

12 USC 5009.

SEC. 10. MEASURE OF DAMAGES.**(a) LIABILITY.—**

(1) **IN GENERAL.**—Except as provided in section 6, any person who, in connection with a substitute check, breaches any warranty under this Act or fails to comply with any requirement imposed by, or regulation prescribed pursuant to, this Act with respect to any other person shall be liable to such person in an amount equal to the sum of—

(A) the lesser of—

(i) the amount of the loss suffered by the other person as a result of the breach or failure; or

(ii) the amount of the substitute check; and

(B) interest and expenses (including costs and reasonable attorney's fees and other expenses of representation) related to the substitute check.

(2) **OFFSET OF RECREDITS.**—The amount of damages any person receives under paragraph (1), if any, shall be reduced by the amount, if any, that the claimant receives and retains as a recredit under section 7 or 8.

(b) COMPARATIVE NEGLIGENCE.—

(1) **IN GENERAL.**—If a person incurs damages that resulted in whole or in part from the negligence or failure of that person to act in good faith, then the amount of any liability due to that person under subsection (a) shall be reduced in proportion to the amount of negligence or bad faith attributable to that person.

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection reduces the rights of a consumer or any other person under the Uniform Commercial Code or other applicable provision of Federal or State law.

12 USC 5010.

SEC. 11. STATUTE OF LIMITATIONS AND NOTICE OF CLAIM.**(a) ACTIONS UNDER THIS ACT.—**

(1) **IN GENERAL.**—An action to enforce a claim under this Act may be brought in any United States district court, or in any other court of competent jurisdiction, before the end of the 1-year period beginning on the date the cause of action accrues.

(2) **ACCRUAL.**—A cause of action accrues as of the date the injured party first learns, or by which such person reasonably should have learned, of the facts and circumstances giving rise to the cause of action.

(b) **DISCHARGE OF CLAIMS.**—Except as provided in subsection (c), unless a person gives notice of a claim to the indemnifying or warranting bank within 30 days after the person has reason to know of the claim and the identity of the indemnifying or warranting bank, the indemnifying or warranting bank is discharged from liability in an action to enforce a claim under this Act to the extent of any loss caused by the delay in giving notice of the claim.

(c) **NOTICE OF CLAIM BY CONSUMER.**—A timely claim by a consumer under section 7 for expedited recredit constitutes timely notice of a claim by the consumer for purposes of subsection (b).

SEC. 12. CONSUMER AWARENESS.

Notice.
12 USC 5011.

(a) **IN GENERAL.**—Each bank shall provide, in accordance with subsection (b), a brief notice about substitute checks that describes—

(1) how a substitute check is the legal equivalent of an original check for all purposes, including any provision of any Federal or State law, and for all persons, if the substitute check—

(A) accurately represents all of the information on the front and back of the original check as of the time at which the original check was truncated; and

(B) bears the legend: “This is a legal copy of your check. You can use it in the same way you would use the original check.”; and

(2) the consumer recredit rights established under section 7 when a consumer believes in good faith that a substitute check was not properly charged to the account of the consumer.

(b) **DISTRIBUTION.**—

(1) **EXISTING CUSTOMERS.**—With respect to consumers who are customers of a bank on the effective date of this Act and who receive original checks or substitute checks, a bank shall provide the notice described in subsection (a) to each such consumer no later than the first regularly scheduled communication with the consumer after the effective date of this Act.

(2) **NEW ACCOUNT HOLDERS.**—A bank shall provide the notice described in subsection (a) to each consumer who will receive original checks or substitute checks, other than existing customers referred to in paragraph (1), at the time at which the customer relationship is initiated.

(3) **MODE OF DELIVERY.**—A bank may send the notices required by this subsection by United States mail or by any other means through which the consumer has agreed to receive account information.

(4) **CONSUMERS WHO REQUEST COPIES OF CHECKS.**—Notice shall be provided to each consumer of the bank that requests a copy of a check and receives a substitute check, at the time of the request.

(c) **MODEL LANGUAGE.**—

(1) **IN GENERAL.**—Before the end of the 9-month period beginning on the date of the enactment of this Act, the Board

Deadline.
Publication.

shall publish model forms and clauses that a bank may use to describe each of the elements required by subsection (a).

(2) **SAFE HARBOR.**—

(A) **IN GENERAL.**—A bank shall be treated as being in compliance with the requirements of subsection (a) if the bank's substitute check notice uses a model form or clause published by the Board and such model form or clause accurately describes the bank's policies and practices.

(B) **DELETION OR REARRANGEMENT.**—A bank may delete any information in the model form or clause that is not required by this Act or rearrange the format.

(3) **USE OF MODEL LANGUAGE NOT REQUIRED.**—This section shall not be construed as requiring any bank to use a model form or clause that the Board prepares under this subsection.

12 USC 5012. **SEC. 13. EFFECT ON OTHER LAW.**

This Act shall supersede any provision of Federal or State law, including the Uniform Commercial Code, that is inconsistent with this Act, but only to the extent of the inconsistency.

12 USC 5013. **SEC. 14. VARIATION BY AGREEMENT.**

(a) **SECTION 8.**—Any provision of section 8 may be varied by agreement of the banks involved.

(b) **NO OTHER PROVISIONS MAY BE VARIED.**—Except as provided in subsection (a), no provision of this Act may be varied by agreement of any person or persons.

12 USC 5014. **SEC. 15. REGULATIONS.**

The Board may prescribe such regulations as the Board determines to be necessary to implement, prevent circumvention or evasion of, or facilitate compliance with the provisions of this Act.

12 USC 5015. **SEC. 16. STUDY AND REPORT ON FUNDS AVAILABILITY.**

(a) **STUDY.**—In order to evaluate the implementation and the impact of this Act, the Board shall conduct a study of—

(1) the percentage of total checks cleared in which the paper check is not returned to the paying bank;

(2) the extent to which banks make funds available to consumers for local and nonlocal checks prior to the expiration of maximum hold periods;

(3) the length of time within which depository banks learn of the nonpayment of local and nonlocal checks;

(4) the increase or decrease in check-related losses over the study period; and

(5) the appropriateness of the time periods and amount limits applicable under sections 603 and 604 of the Expedited Funds Availability Act, as in effect on the date of enactment of this Act.

Deadline.

(b) **REPORT TO CONGRESS.**—Before the end of the 30-month period beginning on the effective date of this Act, the Board shall submit a report to the Congress containing the results of the study conducted under this section, together with recommendations for legislative action.

SEC. 17. STATISTICAL REPORTING OF COSTS AND REVENUES FOR TRANSPORTING CHECKS BETWEEN RESERVE BANKS. 12 USC 5016.

In the annual report prepared by the Board for the first full calendar year after the date of enactment of this Act and in each of the 9 subsequent annual reports by the Board, the Board shall include the amount of operating costs attributable to, and an estimate of the Federal Reserve banks' imputed revenues derived from, the transportation of commercial checks between Federal Reserve bank check processing centers.

SEC. 18. EVALUATION AND REPORT BY THE COMPTROLLER GENERAL. 12 USC 5017.
Effective date.

(a) **STUDY.**—During the 5-year period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall evaluate the implementation and administration of this Act, including—

(1) an estimate of the gains in economic efficiency made possible from check truncation;

(2) an evaluation of the benefits accruing to consumers and financial institutions from reduced transportation costs, longer hours for accepting deposits for credit within 1 business day, the impact of fraud losses, and an estimate of consumers' share of the total benefits derived from this Act; and

(3) an assessment of consumer acceptance of the check truncation process resulting from this Act, as well as any new costs incurred by consumers who had their original checks returned with their regular monthly statements prior to the date of enactment of this Act.

(b) **REPORT TO CONGRESS.**—Before the end of the 5-year period referred to in subsection (a), the Comptroller General shall submit a report to the Congress containing the findings and conclusions of the Comptroller General in connection with the evaluation conducted pursuant to subsection (a), together with such recommendations for legislative and administrative action as the Comptroller General may determine to be appropriate. Deadline.

SEC. 19. DEPOSITARY SERVICES EFFICIENCY AND COST REDUCTION. 12 USC 5018.

(a) **FINDINGS.**—The Congress finds as follows:

(1) The Secretary of the Treasury has long compensated financial institutions for various critical depositary and financial agency services provided for or on behalf of the United States by—

(A) placing large balances, commonly referred to as “compensating balances”, on deposit at such institutions; and

(B) using imputed interest on such funds to offset charges for the various depositary and financial agency services provided to or on behalf of the Government.

(2) As a result of sharp declines in interest rates over the last few years to record low levels, or the public debt outstanding reaching the statutory debt limit, the Department of the Treasury often has had to dramatically increase or decrease the size of the compensating balances on deposit at these financial institutions.

(3) The fluctuation of the compensating balances, and the necessary pledging of collateral by financial institutions to secure the value of compensating balances placed with those institutions, have created unintended financial uncertainty for

the Secretary of the Treasury and for the management by financial institutions of their cash and securities.

(4) It is imperative that the process for providing financial services to the Government be transparent, and provide the information necessary for the Congress to effectively exercise its appropriation and oversight responsibilities.

(5) The use of direct payment for services rendered would strengthen cash and debt management responsibilities of the Secretary of the Treasury because the Secretary would no longer need to dramatically increase or decrease the level of such balances when interest rates fluctuate sharply or when the public debt outstanding reaches the statutory debt limit.

(6) An alternative to the use of compensating balances, such as direct payments to financial institutions, would ensure that payments to financial institutions for the services they provide would be made in a more predictable manner and could result in cost savings.

(7) Limiting the use of compensating balances could result in a more direct and cost-efficient method of obtaining those services currently provided under compensating balance arrangements.

(8) A transition from the use of compensating balances to another compensation method must be carefully managed to prevent higher-than-necessary transitional costs and enable participating financial institutions to modify their planned investment of cash and securities.

(b) AUTHORIZATION OF APPROPRIATIONS FOR SERVICES RENDERED BY DEPOSITARIES AND FINANCIAL AGENCIES OF THE UNITED STATES.—There are authorized to be appropriated for fiscal years beginning after fiscal year 2003 to the Secretary of the Treasury such sums as may be necessary for reimbursing financial institutions in their capacity as depositaries and financial agents of the United States for all services required or directed by the Secretary of the Treasury, or a designee of the Secretary, to be performed by such financial institutions on behalf of the Secretary of the Treasury or another Federal agency, including services rendered before fiscal year 2004.

(c) ORDERLY TRANSITION.—

(1) IN GENERAL.—As appropriations authorized in subsection (b) become available, the Secretary of the Treasury shall promptly begin the process of phasing in the use of the appropriations to pay financial institutions serving as depositaries and financial agents of the United States, and transitioning from the use of compensating balances to fund these services.

(2) POST-TRANSITION USE LIMITED TO EXTRAORDINARY CIRCUMSTANCES.—

(A) IN GENERAL.—Following the transition to the use of the appropriations authorized in subsection (b), the Secretary of the Treasury may use the compensating balances to pay financial institutions serving as depositaries and financial agents of the United States only in extraordinary situations where the Secretary determines that they are needed to ensure the fiscal operations of the Government continue to function in an efficient and effective manner.

(B) REPORT.—Any use of compensating balances pursuant to subparagraph (A) shall promptly be reported by

the Secretary of the Treasury to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) REQUIREMENTS FOR ORDERLY TRANSITION.—In transitioning to the use of the appropriations authorized in subsection (b), the Secretary of the Treasury shall take such steps as may be appropriate to—

(A) prevent abrupt financial disruption to the functions of the Department of the Treasury or to the participating financial institutions; and

(B) maintain adequate accounting and management controls to ensure that payments to financial institutions for their banking services provided to the Government as depositaries and financial agents are accurate and that the arrangements last no longer than is necessary.

(4) REPORTS REQUIRED.—

(A) ANNUAL REPORT.—

(i) IN GENERAL.—For each fiscal year, the Secretary of the Treasury shall submit a report to the Congress on the use of compensating balances and on the use of appropriations authorized in subsection (b) during that fiscal year. Deadlines.

(ii) INCLUSION IN BUDGET.—The report required under clause (i) may be submitted as part of the budget submitted by the President under section 1105 of title 31, United States Code, for the following fiscal year and if so, the report shall be submitted concurrently to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(B) FINAL REPORT FOLLOWING TRANSITION.—

(i) IN GENERAL.—Following completion of the transition from the use of compensating balances to the use of the appropriations authorized in subsection (b) to pay financial institutions for their services as depositaries and financial agents of the United States, the Secretary of the Treasury shall submit a report on the transition to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(ii) CONTENTS OF REPORT.—The report submitted under clause (i) shall include a detailed analysis of—

(I) the cost of transition;

(II) the direct costs of the services being paid from the appropriations authorized in subsection (b); and

(III) the benefits realized from the use of direct payment for such services, rather than the use of compensating balance arrangements.

(d) TECHNICAL AMENDMENT.—The second undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended—

(1) in the third sentence, by inserting “or any other asset of a Federal reserve bank” before the period at the end; and

(2) in the last sentence, by inserting “, or are otherwise held by or on behalf of,” after “in the vaults of”.

(e) **EFFECTIVE DATE.**—Notwithstanding section 20, this section shall take effect on the date of the enactment of this Act.

12 USC 5001
note.

SEC. 20. EFFECTIVE DATE.

This Act shall take effect at the end of the 12-month period beginning on the date of the enactment of this Act, except as otherwise specifically provided in this Act.

Approved October 28, 2003.

LEGISLATIVE HISTORY—H.R. 1474 (S. 1334):

HOUSE REPORTS: Nos. 108–132 (Comm. on Financial Services) and 108–291 (Comm. of Conference).

SENATE REPORTS: No. 108–79 accompanying S. 1334 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 5, considered and passed House.

June 26, considered and passed Senate, amended, in lieu of S. 1334.

Oct. 8, House agreed to conference report.

Oct. 15, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Oct. 28, Presidential statement.



Public Law 108–101
108th Congress

An Act

To award a congressional gold medal to Jackie Robinson (posthumously), in recognition of his many contributions to the Nation, and to express the sense of the Congress that there should be a national day in recognition of Jackie Robinson.

Oct. 29, 2003

[H.R. 1900]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

31 USC 511 note.

SECTION 1. FINDINGS.

The Congress makes the following findings:

(1) Jackie Roosevelt Robinson was born on January 31, 1919, in Cairo, Georgia, and was the youngest of 5 children.

(2) Jackie Robinson attended the University of California Los Angeles where he starred in football, basketball, baseball, and track. His remarkable skills earned him a reputation as the best athlete in America.

(3) In 1947, Jackie Robinson was signed by the Brooklyn Dodgers and became the first black player to play in Major League Baseball. His signing is considered one of the most significant moments in the history of professional sports in America. For his remarkable performance on the field in his first season, he won the National League's Rookie of the Year Award.

(4) In 1949, Jackie Robinson was voted the National League's Most Valuable Player by the Baseball Writers Association of America.

(5) In 1962, Jackie Robinson was elected to the Baseball Hall of Fame.

(6) Although the achievements of Jackie Robinson began with athletics, they widened to have a profound influence on civil and human rights in America.

(7) The signing of Jackie Robinson as the first black player in Major League Baseball occurred before the United States military was desegregated by President Harry Truman, before the civil rights marches took place in the South, and before the Supreme Court issued its historic ruling in *Brown v. Board of Education*, 347 U.S. 483 (1954).

(8) The American public came to regard Jackie Robinson as a person of exceptional fortitude, integrity, and athletic ability so rapidly that, by the end of 1947, he finished ahead of President Harry Truman, General Dwight Eisenhower, General Douglas MacArthur, and Bob Hope in a national poll for the most popular person in America, finishing only behind Bing Crosby.

(9) Jackie Robinson was named vice president of Chock Full O' Nuts in 1957 and later co-founded the Freedom National Bank of Harlem.

(10) Leading by example, Jackie Robinson influenced many of the greatest political leaders in America.

(11) Jackie Robinson worked tirelessly with a number of religious and civic organizations to better the lives of all Americans.

(12) The life and principles of Jackie Robinson are the basis of the Jackie Robinson Foundation, which keeps his memory alive by providing children of low-income families with leadership and educational opportunities.

(13) The legacy and personal achievements of Jackie Robinson, as an athlete, a business leader, and a citizen, have had a lasting and positive influence on the advancement of civil rights in the United States.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) **PRESENTATION AUTHORIZED.**—The President is authorized to present, on behalf of the Congress, to the family of Jackie Robinson, a gold medal of appropriate design in recognition of the many contributions of Jackie Robinson to the Nation.

(b) **DESIGN AND STRIKING.**—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (in this Act referred to as the “Secretary”) shall strike a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

Under such regulations as the Secretary may prescribe, the Secretary may strike and sell duplicates in bronze of the gold medal struck under section 2 at a price sufficient to cover the costs of the medals, including labor, materials, dies, use of machinery, and overhead expenses.

SEC. 4. STATUS AS NATIONAL MEDALS.

The medals struck under this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be charged against the United States Mint Public Enterprise Fund an amount not to exceed \$30,000 to pay for the cost of the medal authorized under section 2.

(b) **PROCEEDS OF SALE.**—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

SEC. 6. SENSE OF CONGRESS.

It is the sense of the Congress that—

(1) there should be designated a national day for the purpose of recognizing the accomplishments of Jackie Robinson; and

(2) the President should issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

Approved October 29, 2003.

LEGISLATIVE HISTORY—H.R. 1900 (S. 300):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 7, considered and passed House.

Oct. 17, considered and passed Senate.



Public Law 108–102
108th Congress

An Act

Oct. 29, 2003
[H.R. 3229]

To amend title 44, United States Code, to transfer to the Public Printer the authority over the individuals responsible for preparing indexes of the Congressional Record, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSFER TO PUBLIC PRINTER OF AUTHORITY OVER INDIVIDUALS RESPONSIBLE FOR PREPARING CONGRESSIONAL RECORD INDEXES.

(a) IN GENERAL.—Section 902 of title 44, United States Code, is amended to read as follows:

“§ 902. Congressional Record: Indexes

“The Public Printer shall prepare the semimonthly and the session index to the Congressional Record. The Joint Committee on Printing shall direct the form and manner of its publication and distribution.”.

44 USC 902 note.

(b) TRANSITION RULE FOR CURRENT EMPLOYEES.—

(1) IN GENERAL.—Any individual who is an employee of the Congressional Record Index Office as of the effective date of this Act shall be transferred to the Government Printing Office, subject to the provisions of this title governing the selection and appointment of employees of the Government Printing Office and any applicable regulations.

(2) TREATMENT OF ACCRUED LEAVE.—Any annual and sick leave accrued by such an individual prior to such date shall be transferred and made available to the individual as an employee of the Government Printing Office, subject to applicable regulations of the Government Printing Office governing the use of such leave.

Applicability.
44 USC 902 note.

SEC. 2. EFFECTIVE DATE.

This Act and the amendments made by this Act shall apply with respect to pay periods beginning on or after October 1, 2003 (or, if later, the first day of the first month which begins after the date of the enactment of this Act).

Approved October 29, 2003.

LEGISLATIVE HISTORY—H.R. 3229:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 7, considered and passed House.

Oct. 15, considered and passed House.



Public Law 108–103
108th Congress

An Act

To redesignate the facility of the United States Postal Service located at 48 South Broadway, Nyack, New York, as the “Edward O’Grady, Waverly Brown, Peter Paige Post Office Building”.

Oct. 29, 2003

[S. 1591]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 48 South Broadway, Nyack, New York, and known as the “Nyack Post Office” shall be known as the “Edward O’Grady, Waverly Brown, Peter Paige Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to shall be deemed to be a reference to the “Edward O’Grady, Waverly Brown, Peter Paige Post Office Building”.

Approved October 29, 2003.

LEGISLATIVE HISTORY—S. 1591:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Sept. 25, considered and passed Senate.
Oct. 20, considered and passed House.



Public Law 108–104
108th Congress

Joint Resolution

Oct. 31, 2003
[H.J. Res. 75]

Making further continuing appropriations for the fiscal year 2004, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 108–84 is amended by striking the date specified in section 107(c) and inserting “November 7, 2003”.

SEC. 2. Public Law 108–84 is further amended as follows:

(1) In section 103, by inserting “(a)” after the section designation and by adding at the end the following new subsection:

“(b) For purposes of section 101, the term ‘rate for operations not exceeding the current rate’ has the meaning given such term (including supplemental appropriations and rescissions) in the attachments to Office of Management and Budget Bulletin No. 03–05 entitled ‘Apportionment of the Continuing Resolution(s) for Fiscal Year 2004’.”.

(2) In section 125, by inserting before the period at the end the following:

“: *Provided*, That such amounts as may be necessary for administrative expenses of the Grants-in-aid for Airports program shall be available to the Secretary of Transportation out of the Airport and Airway Trust Fund at a rate for operations not exceeding the current rate and for which authority was made available under the Department of Transportation and Related Agencies Appropriations Act, 2003”.

(3) By striking sections 126 through 130 and by redesignating sections 131 through 135 as sections 126 through 130, respectively.

(4) In section 127, as so redesignated, by striking “through 130, and section 134,” and inserting “and 129”.

SEC. 3. Section 8144(b) of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), as amended by Public Law 108–84, is further amended by striking “October 31, 2003” and inserting “November 7, 2003”.

Approved October 31, 2003.

LEGISLATIVE HISTORY—H.J. Res. 75:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 30, considered and passed House and Senate.



Public Law 108–105
108th Congress

An Act

To prohibit the procedure commonly known as partial-birth abortion.

Nov. 5, 2003

[S. 3]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Partial-Birth Abortion Ban Act of 2003”.

Partial-Birth
Abortion Ban Act
of 2003.
18 USC 1531
note.

SEC. 2. FINDINGS.

18 USC 1531
note.

The Congress finds and declares the following:

(1) A moral, medical, and ethical consensus exists that the practice of performing a partial-birth abortion—an abortion in which a physician deliberately and intentionally vaginally delivers a living, unborn child’s body until either the entire baby’s head is outside the body of the mother, or any part of the baby’s trunk past the navel is outside the body of the mother and only the head remains inside the womb, for the purpose of performing an overt act (usually the puncturing of the back of the child’s skull and removing the baby’s brains) that the person knows will kill the partially delivered infant, performs this act, and then completes delivery of the dead infant—is a gruesome and inhumane procedure that is never medically necessary and should be prohibited.

(2) Rather than being an abortion procedure that is embraced by the medical community, particularly among physicians who routinely perform other abortion procedures, partial-birth abortion remains a disfavored procedure that is not only unnecessary to preserve the health of the mother, but in fact poses serious risks to the long-term health of women and in some circumstances, their lives. As a result, at least 27 States banned the procedure as did the United States Congress which voted to ban the procedure during the 104th, 105th, and 106th Congresses.

(3) In *Stenberg v. Carhart*, 530 U.S. 914, 932 (2000), the United States Supreme Court opined “that significant medical authority supports the proposition that in some circumstances, [partial birth abortion] would be the safest procedure” for pregnant women who wish to undergo an abortion. Thus, the Court struck down the State of Nebraska’s ban on partial-birth abortion procedures, concluding that it placed an “undue burden” on women seeking abortions because it failed to include an exception for partial-birth abortions deemed necessary to preserve the “health” of the mother.

(4) In reaching this conclusion, the Court deferred to the Federal district court's factual findings that the partial-birth abortion procedure was statistically and medically as safe as, and in many circumstances safer than, alternative abortion procedures.

(5) However, substantial evidence presented at the Stenberg trial and overwhelming evidence presented and compiled at extensive congressional hearings, much of which was compiled after the district court hearing in Stenberg, and thus not included in the Stenberg trial record, demonstrates that a partial-birth abortion is never necessary to preserve the health of a woman, poses significant health risks to a woman upon whom the procedure is performed and is outside the standard of medical care.

(6) Despite the dearth of evidence in the Stenberg trial court record supporting the district court's findings, the United States Court of Appeals for the Eighth Circuit and the Supreme Court refused to set aside the district court's factual findings because, under the applicable standard of appellate review, they were not "clearly erroneous". A finding of fact is clearly erroneous "when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed". *Anderson v. City of Bessemer City, North Carolina*, 470 U.S. 564, 573 (1985). Under this standard, "if the district court's account of the evidence is plausible in light of the record viewed in its entirety, the court of appeals may not reverse it even though convinced that had it been sitting as the trier of fact, it would have weighed the evidence differently". *Id.* at 574.

(7) Thus, in Stenberg, the United States Supreme Court was required to accept the very questionable findings issued by the district court judge—the effect of which was to render null and void the reasoned factual findings and policy determinations of the United States Congress and at least 27 State legislatures.

(8) However, under well-settled Supreme Court jurisprudence, the United States Congress is not bound to accept the same factual findings that the Supreme Court was bound to accept in Stenberg under the "clearly erroneous" standard. Rather, the United States Congress is entitled to reach its own factual findings—findings that the Supreme Court accords great deference—and to enact legislation based upon these findings so long as it seeks to pursue a legitimate interest that is within the scope of the Constitution, and draws reasonable inferences based upon substantial evidence.

(9) In *Katzenbach v. Morgan*, 384 U.S. 641 (1966), the Supreme Court articulated its highly deferential review of congressional factual findings when it addressed the constitutionality of section 4(e) of the Voting Rights Act of 1965. Regarding Congress' factual determination that section 4(e) would assist the Puerto Rican community in "gaining non-discriminatory treatment in public services," the Court stated that "[i]t was for Congress, as the branch that made this judgment, to assess and weigh the various conflicting considerations * * *. It is not for us to review the congressional resolution of these factors. It is enough that we be able to perceive a basis upon which the Congress might resolve the conflict

as it did. There plainly was such a basis to support section 4(e) in the application in question in this case.” *Id.* at 653.

(10) Katzenbach’s highly deferential review of Congress’ factual conclusions was relied upon by the United States District Court for the District of Columbia when it upheld the “bail-out” provisions of the Voting Rights Act of 1965 (42 U.S.C. 1973c), stating that “congressional fact finding, to which we are inclined to pay great deference, strengthens the inference that, in those jurisdictions covered by the Act, state actions discriminatory in effect are discriminatory in purpose”. *City of Rome, Georgia v. U.S.*, 472 F. Supp. 221 (D.D.C. 1979) *aff’d* *City of Rome, Georgia v. U.S.*, 446 U.S. 156 (1980).

(11) The Court continued its practice of deferring to congressional factual findings in reviewing the constitutionality of the must-carry provisions of the Cable Television Consumer Protection and Competition Act of 1992. See *Turner Broadcasting System, Inc. v. Federal Communications Commission*, 512 U.S. 622 (1994) (*Turner I*) and *Turner Broadcasting System, Inc. v. Federal Communications Commission*, 520 U.S. 180 (1997) (*Turner II*). At issue in the *Turner* cases was Congress’ legislative finding that, absent mandatory carriage rules, the continued viability of local broadcast television would be “seriously jeopardized”. The *Turner I* Court recognized that as an institution, “Congress is far better equipped than the judiciary to ‘amass and evaluate the vast amounts of data’ bearing upon an issue as complex and dynamic as that presented here”, 512 U.S. at 665–66. Although the Court recognized that “the deference afforded to legislative findings does ‘not foreclose our independent judgment of the facts bearing on an issue of constitutional law,’” its “obligation to exercise independent judgment when First Amendment rights are implicated is not a license to reweigh the evidence *de novo*, or to replace Congress’ factual predictions with our own. Rather, it is to assure that, in formulating its judgments, Congress has drawn reasonable inferences based on substantial evidence.” *Id.* at 666.

(12) Three years later in *Turner II*, the Court upheld the “must-carry” provisions based upon Congress’ findings, stating the Court’s “sole obligation is ‘to assure that, in formulating its judgments, Congress has drawn reasonable inferences based on substantial evidence.’” 520 U.S. at 195. Citing its ruling in *Turner I*, the Court reiterated that “[w]e owe Congress’ findings deference in part because the institution ‘is far better equipped than the judiciary to ‘amass and evaluate the vast amounts of data’ bearing upon’ legislative questions,” *id.* at 195, and added that it “owe[d] Congress’ findings an additional measure of deference out of respect for its authority to exercise the legislative power.” *Id.* at 196.

(13) There exists substantial record evidence upon which Congress has reached its conclusion that a ban on partial-birth abortion is not required to contain a “health” exception, because the facts indicate that a partial-birth abortion is never necessary to preserve the health of a woman, poses serious risks to a woman’s health, and lies outside the standard of medical care. Congress was informed by extensive hearings held during the 104th, 105th, 107th, and 108th Congresses and passed a ban on partial-birth abortion in the 104th, 105th,

and 106th Congresses. These findings reflect the very informed judgment of the Congress that a partial-birth abortion is never necessary to preserve the health of a woman, poses serious risks to a woman's health, and lies outside the standard of medical care, and should, therefore, be banned.

(14) Pursuant to the testimony received during extensive legislative hearings during the 104th, 105th, 107th, and 108th Congresses, Congress finds and declares that:

(A) Partial-birth abortion poses serious risks to the health of a woman undergoing the procedure. Those risks include, among other things: An increase in a woman's risk of suffering from cervical incompetence, a result of cervical dilation making it difficult or impossible for a woman to successfully carry a subsequent pregnancy to term; an increased risk of uterine rupture, abruption, amniotic fluid embolus, and trauma to the uterus as a result of converting the child to a footling breech position, a procedure which, according to a leading obstetrics textbook, "there are very few, if any, indications for * * * other than for delivery of a second twin"; and a risk of lacerations and secondary hemorrhaging due to the doctor blindly forcing a sharp instrument into the base of the unborn child's skull while he or she is lodged in the birth canal, an act which could result in severe bleeding, brings with it the threat of shock, and could ultimately result in maternal death.

(B) There is no credible medical evidence that partial-birth abortions are safe or are safer than other abortion procedures. No controlled studies of partial-birth abortions have been conducted nor have any comparative studies been conducted to demonstrate its safety and efficacy compared to other abortion methods. Furthermore, there have been no articles published in peer-reviewed journals that establish that partial-birth abortions are superior in any way to established abortion procedures. Indeed, unlike other more commonly used abortion procedures, there are currently no medical schools that provide instruction on abortions that include the instruction in partial-birth abortions in their curriculum.

(C) A prominent medical association has concluded that partial-birth abortion is "not an accepted medical practice", that it has "never been subject to even a minimal amount of the normal medical practice development," that "the relative advantages and disadvantages of the procedure in specific circumstances remain unknown," and that "there is no consensus among obstetricians about its use". The association has further noted that partial-birth abortion is broadly disfavored by both medical experts and the public, is "ethically wrong," and "is never the only appropriate procedure".

(D) Neither the plaintiff in *Stenberg v. Carhart*, nor the experts who testified on his behalf, have identified a single circumstance during which a partial-birth abortion was necessary to preserve the health of a woman.

(E) The physician credited with developing the partial-birth abortion procedure has testified that he has never encountered a situation where a partial-birth abortion was

medically necessary to achieve the desired outcome and, thus, is never medically necessary to preserve the health of a woman.

(F) A ban on the partial-birth abortion procedure will therefore advance the health interests of pregnant women seeking to terminate a pregnancy.

(G) In light of this overwhelming evidence, Congress and the States have a compelling interest in prohibiting partial-birth abortions. In addition to promoting maternal health, such a prohibition will draw a bright line that clearly distinguishes abortion and infanticide, that preserves the integrity of the medical profession, and promotes respect for human life.

(H) Based upon *Roe v. Wade*, 410 U.S. 113 (1973) and *Planned Parenthood v. Casey*, 505 U.S. 833 (1992), a governmental interest in protecting the life of a child during the delivery process arises by virtue of the fact that during a partial-birth abortion, labor is induced and the birth process has begun. This distinction was recognized in *Roe* when the Court noted, without comment, that the Texas parturition statute, which prohibited one from killing a child “in a state of being born and before actual birth,” was not under attack. This interest becomes compelling as the child emerges from the maternal body. A child that is completely born is a full, legal person entitled to constitutional protections afforded a “person” under the United States Constitution. Partial-birth abortions involve the killing of a child that is in the process, in fact mere inches away from, becoming a “person”. Thus, the government has a heightened interest in protecting the life of the partially-born child.

(I) This, too, has not gone unnoticed in the medical community, where a prominent medical association has recognized that partial-birth abortions are “ethically different from other destructive abortion techniques because the fetus, normally twenty weeks or longer in gestation, is killed outside of the womb”. According to this medical association, the “‘partial birth’ gives the fetus an autonomy which separates it from the right of the woman to choose treatments for her own body”.

(J) Partial-birth abortion also confuses the medical, legal, and ethical duties of physicians to preserve and promote life, as the physician acts directly against the physical life of a child, whom he or she had just delivered, all but the head, out of the womb, in order to end that life. Partial-birth abortion thus appropriates the terminology and techniques used by obstetricians in the delivery of living children—obstetricians who preserve and protect the life of the mother and the child—and instead uses those techniques to end the life of the partially-born child.

(K) Thus, by aborting a child in the manner that purposefully seeks to kill the child after he or she has begun the process of birth, partial-birth abortion undermines the public’s perception of the appropriate role of a physician during the delivery process, and perverts a process during which life is brought into the world, in order to destroy a partially-born child.

(L) The gruesome and inhumane nature of the partial-birth abortion procedure and its disturbing similarity to the killing of a newborn infant promotes a complete disregard for infant human life that can only be countered by a prohibition of the procedure.

(M) The vast majority of babies killed during partial-birth abortions are alive until the end of the procedure. It is a medical fact, however, that unborn infants at this stage can feel pain when subjected to painful stimuli and that their perception of this pain is even more intense than that of newborn infants and older children when subjected to the same stimuli. Thus, during a partial-birth abortion procedure, the child will fully experience the pain associated with piercing his or her skull and sucking out his or her brain.

(N) Implicitly approving such a brutal and inhumane procedure by choosing not to prohibit it will further coarsen society to the humanity of not only newborns, but all vulnerable and innocent human life, making it increasingly difficult to protect such life. Thus, Congress has a compelling interest in acting—indeed it must act—to prohibit this inhumane procedure.

(O) For these reasons, Congress finds that partial-birth abortion is never medically indicated to preserve the health of the mother; is in fact unrecognized as a valid abortion procedure by the mainstream medical community; poses additional health risks to the mother; blurs the line between abortion and infanticide in the killing of a partially-born child just inches from birth; and confuses the role of the physician in childbirth and should, therefore, be banned.

SEC. 3. PROHIBITION ON PARTIAL-BIRTH ABORTIONS.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 73 the following:

“CHAPTER 74—PARTIAL-BIRTH ABORTIONS

“Sec.
“1531. Partial-birth abortions prohibited.

“§ 1531. Partial-birth abortions prohibited

“(a) Any physician who, in or affecting interstate or foreign commerce, knowingly performs a partial-birth abortion and thereby kills a human fetus shall be fined under this title or imprisoned not more than 2 years, or both. This subsection does not apply to a partial-birth abortion that is necessary to save the life of a mother whose life is endangered by a physical disorder, physical illness, or physical injury, including a life-endangering physical condition caused by or arising from the pregnancy itself. This subsection takes effect 1 day after the enactment.

“(b) As used in this section—

“(1) the term ‘partial-birth abortion’ means an abortion in which the person performing the abortion—

“(A) deliberately and intentionally vaginally delivers a living fetus until, in the case of a head-first presentation, the entire fetal head is outside the body of the mother, or, in the case of breech presentation, any part of the

Effective date.

fetal trunk past the navel is outside the body of the mother, for the purpose of performing an overt act that the person knows will kill the partially delivered living fetus; and

“(B) performs the overt act, other than completion of delivery, that kills the partially delivered living fetus; and

“(2) the term ‘physician’ means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State in which the doctor performs such activity, or any other individual legally authorized by the State to perform abortions: *Provided, however,* That any individual who is not a physician or not otherwise legally authorized by the State to perform abortions, but who nevertheless directly performs a partial-birth abortion, shall be subject to the provisions of this section.

“(c)(1) The father, if married to the mother at the time she receives a partial-birth abortion procedure, and if the mother has not attained the age of 18 years at the time of the abortion, the maternal grandparents of the fetus, may in a civil action obtain appropriate relief, unless the pregnancy resulted from the plaintiff’s criminal conduct or the plaintiff consented to the abortion.

“(2) Such relief shall include—

“(A) money damages for all injuries, psychological and physical, occasioned by the violation of this section; and

“(B) statutory damages equal to three times the cost of the partial-birth abortion.

“(d)(1) A defendant accused of an offense under this section may seek a hearing before the State Medical Board on whether the physician’s conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, physical illness, or physical injury, including a life-endangering physical condition caused by or arising from the pregnancy itself.

“(2) The findings on that issue are admissible on that issue at the trial of the defendant. Upon a motion of the defendant, the court shall delay the beginning of the trial for not more than 30 days to permit such a hearing to take place.

“(e) A woman upon whom a partial-birth abortion is performed may not be prosecuted under this section, for a conspiracy to violate this section, or for an offense under section 2, 3, or 4 of this title based on a violation of this section.”.

(b) CLERICAL AMENDMENT.—The table of chapters for part I of title 18, United States Code, is amended by inserting after the item relating to chapter 73 the following new item:

“74. Partial-birth abortions 1531”.

Approved November 5, 2003.

LEGISLATIVE HISTORY—S. 3 (H.R. 760):

HOUSE REPORTS: Nos. 108–58 accompanying H.R. 760 (Comm. on the Judiciary) and 108–288 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 10–13, considered and passed Senate.

June 4, considered and passed House, amended, in lieu of H.R. 760.

Oct. 2, House agreed to conference report.

Oct. 21, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 5, Presidential remarks.



Public Law 108–106
108th Congress

An Act

Making emergency supplemental appropriations for defense and for the reconstruction of Iraq and Afghanistan for the fiscal year ending September 30, 2004, and for other purposes.

Nov. 6, 2003
[H.R. 3289]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, and for other purposes, namely:

Emergency
Supplemental
Appropriations
Act for Defense
and for the
Reconstruction of
Iraq and
Afghanistan,
2004.

TITLE I—NATIONAL SECURITY

CHAPTER 1

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$12,858,870,000.

MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$816,100,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for “Military Personnel, Marine Corps”, \$753,190,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for “Military Personnel, Air Force”, \$3,384,700,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Operation and Maintenance, Army”, \$23,997,064,000.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Operation and Maintenance, Navy”, \$1,956,258,000, of which up to \$80,000,000 may be transferred to the Department of Homeland Security for Coast Guard Operations.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for “Operation and Maintenance, Marine Corps”, \$1,198,981,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Operation and Maintenance, Air Force”, \$5,416,368,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$4,355,452,000, of which—

(1) not to exceed \$15,000,000 may be used for the CINC Initiative Fund account, to be used primarily in Iraq and Afghanistan;

(2) \$32,000,000 is only for the Family Advocacy Program; and

(3) not to exceed \$1,150,000,000, to remain available until expended, may be used, notwithstanding any other provision of law, for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical and military support provided, or to be provided, to United States military operations in connection with military action in Iraq and the global war on terrorism: *Provided*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the Committees on Appropriations on the use of these funds.

Notification.

Reports.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$16,000,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for “Operation and Maintenance, Air Force Reserve”, \$53,000,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Air National Guard”, \$214,000,000.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for “Overseas Humanitarian, Disaster, and Civic Aid”, \$35,500,000.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For “Iraq Freedom Fund”, \$1,988,600,000, to remain available for transfer until September 30, 2005, for the purposes authorized under this heading in Public Law 108–11: *Provided*, That the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; military construction; the Defense Health Program; and working capital funds: *Provided further*, That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation: *Provided further*, That not less than \$62,100,000 shall be transferred to “Other Procurement, Army” for the procurement of Up-armored High Mobility Multipurpose Wheeled Vehicles and associated equipment: *Provided further*, That \$10,000,000 shall be for the Family Readiness Program of the National Guard.

Notification.

Reports.
Deadline.

PROCUREMENT

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES,
ARMY

For an additional amount for “Procurement of Weapons and Tracked Combat Vehicles, Army”, \$101,600,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, ARMY

For an additional amount for “Other Procurement, Army”, \$1,143,687,000, to remain available until September 30, 2006.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for “Aircraft Procurement, Navy”, \$158,600,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, NAVY

For an additional amount for “Other Procurement, Navy”, \$76,357,000, to remain available until September 30, 2006.

PROCUREMENT, MARINE CORPS

For an additional amount for “Procurement, Marine Corps”, \$123,397,000, to remain available until September 30, 2006.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for “Aircraft Procurement, Air Force”, \$53,972,000, to remain available until September 30, 2006.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for “Missile Procurement, Air Force”, \$20,450,000, to remain available until September 30, 2006.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for “Other Procurement, Air Force”, \$3,438,006,000, to remain available until September 30, 2006.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for “Procurement, Defense-Wide”, \$418,635,000, to remain available until September 30, 2006.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for “Research, Development, Test and Evaluation, Navy”, \$34,000,000, to remain available until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for “Research, Development, Test and Evaluation, Air Force”, \$39,070,000, to remain available until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, \$260,817,000, to remain available until September 30, 2005.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for “Defense Working Capital Funds”, \$600,000,000.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for “National Defense Sealift Fund”, \$24,000,000, to remain available until expended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for “Defense Health Program”, \$658,380,000 for Operation and maintenance.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Drug Interdiction and Counter-Drug Activities, Defense”, \$73,000,000: *Provided*, That these funds may be used only for such activities related to Afghanistan: *Provided further*, That the Secretary of Defense may transfer the funds provided herein only to appropriations for military personnel; operation and maintenance; procurement; and research, development, test and evaluation: *Provided further*, That the funds transferred shall be merged with and be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense.

RELATED AGENCIES

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Intelligence Community Management Account”, \$21,500,000, to remain available until September 30, 2005; of which \$3,000,000 may be transferred to and merged with the Department of Energy, “Other Defense Activities”, and \$15,500,000 may be transferred to and merged with the Federal Bureau of Investigation, “Salaries and Expenses”.

GENERAL PROVISIONS, THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 1101. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to \$3,000,000,000 of the funds made available to the Department of Defense in this chapter: *Provided*, That the Secretary shall notify the Congress promptly of each transfer made pursuant to this authority: *Provided further*, That

Notification.

the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That the authority in this section is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2004, except for the fourth proviso.

SEC. 1102. Funds appropriated in this Act, or made available by the transfer of funds in or pursuant to this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 1103. Sections 1318 and 1319 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 571), shall remain in effect during fiscal year 2004.

Effective date.
Termination
date.
37 USC 310 note.

SEC. 1104. From October 1, 2003, through September 30, 2004, (a) the rates of pay authorized by section 310(a) of title 37, United States Code, shall be \$225; and (b) the rates of pay authorized by section 427(a)(1) of title 37, United States Code, shall be \$250.

SEC. 1105. DEFENSE EMERGENCY RESPONSE FUND CLOSE-OUT AUTHORITY.—(a) Section 1313 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 569), is amended by inserting “unobligated” before “balances”.

Effective date.

(b) Effective November 1, 2003, adjustments to obligations that before such date would have been properly chargeable to the Defense Emergency Response Fund shall be charged to any current appropriations account of the Department of Defense available for the same purpose.

SEC. 1106. During the current fiscal year, funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability operations in Iraq: *Provided*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

Reports.

SEC. 1107. Notwithstanding any other provision of law, from funds made available in this Act to the Department of Defense under “Operation and Maintenance, Defense-Wide”, not to exceed \$150,000,000 may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide assistance only to the New Iraqi Army and the Afghan National Army to enhance their capability to combat terrorism and to support U.S. military operations in Iraq and Afghanistan: *Provided*, That such assistance may include the provision of equipment, supplies, services, training and funding: *Provided further*, That the authority to provide assistance under this section is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense shall notify the congressional defense committees not less than 15 days before providing assistance under the authority of this section.

Notification.

SEC. 1108. None of the funds provided in this chapter may be used to finance programs or activities denied by Congress in fiscal year 2004 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior notification to the congressional defense committees.

SEC. 1109. In addition to amounts made available elsewhere in this Act, there is hereby appropriated to the Department of Defense \$313,000,000, to be used only for recovery and repair of damage due to natural disasters including Hurricane Isabel, to be distributed as follows:

“Operation and Maintenance, Army”, \$47,100,000;
 “Operation and Maintenance, Navy”, \$87,600,000;
 “Operation and Maintenance, Marine Corps”, \$6,700,000;
 “Operation and Maintenance, Air Force”, \$169,300,000; and
 “Other Procurement, Air Force”, \$2,300,000.

SEC. 1110. During the current fiscal year, from funds made available in this Act to the Department of Defense for operation and maintenance, not to exceed \$180,000,000 may be used, notwithstanding any other provision of law, to fund the Commander’s Emergency Response Program, established by the Administrator of the Coalition Provisional Authority for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi people, and to establish and fund a similar program to assist the people of Afghanistan: *Provided*, That the Secretary of Defense shall provide quarterly reports, beginning on January 15, 2004, to the congressional defense committees regarding the source of funds and the allocation and use of funds made available pursuant to the authority provided in this section.

Reports.

SEC. 1111. Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing an Analysis of Alternatives for replacing the capabilities of the existing Air Force fleet of KC–135 tanker aircraft.

Deadline.
 Reports.

ENHANCEMENTS TO EXEMPTION FOR MEMBERS WITH COMBAT-RELATED INJURIES FROM REQUIREMENT FOR PAYMENT OF SUBSISTENCE CHARGES WHILE HOSPITALIZED

SEC. 1112. (a) EXEMPTION MADE PERMANENT.—Subsection (c) of section 1075 of title 10, United States Code (as added by section 8146(a)(2) of the Department of Defense Appropriations Act, 2004 (Public Law 108–87)), is repealed.

Ante, p. 1109.

(b) RETROACTIVITY.—Subsection (b) of section 8146 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87), is amended to read as follows:

“(b) EFFECTIVE DATE.—(1) Subsection (b)(2) of section 1075 of title 10, United States Code, as added by subsection (a), shall apply with respect to any period of hospitalization on or after September 11, 2001, because of an injury covered by that subsection that is incurred on or after that date.

Ante, p. 1109.
 Applicability.

“(2) The Secretary concerned (as defined in section 101 of title 37, United States Code) shall take such action as necessary to implement paragraph (1), including—

“(A) refunding any amount previously paid under section 1075 of title 10, United States Code, by a person who, by reason of paragraph (1), is not required to make such payment; and

“(B) waiving recovery of any unpaid amount for which a person has previously been charged under that section and which that person, by reason of paragraph (1), is not required to pay.”.

SEC. 1113. None of the funds available to the Department of Defense may be obligated to implement any action which alters the command responsibility or permanent assignment of forces until 270 days after such plan has been provided to the congressional defense committees.

SEC. 1114. Section 1074a of title 10, United States Code, is amended by adding at the end the following new subsection:

“(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

Notification.

“(2) The Secretary concerned shall promptly transmit to each member of the Ready Reserve eligible for screening and care under this subsection a notification of eligibility for such screening and care.

“(3) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.

“(4) Screening and care may not be provided under this section after September 30, 2004.”.

SEC. 1115. (a) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076a the following new section:

“§ 1076B. TRICARE PROGRAM: COVERAGE FOR MEMBERS OF THE READY RESERVE

“(a) ELIGIBILITY.—Each member of the Selected Reserve of the Ready Reserve and each member of the Individual Ready Reserve described in section 10144(b) of this title is eligible, subject to subsection (h), to enroll in TRICARE and receive benefits under such enrollment for any period that the member—

“(1) is an eligible unemployment compensation recipient;

or

“(2) is not eligible for health care benefits under an employer-sponsored health benefits plan.

“(b) TYPES OF COVERAGE.—(1) A member eligible under subsection (a) may enroll for either of the following types of coverage:

“(A) Self alone coverage.

“(B) Self and family coverage.

“(2) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(c) OPEN ENROLLMENT PERIODS.—The Secretary of Defense shall provide for at least one open enrollment period each year. During an open enrollment period, a member eligible under subsection (a) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

“(d) SCOPE OF CARE.—(1) A member and the dependents of a member enrolled in the TRICARE program under this section shall be entitled to the same benefits under this chapter as a member of the uniformed services on active duty or a dependent of such a member, respectively.

Applicability.

“(2) Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

“(e) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section.

The Secretary shall prescribe for each of the TRICARE program options a premium for self alone coverage and a premium for self and family coverage.

“(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

“(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

Procedures.

“(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

“(f) OTHER CHARGES.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this section, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(g) TERMINATION OF ENROLLMENT.—(1) A member enrolled in the TRICARE program under this section may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

“(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subsection (a).

“(3) The enrollment of a member under this section may be terminated on the basis of failure to pay the premium charged the member under this section.

“(h) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while entitled to transitional health care under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section.

“(2) A member who enrolls in the TRICARE program under this section within 90 days after the date of the termination of the member's entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate the enrollment at any time within one year after the date of the enrollment.

“(i) CERTIFICATION OF NONCOVERAGE BY OTHER HEALTH BENEFITS PLAN.—The Secretary of Defense may require a member to submit any certification that the Secretary considers appropriate to substantiate the member's assertion that the member is not

covered for health care benefits under any other health benefits plan.

“(j) ELIGIBLE UNEMPLOYMENT COMPENSATION RECIPIENT DEFINED.—In this section, the term ‘eligible unemployment compensation recipient’ means, with respect to any month, any individual who is determined eligible for any day of such month for unemployment compensation under State law (as defined in section 205(9) of the Federal-State Extended Unemployment Compensation Act of 1970), including Federal unemployment compensation laws administered through the State.

“(k) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

“(l) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after September 30, 2004.”.

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076a the following new item:

“1076B. TRICARE PROGRAM: COVERAGE FOR MEMBERS OF THE READY RESERVE.”.

SEC. 1116. Section 1074 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—

“(A) the date of the issuance of such order; or

“(B) 90 days before date on which the period of active duty is to commence under such order for that member.

“(2) In this subsection, the term ‘delayed-effective-date active-duty order’ means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for active-duty service to begin under such order on a date after the date of the issuance of the order.

“(3) This section shall cease to be effective on September 30, 2004.”.

SEC. 1117. (a) Subject to subsection (b), during the period beginning on the date of the enactment of this Act and ending on September 30, 2004, section 1145(a) of title 10, United States Code, shall be administered by substituting for paragraph (3) the following:

“(3) Transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty.”.

(b)(1) Subsection (a) shall apply with respect to separations from active duty that take effect on or after the date of the enactment of this Act.

(2) Beginning on October 1, 2004, the period for which a member is provided transitional health care benefits under section 1145(a) of title 10, United States Code, shall be adjusted as necessary to comply with the limits provided under paragraph (3) of such section.

SEC. 1118. (a) At the time members of reserve components of the Armed Forces are called or ordered to active duty under Section 12302(a) of title 10, United States Code, each member

Termination
date.

10 USC 1145
note.

Applicability.

Effective date.

Notification.

shall be notified in writing of the expected period during which the member will be mobilized.

(b) The Secretary of Defense may waive the requirements of subsection (a) in any case in which the Secretary determines that it is necessary to do so to respond to a national security emergency or to meet dire operational requirements of the Armed Forces.

SEC. 1119. The authority to utilize funds appropriated for fiscal year 2003 for purposes provided by the first clause of section 1314(1) of Public Law 108–11, shall apply to the utilization of available funds appropriated for fiscal year 2004 for such purposes.

Applicability.

SEC. 1120. (a) Not later than April 30 and October 31 of each year, the Secretary of Defense shall submit to Congress a report on the military operations of the Armed Forces and the reconstruction activities of the Department of Defense in Iraq and Afghanistan.

Deadline.
Reports.
10 USC 113 note.

(b) Each report shall include the following information:

(1) For each of Iraq and Afghanistan for the half-fiscal year ending during the month preceding the due date of the report, the amount expended for military operations of the Armed Forces and the amount expended for reconstruction activities, together with the cumulative total amounts expended for such operations and activities.

(2) An assessment of the progress made toward preventing attacks on United States personnel.

(3) An assessment of the effects of the operations and activities in Iraq and Afghanistan on the readiness of the Armed Forces.

(4) An assessment of the effects of the operations and activities in Iraq and Afghanistan on the recruitment and retention of personnel for the Armed Forces.

(5) For the half-fiscal year ending during the month preceding the due date of the report, the costs incurred for repair of Department of Defense equipment used in the operations and activities in Iraq and Afghanistan.

(6) The foreign countries, international organizations, and nongovernmental organizations that are contributing support for the ongoing military operations and reconstruction activities, together with a discussion of the amount and types of support contributed by each during the half-fiscal year ending during the month preceding the due date of the report.

(7) The extent to which, and the schedule on which, the Selected Reserve of the Ready Reserve of the Armed Forces is being involuntarily ordered to active duty under section 12304 of title 10, United States Code.

(8) For each unit of the National Guard of the United States and the other reserve components of the Armed Forces on active duty pursuant to an order to active duty under section 12304 of title 10, United States Code, the following information:

(A) The unit.

(B) The projected date of return of the unit to its home station.

(C) The extent (by percentage) to which the forces deployed within the United States and outside the United States in support of a contingency operation are composed of reserve component forces.

SEC. 1121. In addition to amounts made available elsewhere in this Act, there is hereby appropriated to the Department of Defense \$100,000,000, for “Operation and Maintenance, Army”: *Provided*, That these funds are available only for the purpose of securing and destroying conventional munitions in Iraq, such as bombs, bomb materials, small arms, rocket propelled grenades, and shoulder-launched missiles.

CHAPTER 2

DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

OPERATING EXPENSES

For an additional amount for “Operating Expenses”, \$23,183,000, for costs related to Hurricane Isabel damage.

EMERGENCY PREPAREDNESS AND RESPONSE

DISASTER RELIEF

For an additional amount for “Disaster Relief”, \$500,000,000, to remain available until expended.

GENERAL PROVISION, THIS CHAPTER

Effective date.

Ante, p. 1148.

SEC. 1201. Effective upon the enactment of the Project Bio-Shield Act of 2003, the Department of Homeland Security Appropriations Act, 2004 (Public Law 108–90) is amended under the heading “Biodefense Countermeasures” by striking “securing medical countermeasures against biological terror attacks” and inserting the following: “procuring security countermeasures under section 319F–2(c) of the Public Health Service Act, as authorized under section 510(a) of the Homeland Security Act of 2002”.

CHAPTER 3

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for “Military Construction, Army”, \$162,100,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, NAVY

For an additional amount for “Military Construction, Navy”, \$45,530,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for “Military Construction, Air Force”, \$292,550,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Family Housing Operation and Maintenance, Army”, \$11,420,000.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

For an additional amount for “Family Housing Operation and Maintenance, Navy and Marine Corps”, \$6,280,000.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Family Housing Operation and Maintenance, Air Force”, \$6,981,000.

GENERAL PROVISION, THIS CHAPTER

SEC. 1301. (a) TEMPORARY AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR MILITARY CONSTRUCTION PROJECTS.—During fiscal year 2004, the Secretary of Defense may use this section as authority to obligate appropriated funds available for operation and maintenance to carry out a construction project outside the United States that the Secretary determines meets each of the following conditions:

(1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of Operation Iraqi Freedom or the Global War on Terrorism.

(2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence.

(3) The United States has no intention of using the construction after the operational requirements have been satisfied.

(4) The level of construction is the minimum necessary to meet the temporary operational requirements.

(b) LIMITATION ON USE OF AUTHORITY.—The total cost of the construction projects carried out under the authority of this section using, in whole or in part, appropriated funds available for operation and maintenance shall not exceed \$150,000,000 in fiscal year 2004.

(c) NOTIFICATIONS OF OBLIGATIONS OF FUNDS.—Within fifteen days after the date on which appropriated funds available for operation and maintenance are first obligated for a construction project under subsection (a), the Secretary of Defense shall submit to the Congressional defense committees notice of the obligation of funds and the construction project. The notice shall include the following:

(1) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.

Deadline.

Deadline.

(2) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.

(3) Relevant documentation detailing the construction project.

(4) The total amount obligated for the construction.

(d) QUARTERLY REPORT.—(1) Not later than 30 days after the end of each fiscal-year quarter of fiscal year 2004, the Secretary of Defense shall submit to the congressional committees specified in subsection (f) a report on the worldwide obligation and expenditure during that quarter of appropriated funds available for operation and maintenance for construction projects.

(2) The report shall include with regard to each project the following:

(A) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.

(B) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.

(C) Relevant documentation detailing the construction project.

(D) An estimate of the total cost of the construction project.

(E) The total amount obligated for the construction project as of the date of the submission of the report.

(e) RELATION TO OTHER AUTHORITIES.—The temporary authority provided by this section, and the limited authority provided by section 2805(c) of title 10, United States Code, to use appropriated funds available for operation and maintenance to carry out a construction project are the only authorities available to the Secretary of Defense and the Secretaries of the military departments to use appropriated funds available for operation and maintenance to carry out construction projects.

(f) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in this section are the following:

(1) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the House of Representatives.

TITLE II—IRAQ AND AFGHANISTAN RECONSTRUCTION AND INTERNATIONAL ASSISTANCE

CHAPTER 1

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

GENERAL LEGAL ACTIVITIES

For necessary expenses for “Salaries and Expenses, General Legal Activities”, \$15,000,000.

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(INCLUDING RESCISSION)

For necessary expenses for “Diplomatic and Consular Programs”, \$156,300,000, of which \$35,800,000 shall remain available until September 30, 2006.

Of the funds appropriated under this heading in the Emergency Wartime Supplemental Appropriations Act, 2003, \$35,800,000 are rescinded.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for “Embassy Security, Construction, and Maintenance”, \$43,900,000, to remain available until expended: *Provided*, That funds provided under this heading do not include facilities requirements specific to the United States Agency for International Development, which are provided under the heading “United States Agency for International Development, Operating Expenses of the United States Agency for International Development”.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for “Emergencies in the Diplomatic and Consular Service”, \$115,500,000, to remain available until expended, which may be transferred to, and merged with, the appropriations for “Diplomatic and Consular Programs”: *Provided*, That of the funds made available under this heading, \$65,500,000 may be transferred to, and merged with, the appropriations for “Protection of Foreign Missions and Officials”; of which \$32,000,000 is for the reimbursement of the City of New York for costs associated with the protection of foreign missions and officials during the heightened state of alert following the September 11, 2001, terrorist attacks on the United States; of which \$8,500,000 is for costs associated with the 2003 Free Trade Area of the Americas Ministerial meeting; and of which \$25,000,000 is for costs associated with the 2004 Summit of the Industrialized Nations notwithstanding the limitations of 3 U.S.C. 202(10): *Provided further*, That of the funds previously appropriated under this heading, \$2,000,000 is for rewards for an indictee of the Special Court for Sierra Leone: *Provided further*, That any transfer of funds provided under this heading shall be treated as a reprogramming of funds under section 605 of Public Law 108–7.

Sierra Leone.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses for “Contributions for International Peacekeeping Activities”, \$245,000,000, to remain available until expended.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For necessary expenses for “International Broadcasting Operations”, for activities related to the Middle East Television Network broadcasting to Iraq, \$40,000,000.

GENERAL PROVISION—THIS CHAPTER

SEC. 2101. Funds appropriated under this chapter for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.

CHAPTER 2

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT

For an additional amount for “Operating Expenses of the United States Agency for International Development”, \$38,100,000, for direct support of operations in Afghanistan, to remain available until September 30, 2005.

In addition, for direct support of operations in Iraq, \$1,900,000, which shall be transferred to and merged with “Operating Expenses of the United States Agency for International Development Office of Inspector General” for financial and performance audits of the Iraq Relief and Reconstruction Fund and other assistance to Iraq, to remain available until September 30, 2005.

CAPITAL INVESTMENT FUND

For an additional amount for “Capital Investment Fund”, \$16,600,000, to remain available until expended: *Provided*, That the Administrator of the United States Agency for International Development shall assess fair and reasonable rental payments for the use of space by employees of other United States Government agencies in buildings constructed using funds appropriated under this heading, and such rental payments shall be deposited into this account as an offsetting collection: *Provided further*, That the rental payments collected pursuant to the previous proviso and deposited as an offsetting collection shall be available for obligation only pursuant to the regular notification procedures of the Committees on Appropriations.

Notification.

OTHER BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

IRAQ RELIEF AND RECONSTRUCTION FUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the purposes of the Foreign Assistance Act of 1961, for security, relief, rehabilitation and reconstruction in Iraq, \$18,649,000,000, to remain available until September 30, 2006, to be allocated as follows: \$3,243,000,000 for security and law enforcement; \$1,318,000,000 for justice, public safety infrastructure, and civil society, of which \$100,000,000 shall be made available for democracy building activities, and of which \$10,000,000 shall be made available to the United States Institute for Peace for activities supporting peace enforcement, peacekeeping and post-conflict peacebuilding; \$5,560,000,000 for the electric sector; \$1,890,000,000 for oil infrastructure; \$4,332,000,000 for water resources and sanitation; \$500,000,000 for transportation and telecommunications; \$370,000,000 for roads, bridges, and construction; \$793,000,000 for health care; \$153,000,000 for private sector development; and \$280,000,000 for education, refugees, human rights, and governance: *Provided*, That the President may reallocate up to 10 percent of any of the preceding allocations, except that the total for the allocation receiving such funds may not be increased by more than 20 percent: *Provided further*, That the President may increase one such allocation only by up to an additional 20 percent in the event of unforeseen or emergency circumstances: *Provided further*, That such reallocations shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961 and notifications shall be transmitted at least 15 days in advance of the obligation of funds: *Provided further*, That funds appropriated under this heading shall be apportioned only to the Coalition Provisional Authority in Iraq (in its capacity as an entity of the United States Government), the Department of State, the Department of Health and Human Services, the Department of Treasury, the Department of Defense, and the United States Agency for International Development: *Provided further*, That upon a determination that all or part of the funds so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That of the amount appropriated in this paragraph, not less than \$6,000,000 shall be made available for administrative expenses of the Department of State Bureau of International Narcotics Control and Law Enforcement Affairs and not less than \$29,000,000 shall be made available for administrative expenses of the United States Agency for International Development for support of the reconstruction activities in Iraq: *Provided further*, That of the funds appropriated under this heading, up to 10 percent of such funds that are obligated, managed, or administered by an agency of the United States Government, other than the Coalition Provisional Authority, shall be made available to such agency to fully pay for its administrative expenses: *Provided further*, That up to 1 percent of the amount appropriated in this paragraph may be transferred to “Operating Expenses of the Coalition Provisional Authority”, and that any such transfer shall be in accordance

Notification.

Notification.

with the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961: *Provided further*, That funds appropriated under this heading shall be used to protect and promote public health and safety, including for the arrest, detention and prosecution of criminals and terrorists: *Provided further*, That of the funds appropriated under this heading, assistance shall be made available for Iraqi civilians who have suffered losses as a result of military operations: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization, may be credited to this Fund and used for such purposes: *Provided further*, That the Administrator of the Coalition Provisional Authority shall seek to ensure that programs, projects and activities funded under this heading, comply fully with USAID's "Policy Paper: Disability" issued on September 12, 1997: *Provided further*, That the Coalition Provisional Authority shall work, in conjunction with relevant Iraqi officials, to ensure that a new Iraqi constitution preserves full rights to religious freedom and tolerance of all faiths: *Provided further*, That of the funds appropriated under this heading, \$100,000,000 shall be transferred to and consolidated with funds appropriated by this Act for "Economic Support Fund" for assistance for Jordan, \$100,000,000 of such funds shall be transferred to and consolidated with funds appropriated by this Act for "International Disaster and Famine Assistance" for assistance for Liberia, and \$10,000,000 of such funds shall be transferred to and consolidated with funds appropriated by this Act for "International Disaster and Famine Assistance" for assistance for Sudan.

OPERATING EXPENSES OF THE COALITION PROVISIONAL AUTHORITY

For necessary expenses of the Coalition Provisional Authority in Iraq, established pursuant to United Nations Security Council resolutions including Resolution 1483, for personnel costs, transportation, supply, equipment, facilities, communications, logistics requirements, studies, physical security, media support, promulgation and enforcement of regulations, and other activities needed to oversee and manage the relief and reconstruction of Iraq and the transition to democracy, \$933,000,000, to remain available until September 30, 2005: *Provided*, That the appropriation of funds under this heading shall not be construed to limit or otherwise affect the ability of the Department of Defense to furnish assistance and services, and any other support, to the Coalition Provisional Authority.

In addition, \$50,000,000, to remain available until September 30, 2005, to be used to fulfill the reporting and monitoring requirements of this Act and for the preparation and maintenance of public records required by this Act.

ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund", \$872,000,000, to remain available until December 31, 2004: *Provided*, That not less than \$672,000,000 is available only for accelerated assistance for Afghanistan: *Provided further*, That these funds are available notwithstanding section 660 of the Foreign Assistance Act of 1961, and section 620(q) of that Act or any comparable provision of law: *Provided further*, That these funds may be used

for activities related to disarmament, demobilization, and reintegration of militia combatants, including registration of such combatants, notwithstanding section 531(e) of the Foreign Assistance Act of 1961: *Provided further*, That the obligation of funds made available by this Act or any prior appropriations Act for the purpose of deploying and supporting senior advisors to the United States Chief of Mission in Kabul, Afghanistan, is subject to the regular reprogramming and notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961: *Provided further*, That \$60,000,000 should be made available for assistance for Afghan women and girls and \$5,000,000 shall be made available for the Afghan Independent Human Rights Commission: *Provided further*, That not less than \$8,000,000 is available only for the provision of adequate dedicated air transport and support for civilian personnel at provincial reconstruction team sites: *Provided further*, That upon the receipt by the Speaker of the House of Representatives and the President of the Senate of a determination by the President that the Government of Pakistan is cooperating with the United States in the global war on terrorism, not to exceed \$200,000,000 appropriated under this heading may be used for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and guarantees for Pakistan: *Provided further*, That amounts that are made available under the previous proviso for the cost of modifying direct loans and guarantees shall not be considered “assistance” for the purposes of provisions of law limiting assistance to a country.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for International Disaster and Famine Assistance utilizing the general authorities of section 491 of the Foreign Assistance Act of 1961, to respond to or prevent unforeseen complex foreign crises in Liberia and Sudan, \$110,000,000, and by transfer not to exceed 0.5 percent of the funds appropriated under any other heading in this chapter, to remain available to the Secretary of State until September 30, 2005: *Provided*, That funds appropriated under this heading may be made available only pursuant to a determination by the President, after consultation with the appropriate congressional committees, that it is in the national interest and essential to efforts to reduce international terrorism to furnish assistance on such terms and conditions as he may determine for such purposes, including support for peace and humanitarian intervention operations: *Provided further*, That none of these funds shall be available to respond to natural disasters: *Provided further*, That funds made available under this heading to respond to or prevent unforeseen complex foreign crises shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That not less than \$100,000,000 of the funds appropriated under this heading shall be made available for assistance for Liberia.

Notification.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for “International Narcotics Control and Law Enforcement”, \$170,000,000, to remain available until December 31, 2004, for accelerated assistance for Afghanistan.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, \$35,000,000, for accelerated assistance for Afghanistan.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for the “Foreign Military Financing Program”, \$287,000,000, for accelerated assistance for Afghanistan.

PEACEKEEPING OPERATIONS

For an additional amount for “Peacekeeping Operations”, \$50,000,000, to support the global war on terrorism.

GENERAL PROVISIONS, THIS CHAPTER

SEC. 2201. None of the funds appropriated by this Act or any unexpended funds provided in Public Law 108–11 may be used to repay, in whole or in part, principal or interest on any loan or guarantee agreement entered into by the Government of Iraq with any private or public sector entity including with the government of any country (including any agency of such government or any entity owned in whole or in part by the government of such country) or with any international financial institution, prior to May 1, 2003: *Provided*, That for the purpose of this section, the term “international financial institution” shall mean those institutions contained in section 530(b) of division E of Public Law 108–7.

SEC. 2202 (a) Notwithstanding any other provision of law, none of the funds appropriated by this Act under the heading “Iraq Relief and Reconstruction Fund” and under the same heading in Public Law 108–11 may be used for entering into any Federal contract (including follow-on contract) using other than full and open competition, except in accordance with the Federal Property and Administrative Procedures Act (41 U.S.C. 251 et seq.), and any exception, if deemed necessary, shall be only upon the written approval of the Administrator of the Coalition Provisional Authority and the head of the executive agency of the United States awarding and managing such contract and such authority shall not be delegated.

(b) In any case in which procedures other than full and open competitive procedures are to be used to enter into a contract, the Administrator of the Coalition Provisional Authority or the

Contracts.
Deadline.
Notification.

head of such executive agency of the United States shall submit not later than 7 calendar days before the award of the contract a notification to the Committees on Appropriations, and the Committees on Government Reform and International Relations of the House of Representatives, and the Committees on Governmental Affairs and Foreign Relations of the Senate. Such notification shall provide the justification for use of other than full and open competitive procedures, a brief description of the contract's scope, the amount of the contract, a discussion of how the contracting agency identified and solicited offers from contractors, a list of the contractors solicited, and the justification and approval documents (as required under section 303(f)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)) on which was based the determination of use of procedures other than full and open competitive procedures.

(c)(1) This section shall not apply to contracts of less than \$5,000,000.

(2) This section also shall apply to any extension, amendment or modification of contracts entered into prior to the enactment of this Act using other than full and open competitive procedures using Iraq Relief and Reconstruction Funds in this Act and under Public Law 108–11 or funds made available in prior Foreign Operations, Export Financing and Related Programs Appropriations Acts.

Applicability.

(3) This section shall not apply to contracts authorized by the Small Business Act (15 U.S.C. 631 et seq.).

SEC. 2203. (a) DISCLOSURE REQUIRED.—

(1) PUBLICATION AND PUBLIC AVAILABILITY.—The Administrator of the Coalition Provisional Authority or the head of an executive agency of the United States that enters into a contract for assistance for Iraq, using funds described in paragraph (2), through the use of other than full and open competitive procedures, shall publish in the Federal Register or Federal Business Opportunities, and otherwise make available to the public, including publication on the Coalition Provisional Authority's website, not later than 7 days before the date on which the contract is entered into, the following information:

Federal Register,
publication.
Deadline.

(A) The amount of the contract.

(B) A brief description of the scope of the contract.

(C) A discussion of how the executive agency and, when applicable, the Coalition Provisional Authority, identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers.

(D) The justification and approval documents (as required under section 303(f)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)) on which was based the determination to use procedures other than competitive procedures.

(2) FUNDS.—The funds referred to in paragraph (1) are any funds under the heading "Iraq Relief and Reconstruction Fund" in this Act, and under the same heading in Public Law 108–11.

(3) APPLICABILITY.—

(A) This section shall also apply to any extension, amendment or modification of contracts entered into prior to the enactment of this Act using other than full and

open competitive procedures using Iraq Relief and Reconstruction Funds in this Act and under Public Law 108–11 or funds made available in prior Foreign Operations, Export Financing and Related Programs Appropriations Acts.

(B) This section shall not apply to contracts of less than \$5,000,000.

(C) This section shall not apply to contracts authorized by the Small Business Act (15 U.S.C. 631 et seq.).

(b) CLASSIFIED INFORMATION.—

(1) AUTHORITY TO WITHHOLD.—The head of an executive agency may—

(A) withhold from publication and disclosure under subsection (a) any document that is classified for restricted access in accordance with an Executive order in the interest of national defense or foreign policy; and

(B) redact any part so classified that is in a document not so classified before publication and disclosure of the document under subsection (a).

(2) AVAILABILITY TO CONGRESS.—In any case in which the head of an executive agency withholds information under paragraph (1), the head of such executive agency shall make available an unredacted version of the document containing that information to the chairman and ranking member of each of the following committees of Congress:

(A) The Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(B) The Committees on Appropriations of the Senate and the House of Representatives.

(C) Each committee that the head of the executive agency determines has legislative jurisdiction for the operations of such department or agency to which the information related.

(c) RELATIONSHIP TO OTHER DISCLOSURE LAWS.—Nothing in this section shall be construed as affecting obligations to disclose United States Government information under any other provision of law.

(d) DEFINITIONS.—In this section and section 2202 of this Act, the terms “full and open competitive procedures” and “executive agency” have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

Ante, p. 579.

SEC. 2204. Section 1503 of Public Law 108–11 is amended—

(1) by striking “equipment” and inserting in lieu thereof “equipment, including equipment”; and

(2) by striking “2004” and inserting in lieu thereof “2005”.

Ante, p. 579.

SEC. 2205. Section 1504 of Public Law 108–11 is amended by—

Notification.

(1) in the first proviso, striking the first proviso, and inserting in lieu thereof: “*Provided*, That, subject to the notification requirements of this section, exports may be authorized of lethal military equipment designated by the Secretary of State for use by a reconstituted (or interim) Iraqi military or police force, and of small arms designated by the Secretary of State for use for private security purposes.”; and

(2) in the last proviso, striking “2004” and inserting in lieu thereof “2005”.

SEC. 2206. Section 202(b) of the Afghanistan Freedom Support Act of 2002 (Public Law 107–327) is amended by striking “\$300,000,000” and inserting in lieu thereof “\$450,000,000”. 22 USC 7532.

SEC. 2207. (a) The Director of the Office of Management and Budget, in consultation with the Administrator of the Coalition Provisional Authority (CPA) and the Committees on Appropriations, shall submit to the Committees on Appropriations not later than January 5, 2004 and prior to the initial obligation of funds appropriated by this Act under the heading “Iraq Relief and Reconstruction Fund” a report on the proposed uses of all funds under this heading on a project-by-project basis, for which the obligation of funds is anticipated during the 3 month period from such date, including estimates by the CPA of the costs required to complete each such project: *Provided*, That up to 20 percent of funds appropriated under such heading may be obligated before the submission of the report: *Provided further*, That in addition such report shall include the following: Deadline. Reports. 22 USC 2151 note.

(1) The use of all funds on a project-by-project basis for which funds appropriated under such heading were obligated prior to the submission of the report, including estimates by the CPA of the costs required to complete each project.

(2) The distribution of duties and responsibilities regarding such projects among the agencies of the United States Government.

(3) Revenues to the CPA attributable to or consisting of funds provided by foreign governments and international organizations, disaggregated by donor, any obligations or expenditures of such revenues, and the purpose of such obligations and expenditures.

(4) Revenues to the CPA attributable to or consisting of foreign assets seized or frozen, any obligations or expenditures of such revenues, and the purpose of such obligations and expenditures.

(b) Any proposed new projects and increases in funding of ongoing projects shall be reported to the Committees on Appropriations in accordance with regular notification procedures.

(c) The report required by subsection (a) shall be updated and submitted to the Committees on Appropriations every 3 months and shall include information on how the estimates and assumptions contained in previous reports have changed.

(d) The requirements of this section shall expire on October 1, 2007. Expiration date.

SEC. 2208. Any reference in this chapter to the “Coalition Provisional Authority in Iraq” or the “Coalition Provisional Authority” shall be deemed to include any successor United States Government entity with the same or substantially the same authorities and responsibilities as the Coalition Provisional Authority in Iraq. 22 USC 2151 note.

SEC. 2209. Assistance or other financing under chapter 2 of this title may be provided for Iraq and Afghanistan notwithstanding any other provision of law not contained in this Act that restricts assistance to foreign countries and section 660 of the Foreign Assistance Act of 1961: *Provided*, That funds made available for Iraq pursuant to the authority of this section shall be subject to the regular reprogramming notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act Notification.

	of 1961, except that notification shall be transmitted at least 5 days in advance of obligation.
	SEC. 2210. Funds made available in chapter 2 of this title are made available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956, as amended.
Notification.	SEC. 2211. Notwithstanding any other provision of law, the Overseas Private Investment Corporation is authorized to undertake any program authorized by title IV of the Foreign Assistance Act of 1961 in Iraq: <i>Provided</i> , That funds made available pursuant to the authority of this section shall be subject to the regular reprogramming notification procedures of the Committees on Appropriations.
Notification.	SEC. 2212. In addition to transfer authority otherwise provided in chapter 2 of this title, any appropriation made available in chapter 2 of this title may be transferred between such appropriations, to be available for the same purposes and the same time as the appropriation to which transferred: <i>Provided</i> , That the total amount transferred pursuant to this section shall not exceed \$100,000,000: <i>Provided further</i> , That the Secretary of State shall consult with the Committees on Appropriations prior to exercising the authority contained in this section: <i>Provided further</i> , That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations, except that notification shall be transmitted at least 10 days in advance of the obligation of funds.
115 Stat. 403.	SEC. 2213. Public Law 107-57 is amended—
115 Stat. 404.	(1) in section 1(b), by striking “2003” wherever appearing (including in the caption), and inserting in lieu thereof “2004”;
115 Stat. 405.	(2) in section 3(2), by striking “Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002, as is” and inserting in lieu thereof “annual foreign operations, export financing, and related programs appropriations Acts for fiscal years 2002, 2003, and 2004, as are”; and
	(3) in section 6, by striking “2003” and inserting in lieu thereof “2004”.
22 USC 7518.	SEC. 2214. The Afghanistan Freedom Support Act of 2002 (Public Law 107-327), is amended in section 108(a), by striking “\$425,000,000 for each of the fiscal years 2003 through 2006” and inserting in lieu thereof “\$1,825,000,000 for fiscal year 2004 and \$425,000,000 for each of fiscal years 2005 and 2006”.
Termination date. 22 USC 2151 note.	SEC. 2215. REPORTS ON IRAQ AND AFGHANISTAN. (a)(1) The Coalition Provisional Authority (CPA) shall, on a monthly basis until September 30, 2006, submit a report to the Committees on Appropriations which details, for the preceding month, Iraqi oil production and oil revenues, and uses of such revenues.
Deadline.	(2) The first report required by this subsection shall be submitted not later than 30 days after enactment of this Act.
Public information.	(3) The reports required by this subsection shall also be made publicly available in both English and Arabic, including through the CPA’s Internet website.
Deadline.	(b) The Secretary of State, in consultation with the heads of other relevant Federal agencies, shall submit a report to the Committees on Appropriations not later than 90 days after enactment of this Act detailing:
	(1) the amount of debt incurred by the Government of Saddam Hussein in Iraq, the impact forgiveness of such debt

would have on reconstruction and long-term prosperity in Iraq, and the estimated amount that Iraq will pay, or that will be paid on behalf of Iraq, to a foreign country to service such debt during fiscal year 2004;

(2) the efforts of the Government of the United States to increase resources contributed by foreign countries and international organizations, including the United Nations, to the reconstruction and rehabilitation of Iraq and to increase international participation in peacekeeping and security efforts in Iraq;

(3) the manner in which the needs of people with disabilities are being addressed in the development and implementation of programs, projects and activities funded by the United States Government in Iraq and Afghanistan;

(4) the progress being made toward indicting and trying leaders of the former Iraqi regime for war crimes, genocide, and crimes against humanity; and

(5) the efforts of relevant Iraqi officials and legal advisors to ensure that a new Iraqi constitution preserves religious freedom and tolerance of all faiths.

(c) Title III of Public Law 107–327 is amended as follows by inserting the following new section:

“SEC. 304. REPORTS.

22 USC 7554.

“The Secretary of State shall submit reports to the Committees on Foreign Relations and Appropriations of the Senate, and the Committees on International Relations and Appropriations of the House of Representatives on progress made in accomplishing the ‘Purposes of Assistance’ set forth in section 102 of this Act utilizing assistance provided by the United States for Afghanistan. The first report shall be submitted no later than December 31, 2003, and subsequent reports shall be submitted in conjunction with reports required under section 303 of this title and thereafter through December 31, 2004.”.

Deadline.

SEC. 2216. None of the funds appropriated or otherwise made available under chapter 2 of title II of this Act may be obligated or expended for any activity in contravention of Articles 1 and 4 of the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflicts.

SEC. 2217. PARTICIPATION OF WOMEN IN AFGHANISTAN AND IRAQ RECONSTRUCTION. (a) GOVERNANCE.—Activities carried out by the United States with respect to the civilian governance of Afghanistan and Iraq shall, to the maximum extent practicable—

(1) include the perspectives and advice of women’s organizations in Afghanistan and Iraq, respectively; and

(2) promote the high level participation of women in future legislative bodies and ministries and ensure that human rights for women are upheld in any constitution or legal institution of Afghanistan and Iraq, respectively.

(b) POST-CONFLICT RECONSTRUCTION AND DEVELOPMENT.—Activities carried out by the United States with respect to post-conflict stability in Afghanistan and Iraq shall, to the maximum extent practicable—

(1) encourage the United States organizations that receive funds made available by this Act to provide significant financial resources, technical assistance and capacity building to counterpart organizations led by Afghans and Iraqis, respectively;

(2) increase the access of women to, or ownership by women of, productive assets such as land, water, agricultural inputs, credit, and property in Afghanistan and Iraq, respectively;

(3) provide long-term financial assistance for education for girls and women in Afghanistan and Iraq, respectively; and

(4) integrate education and training programs for former combatants in Afghanistan and Iraq, respectively, with economic development programs to—

(A) encourage the reintegration of such former combatants into society; and

(B) promote post-conflict stability in Afghanistan and Iraq, respectively.

(c) **MILITARY AND POLICE.**—Activities carried out by the United States with respect to training for military and police forces in Afghanistan and Iraq shall include training, designed in consultation with women’s organizations in Afghanistan and Iraq, respectively, on the protection, rights, and particular needs of women.

TITLE III—INSPECTOR GENERAL OF THE COALITION PROVISIONAL AUTHORITY

5 USC app. 8G note.

SEC. 3001. INSPECTOR GENERAL OF THE COALITION PROVISIONAL AUTHORITY.

(a) **PURPOSES.**—The purposes of this section are as follows:

(1) To provide for the independent and objective conduct and supervision of audits and investigations relating to the programs and operations of the Coalition Provisional Authority (CPA).

(2) To provide for the independent and objective leadership and coordination of, and recommendations on, policies designed to—

(A) promote economy efficiency, and effectiveness in the administration of such programs and operations; and

(B) prevent and detect fraud and abuse in such programs and operations.

(3) To provide for an independent and objective means of keeping the head of the Coalition Provisional Authority fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress for corrective action.

Establishment.

(b) **OFFICE OF INSPECTOR GENERAL.**—There is hereby established the Office of the Inspector General of the Coalition Provisional Authority.

(c) **APPOINTMENT OF INSPECTOR GENERAL; REMOVAL.**—(1) The head of the Office of the Inspector General of the Coalition Provisional Authority is the Inspector General of the Coalition Provisional Authority, who shall be appointed by the Secretary of Defense, in consultation with the Secretary of State.

(2) The appointment of Inspector General shall be made solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(3) The nomination of an individual as Inspector General shall be made not later than 30 days after the date of the enactment of this Act. Deadline.

(4) The Inspector General shall be removable from office in accordance with the provisions of section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.).

(5) For purposes of section 7324 of title 5, United States Code, the Inspector General shall not be considered an employee who determines policies to be pursued by the United States in the nationwide administration of Federal law.

(6) The annual rate of basic pay of the Inspector General shall be the annual rate of basic pay provided for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(d) ASSISTANT INSPECTORS GENERAL.—The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(1) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Coalition Provisional Authority; and

(2) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

(e) SUPERVISION.—(1) Except as provided in paragraph (2), the Inspector General shall report directly to, and be under the general supervision of, the head of the Coalition Provisional Authority.

(2) Neither the head of the Coalition Provisional Authority, any other officer of the Coalition Provisional Authority, nor any other officer of the Department of Defense, the Department of State, or the United States Agency for International Development shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

(f) DUTIES.—(1) It shall be the duty of the Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of appropriated funds by the Coalition Provisional Authority in Iraq, and of the programs, operations, and contracts carried out utilizing such funds, including—

(A) the oversight and accounting of the obligation and expenditure of such funds;

(B) the monitoring and review of reconstruction activities funded by such funds;

(C) the monitoring and review of contracts funded by such funds;

(D) the monitoring and review of the transfer of such funds and associated information between and among the Coalition Provisional Authority, other departments, agencies, and entities of the Federal Government, and private and nongovernmental entities; and

(E) the maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such funds.

(2) The Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate to discharge the duty under paragraph (1).

(3) In addition to the duties specified in paragraphs (1) and (2), the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978.

(4) In carrying out the duties, responsibilities, and authorities of the Inspector General under this section, the Inspector General shall coordinate with, and receive the cooperation of, the Inspector General of the Department of Defense.

(5) In carrying out the duties, and responsibilities, and authorities of the Inspector General under this section, the Inspector General shall coordinate with, and receive the cooperation of the Inspector General of the United States Agency for International Development.

(g) POWERS AND AUTHORITIES.—(1) In carrying out the duties specified in subsection (f), the Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978.

(2) The Inspector General shall carry out the duties specified in subsection (f)(1) in accordance with section 4(b)(1) of the Inspector General Act of 1978.

(h) PERSONNEL, FACILITIES, AND OTHER RESOURCES.—(1) The Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) The Inspector General may obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS-15 of the General Schedule by section 5332 of such title.

(3) To the extent and in such amounts as may be provided in advance by appropriations Acts, the Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the duties of the Inspector General.

(4)(A) Upon request of the Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such information or assistance to the Inspector General, or an authorized designee.

(B) Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the head of the Coalition Provisional Authority and to the appropriate committees of Congress without delay.

(5) The head of the Coalition Provisional Authority shall provide the Inspector General with appropriate and adequate office space at the central and field office locations of the Coalition Provisional Authority, together with such equipment, office supplies, and communications facilities and services as may be necessary for

the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(i) **REPORTS.**—(1) Not later than March 30, 2004, and every calendar quarter thereafter, the Inspector General shall submit to the appropriate committees of Congress a report summarizing the activities of the Inspector General and the Coalition Provisional Authority during the 120-day period ending on the date of such report. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Iraq, including the following:

Deadline.

(A) Obligations and expenditures of appropriated funds.

(B) A project-by-project and program-by-program accounting of the costs incurred to date for the reconstruction of Iraq, together with the estimate of the Coalition Provisional Authority of the costs to complete each project and each program.

(C) Revenues attributable to or consisting of funds provided by foreign nations or international organizations, and any obligations or expenditures of such revenues.

(D) Revenues attributable to or consisting of foreign assets seized or frozen, and any obligations or expenditures of such revenues.

(E) Operating expenses of the Coalition Provisional Authority and of any other agencies or entities receiving appropriated funds.

(F) In the case of any contract described in paragraph (2)—

(i) the amount of the contract or other agreement;

(ii) a brief discussion of the scope of the contract or other agreement;

(iii) a discussion of how the Coalition Provisional Authority identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers; and

(iv) the justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.

(2) A contract described in this paragraph is any major contract or other agreement that is entered into by the Coalition Provisional Authority with any public or private sector entity for any of the following purposes:

(A) To build or rebuild physical infrastructure of Iraq.

(B) To establish or reestablish a political or societal institution of Iraq.

(C) To provide products or services to the people of Iraq.

(3) Not later than June 30, 2004, and semiannually thereafter, the Inspector General shall submit to the appropriate committees of Congress a report meeting the requirements of section 5 of the Inspector General Act of 1978.

Deadline.

(4) The Inspector General shall publish each report under this subsection in both English and Arabic on the Internet website of the Coalition Provisional Authority.

Publication.

(5) Each report under this subsection may include a classified annex if the Inspector General considers it necessary.

(6) Nothing in this subsection shall be construed to authorize the public disclosure of information that is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

(j) REPORT COORDINATION.—(1) The Inspector General shall also submit each report under subsection (i) to the head of the Coalition Provisional Authority.

Deadline.

(2)(A) Not later than 30 days after receipt of a report under paragraph (1), the head of the Coalition Provisional Authority may submit to the appropriate committees of Congress any comments on the matters covered by the report as the head of the Coalition Provisional Authority considers appropriate.

(B) A report under this paragraph may include a classified annex if the head of the Coalition Provisional Authority considers it necessary.

Deadlines.
Public
information.

(k) TRANSPARENCY.—(1) Not later than 60 days after the date of the submittal to Congress of a report under subsection (i), the head of the Coalition Provisional Authority shall make copies of such report available to the public upon request, and at a reasonable cost.

(2) Not later than 60 days after the date of the submittal to Congress under subsection (j)(2) of comments on a report under subsection (i), the head of the Coalition Provisional Authority shall make copies of such comments available to the public upon request, and at a reasonable cost.

(l) WAIVER.—(1) The President may waive the requirement under paragraph (1) or (3) of subsection (i) for the inclusion in a report under such paragraph of any element otherwise provided for under such paragraph if the President determines that the waiver is justified for national security reasons.

President.
Federal Register,
publication.
Deadline.

(2) The President shall publish a notice of each waiver made under this subsection in the Federal Register no later than the date on which the reports required under paragraph (1) or (3) of subsection (i) are submitted to Congress. The reports required under paragraph (1) or (3) of subsection (i) shall specify whether waivers under this subsection were made and with respect to which elements.

(m) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate; and

(2) the Committees on Appropriations, Armed Services, and International Relations of the House of Representatives.

(n) FUNDING.—(1) Of the amounts appropriated for fiscal year 2004 for the Operating Expenses of the Coalition Provisional Authority in title II of this Act, \$75,000,000 shall be available to carry out this section.

(2) The amount available under paragraph (1) shall remain available until expended.

Termination
date.

(o) The Office of Inspector General shall terminate 6 months after the authorities and duties of the Coalition Provisional Authority cease to exist.

TITLE IV—GENERAL PROVISIONS, THIS ACT

SEC. 4001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 4002. The amounts provided in this Act are designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress).

SEC. 4003. For purposes of computing the amount of a payment for an eligible local educational agency under section 8003(a) of the Elementary and Secondary Education Act (20 U.S.C. 7703(a)) for school year 2003–2004, children enrolled in a school of such agency who would otherwise be eligible to be claimed for payment under section 8003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 8003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status.

This Act may be cited as the “Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004”.

Approved November 6, 2003.

LEGISLATIVE HISTORY—H.R. 3289 (S. 1689):

HOUSE REPORTS: Nos. 108–312 (Comm. on Appropriations) and 108–337 (Comm. of Conference).

SENATE REPORTS: No. 108–160 accompanying S. 1689 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 16, considered in House.

Oct. 17, considered and passed House. Considered and passed Senate, amended, in lieu of S. 1689.

Oct. 30, House agreed to conference report.

Nov. 3, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 6, Presidential remarks and statement.



Public Law 108–107
108th Congress

Joint Resolution

Nov. 7, 2003
[H.J. Res. 76]

Making further continuing appropriations for the fiscal year 2004, and for other purposes.

Ante, p. 1200.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 108–84 is amended by striking the date specified in section 107(c) and inserting “November 21, 2003”.

Ante, p. 1200.

SEC. 2. Section 8144(b) of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), as amended by Public Law 108–84, is further amended by striking “November 7, 2003” and inserting “November 21, 2003”.

Approved November 7, 2003.

LEGISLATIVE HISTORY—H.J. Res. 76:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 5, considered and passed House.

Nov. 7, considered and passed Senate.



Public Law 108–108
108th Congress

An Act

Making appropriations for the Department of the Interior and related agencies
for the fiscal year ending September 30, 2004, and for other purposes.

Nov. 10, 2003
[H.R. 2691]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 2004, and for other purposes, namely:

Department of
the Interior and
Related Agencies
Appropriations
Act, 2004.

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For necessary expenses for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau, and assessment of mineral potential of public lands pursuant to Public Law 96–487 (16 U.S.C. 3150(a)), \$850,321,000, to remain available until expended, of which \$1,000,000 is for high priority projects, to be carried out by the Youth Conservation Corps; \$2,484,000 is for assessment of the mineral potential of public lands in Alaska pursuant to section 1010 of Public Law 96–487; (16 U.S.C. 3150); and of which not to exceed \$1,000,000 shall be derived from the special receipt account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l–6a(i)); and of which \$3,000,000 shall be available in fiscal year 2004 subject to a match by at least an equal amount by the National Fish and Wildlife Foundation for cost-shared projects supporting conservation of Bureau lands; and such funds shall be advanced to the Foundation as a lump sum grant without regard to when expenses are incurred; in addition, \$32,696,000 is for Mining Law Administration program operations, including the cost of administering the mining claim fee program; to remain available until expended, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than \$850,321,000; and \$2,000,000, to remain available until expended, from communication site rental

fees established by the Bureau for the cost of administering communication site activities: *Provided*, That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors.

WILDLAND FIRE MANAGEMENT

For necessary expenses for fire preparedness, suppression operations, fire science and research, emergency rehabilitation, hazardous fuels reduction, and rural fire assistance by the Department of the Interior, \$792,725,000, to remain available until expended, of which not to exceed \$12,374,000 shall be for the renovation or construction of fire facilities: *Provided*, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: *Provided further*, That notwithstanding 42 U.S.C. 1856d, sums received by a bureau or office of the Department of the Interior for fire protection rendered pursuant to 42 U.S.C. 1856 et seq., protection of United States property, may be credited to the appropriation from which funds were expended to provide that protection, and are available without fiscal year limitation: *Provided further*, That of the funds provided, \$99,000,000 is to repay prior year advances from other appropriations from which funds were transferred for wildfire suppression and emergency rehabilitation activities: *Provided further*, That this additional amount is designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004: *Provided further*, That using the amounts designated under this title of this Act, the Secretary of the Interior may enter into procurement contracts, grants, or cooperative agreements, for hazardous fuels reduction activities, and for training and monitoring associated with such hazardous fuels reduction activities, on Federal land, or on adjacent non-Federal land for activities that benefit resources on Federal land: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That notwithstanding requirements of the Competition in Contracting Act, the Secretary, for purposes of hazardous fuels reduction activities, may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities; (B) Youth Conservation Corps crews or related partnerships with state, local, or non-profit youth groups; (C) small or micro-businesses; or (D) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts: *Provided further*, That in implementing this section, the Secretary shall develop written guidance to field units to ensure accountability and consistent application of the authorities provided herein: *Provided further*, That funds appropriated under this head may be used to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference, as required by section 7 of such Act in connection with wildland

fire management activities: *Provided further*, That the Secretary of the Interior may use wildland fire appropriations to enter into non-competitive sole source leases of real property with local governments, at or below fair market value, to construct capitalized improvements for fire facilities on such leased properties, including but not limited to fire guard stations, retardant stations, and other initial attack and fire support facilities, and to make advance payments for any such lease or for construction activity associated with the lease: *Provided further*, That the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$12,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects: *Provided further*, That funds provided for wildfire suppression shall be available for support of Federal emergency response actions.

CENTRAL HAZARDOUS MATERIALS FUND

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), \$9,978,000, to remain available until expended: *Provided*, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to section 107 or 113(f) of such Act, shall be credited to this account, to be available until expended without further appropriation: *Provided further*, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

CONSTRUCTION

For construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, \$13,976,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out sections 205, 206, and 318(d) of Public Law 94-579, including administrative expenses and acquisition of lands or waters, or interests therein, \$18,600,000, to be derived from the Land and Water Conservation Fund and to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of

lands or interests therein, including existing connecting roads on or adjacent to such grant lands; \$106,672,000, to remain available until expended: *Provided*, That 25 percent of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

FOREST ECOSYSTEMS HEALTH AND RECOVERY FUND

(REVOLVING FUND, SPECIAL ACCOUNT)

In addition to the purposes authorized in Public Law 102–381, funds made available in the Forest Ecosystem Health and Recovery Fund can be used for the purpose of planning, preparing, implementing and monitoring salvage timber sales and forest ecosystem health and recovery activities, such as release from competing vegetation and density control treatments. The Federal share of receipts (defined as the portion of salvage timber receipts not paid to the counties under 43 U.S.C. 1181f and 43 U.S.C. 1181f–1 et seq., and Public Law 106–393) derived from treatments funded by this account shall be deposited into the Forest Ecosystem Health and Recovery Fund.

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 percent of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than \$10,000,000, to remain available until expended: *Provided*, That not to exceed \$600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94–579, as amended, and Public Law 93–153, to remain available until expended: *Provided*, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94–579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or

43 USC 1735
note.

rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action: *Provided further*, That any such moneys that are in excess of amounts needed to repair damage to the exact land for which funds were collected may be used to repair other damaged public lands.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing laws, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to \$100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on her certificate, not to exceed \$10,000: *Provided*, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards: *Provided further*, That section 28 of title 30, United States Code, is amended: (1) in section 28f(a), by striking “for years 2002 through 2003” and inserting in lieu thereof “for years 2004 through 2008”; and (2) in section 28g, by striking “and before September 30, 2003” and inserting in lieu thereof “and before September 30, 2008”.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For necessary expenses of the United States Fish and Wildlife Service, as authorized by law, and for scientific and economic studies, maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, general administration, and for the performance of other authorized functions related to such resources by direct expenditure, contracts, grants, cooperative agreements and reimbursable agreements with public and private entities, \$963,352,000, to remain available until September 30, 2005, except as otherwise provided herein: *Provided*, That not less than

\$2,000,000 shall be provided to local governments in southern California for planning associated with the Natural Communities Conservation Planning (NCCP) program and shall remain available until expended: *Provided further*, That \$2,000,000 is for high priority projects, which shall be carried out by the Youth Conservation Corps: *Provided further*, That not to exceed \$12,286,000 shall be used for implementing subsections (a), (b), (c), and (e) of section 4 of the Endangered Species Act, as amended, for species that are indigenous to the United States (except for processing petitions, developing and issuing proposed and final regulations, and taking any other steps to implement actions described in subsection (c)(2)(A), (c)(2)(B)(i), or (c)(2)(B)(ii)), of which not to exceed \$8,900,000 shall be used for any activity regarding the designation of critical habitat, pursuant to subsection (a)(3), excluding litigation support, for species already listed pursuant to subsection (a)(1) as of the date of enactment this Act: *Provided further*, That of the amount available for law enforcement, up to \$400,000 to remain available until expended, may at the discretion of the Secretary be used for payment for information, rewards, or evidence concerning violations of laws administered by the Service, and miscellaneous and emergency expenses of enforcement activity, authorized or approved by the Secretary and to be accounted for solely on her certificate: *Provided further*, That of the amount provided for environmental contaminants, up to \$1,000,000 may remain available until expended for contaminant sample analyses.

CONSTRUCTION

For construction, improvement, acquisition, or removal of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; \$60,554,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, \$43,628,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That none of the funds appropriated for specific land acquisition projects can be used to pay for any administrative overhead, planning or other management costs.

LANDOWNER INCENTIVE PROGRAM

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$30,000,000, to be derived from the Land and Water Conservation Fund, and to remain available until expended: *Provided*, That the amount provided herein is for a Landowner Incentive Program established by the Secretary that provides matching, competitively awarded grants to States, the District of Columbia, Tribes, Puerto Rico, Guam, the United

States Virgin Islands, the Northern Mariana Islands, and American Samoa, to establish or supplement existing landowner incentive programs that provide technical and financial assistance, including habitat protection and restoration, to private landowners for the protection and management of habitat to benefit federally listed, proposed, candidate, or other at-risk species on private lands.

STEWARDSHIP GRANTS

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l–4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$7,500,000, to be derived from the Land and Water Conservation Fund, and to remain available until expended: *Provided*, That the amount provided herein is for a Stewardship Grants Program established by the Secretary to provide grants and other assistance to individuals and groups engaged in private conservation efforts that benefit federally listed, proposed, candidate, or other at-risk species.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out section 6 of the Endangered Species Act of 1973 (16 U.S.C. 1531–1543), as amended, \$82,614,000, of which \$32,614,000 is to be derived from the Cooperative Endangered Species Conservation Fund and \$50,000,000 is to be derived from the Land and Water Conservation Fund and to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), \$14,414,000.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101–233, as amended, \$38,000,000, to remain available until expended.

NEOTROPICAL MIGRATORY BIRD CONSERVATION

For financial assistance for projects to promote the conservation of neotropical migratory birds in accordance with the Neotropical Migratory Bird Conservation Act, Public Law 106–247 (16 U.S.C. 6101–6109), \$4,000,000, to remain available until expended.

MULTINATIONAL SPECIES CONSERVATION FUND

For expenses necessary to carry out the African Elephant Conservation Act (16 U.S.C. 4201–4203, 4211–4213, 4221–4225, 4241–4245, and 1538), the Asian Elephant Conservation Act of 1997 (Public Law 105–96; 16 U.S.C. 4261–4266), the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301–5306), and the Great Ape Conservation Act of 2000 (16 U.S.C. 6301), \$5,600,000, to remain available until expended.

STATE AND TRIBAL WILDLIFE GRANTS

For wildlife conservation grants to States and to the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, American Samoa, and federally recognized Indian tribes under the provisions of the Fish and Wildlife Act of 1956 and the Fish and Wildlife Coordination Act, for the development and implementation of programs for the benefit of wildlife and their habitat, including species that are not hunted or fished, \$70,000,000 to be derived from the Land and Water Conservation Fund, and to remain available until expended: *Provided*, That of the amount provided herein, \$6,000,000 is for a competitive grant program for Indian tribes not subject to the remaining provisions of this appropriation: *Provided further*, That the Secretary shall, after deducting said \$6,000,000 and administrative expenses, apportion the amount provided herein in the following manner: (A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than one-half of 1 percent thereof; and (B) to Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than one-fourth of 1 percent thereof: *Provided further*, That the Secretary shall apportion the remaining amount in the following manner: (A) one-third of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and (B) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States: *Provided further*, That the amounts apportioned under this paragraph shall be adjusted equitably so that no State shall be apportioned a sum which is less than 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount: *Provided further*, That the Federal share of planning grants shall not exceed 75 percent of the total costs of such projects and the Federal share of implementation grants shall not exceed 50 percent of the total costs of such projects: *Provided further*, That the non-Federal share of such projects may not be derived from Federal grant programs: *Provided further*, That no State, territory, or other jurisdiction shall receive a grant unless it has developed, or committed to develop by October 1, 2005, a comprehensive wildlife conservation plan, consistent with criteria established by the Secretary of the Interior, that considers the broad range of the State, territory, or other jurisdiction's wildlife and associated habitats, with appropriate priority placed on those species with the greatest conservation need and taking into consideration the relative level of funding available for the conservation of those species: *Provided further*, That any amount apportioned in 2004 to any State, territory, or other jurisdiction that remains unobligated as of September 30, 2005, shall be reapportioned, together with funds appropriated in 2006, in the manner provided herein: *Provided further*, That balances from amounts previously appropriated under the heading "State Wildlife Grants" shall be transferred to and merged with this appropriation and shall remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed

157 passenger motor vehicles, of which 142 are for replacement only (including 33 for police-type use); repair of damage to public roads within and adjacent to reservation areas caused by operations of the Service; options for the purchase of land at not to exceed \$1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Service and to which the United States has title, and which are used pursuant to law in connection with management, and investigation of fish and wildlife resources: *Provided*, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: *Provided further*, That the Service may accept donated aircraft as replacements for existing aircraft: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in the statement of the managers accompanying this Act.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, \$1,629,641,000, of which \$10,887,000 is for planning and interagency coordination in support of Everglades restoration and shall remain available until expended; of which \$96,480,000, to remain available until September 30, 2005, is for maintenance, repair or rehabilitation projects for constructed assets, operation of the National Park Service automated facility management software system, and comprehensive facility condition assessments; and of which \$2,000,000 is for the Youth Conservation Corps for high priority projects: *Provided*, That the only funds in this account which may be made available to support United States Park Police are those funds approved for emergency law and order incidents pursuant to established National Park Service procedures, those funds needed to maintain and repair United States Park Police administrative facilities, and those funds necessary to reimburse the United States Park Police account for the unbudgeted overtime and travel costs associated with special events for an amount not to exceed \$10,000 per event subject to the review and concurrence of the Washington headquarters office: *Provided further*, That notwithstanding sections 5(b)(7)(c) and 7(a)(2) of Public Law 105-58, the National Park Service may in fiscal year 2004 provide funding for uniformed personnel for

visitor protection and interpretation of the outdoor symbolic site at the Oklahoma City Memorial without reimbursement or a requirement to match these funds with non-Federal funds.

UNITED STATES PARK POLICE

For expenses necessary to carry out the programs of the United States Park Police, \$78,859,000.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, heritage partnership programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, \$62,544,000, of which \$1,600,000 shall be available until expended for the Oklahoma City National Memorial Trust, notwithstanding the provisions contained in sections 7(a)(1) and (2) of Public Law 105–58.

URBAN PARK AND RECREATION FUND

For expenses necessary to carry out the provisions of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.), \$305,000, to remain available until expended.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), and the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333), \$74,500,000, to be derived from the Historic Preservation Fund, to remain available until September 30, 2005: *Provided*, That, of the amount provided herein, \$500,000, to remain available until expended, is for a grant for the perpetual care and maintenance of National Trust Historic Sites, as authorized under 16 U.S.C. 470a(e)(2), to be made available in full upon signing of a grant agreement: *Provided further*, That, notwithstanding any other provision of law, these funds shall be available for investment with the proceeds to be used for the same purpose as set out herein: *Provided further*, That of the total amount provided, \$33,000,000 shall be for Save America's Treasures for priority preservation projects, of nationally significant sites, structures, and artifacts: *Provided further*, That any individual Save America's Treasures grant shall be matched by non-Federal funds: *Provided further*, That individual projects shall only be eligible for one grant, and all projects to be funded shall be approved by the House and Senate Committees on Appropriations and the Secretary of the Interior in consultation with the President's Committee on the Arts and Humanities prior to the commitment of grant funds: *Provided further*, That Save America's Treasures funds allocated for Federal projects, following approval, shall be available by transfer to appropriate accounts of individual agencies.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, including the modifications authorized by section

104 of the Everglades National Park Protection and Expansion Act of 1989, \$333,995,000, to remain available until expended, of which \$300,000 for the L.Q.C. Lamar House National Historic Landmark and \$375,000 for the Sun Watch National Historic Landmark shall be derived from the Historic Preservation Fund pursuant to 16 U.S.C. 470a: *Provided*, That none of the funds in this or any other Act may be used to pay the salaries and expenses of more than 160 Full Time Equivalent personnel working for the National Park Service's Denver Service Center funded under the construction program management and operations activity: *Provided further*, That none of the funds provided in this or any other Act may be used to pre-design, plan, or construct any new facility (including visitor centers, curatorial facilities, administrative buildings), for which appropriations have not been specifically provided if the net construction cost of such facility is in excess of \$5,000,000, without prior approval of the House and Senate Committees on Appropriations: *Provided further*, That the restriction in the previous proviso applies to all funds available to the National Park Service, including partnership and fee demonstration projects: *Provided further*, That none of the funds provided in this or any other Act may be used for planning, design, or construction of any underground security screening or visitor contact facility at the Washington Monument until such facility has been approved in writing by the House and Senate Committees on Appropriations: *Provided further*, That funds appropriated in this Act and in any prior Acts for the purpose of implementing the Modified Water Deliveries to Everglades National Park Project shall be available for expenditure unless the joint report of the Secretary of the Interior, the Secretary of the Army, the Administrator of the Environmental Protection Agency, and the Attorney General which shall be filed within 90 days of enactment of this Act and by September 30 each year thereafter until December 31, 2006, to the House and Senate Committees on Appropriations, the House Committee on Transportation and Infrastructure, the House Committee on Resources and the Senate Committee on Environment and Public Works, indicates that the water entering A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park does not meet applicable State water quality standards and numeric criteria adopted for phosphorus throughout A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park, as well as water quality requirements set forth in the Consent Decree entered in *United States v. South Florida Water Management District*, and that the House and Senate Committees on Appropriations respond in writing disapproving the further expenditure of funds: *Provided further*, That not to exceed \$800,000 of the funds provided for Dayton Aviation Heritage National Historical Park may be provided as grants to cooperating entities for projects to enhance public access to the park.

Deadlines.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 2004 by 16 U.S.C. 460l–10a is rescinded.

16 USC 460l–10a
note.

LAND ACQUISITION AND STATE ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

For expenses necessary to carry out the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with the statutory authority applicable to the National Park Service, \$142,350,000, to be derived from the Land and Water Conservation Fund and to remain available until expended, of which \$95,000,000 is for the State assistance program including \$2,500,000 to administer this program: *Provided*, That none of the funds provided for the State assistance program may be used to establish a contingency fund: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Interior, using prior year unobligated funds made available under any Act enacted before the date of enactment of this Act for land acquisition assistance to the State of Florida for the acquisition of lands or water, or interests therein, within the Everglades watershed, shall transfer \$5,000,000 to the United States Fish and Wildlife Service "Resource Management" account for the purpose of funding water quality monitoring and eradication of invasive exotic plants at A.R.M. Loxahatchee National Wildlife Refuge, as well as recovery actions for any listed species in the South Florida ecosystem, and may transfer such sums as may be determined necessary by the Secretary of the Interior to the United States Army Corps of Engineers "Construction, General" account for the purpose of modifying the construction of Storm Water Treatment Area 1 East to include additional water quality improvement measures, such as additional compartmentalization, improved flow control, vegetation management, and other additional technologies based upon the recommendations of the Secretary of the Interior and the South Florida Water Management District, to maximize the treatment effectiveness of Storm Water Treatment Area 1 East so that water delivered by Storm Water Treatment Area 1 East to A.R.M. Loxahatchee National Wildlife Refuge achieves State water quality standards, including the numeric criterion for phosphorus, and that the cost sharing provisions of section 528 of the Water Resources Development Act of 1996 (110 Stat. 3769) shall apply to any funds provided by the Secretary of the Interior to the United States Army Corps of Engineers for this purpose: *Provided further*, That, subsequent to the transfer of the \$5,000,000 to the United States Fish and Wildlife Service and the transfer of funds, if any, to the United States Army Corps of Engineers to carry out water quality improvement measures for Storm Water Treatment Area 1 East, if any funds remain to be expended after the requirements of these provisions have been met, then the Secretary of the Interior may transfer, as appropriate, and use the remaining funds for Everglades restoration activities benefiting the lands and resources managed by the Department of the Interior in South Florida, subject to the approval by the House and Senate Committees on Appropriations of a re-programming request by the Secretary detailing how the remaining funds will be expended for this purpose.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 249 passenger motor vehicles, of which 202 shall be for replacement only, including not to exceed 193 for police-type use, 10 buses, and 8 ambulances: *Provided*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project: *Provided further*, That the National Park Service may make a grant of not to exceed \$70,000 for the construction of a memorial in Cadillac, Michigan in honor of Kris Eggle.

None of the funds in this Act may be spent by the National Park Service for activities taken in direct response to the United Nations Biodiversity Convention.

The National Park Service may distribute to operating units based on the safety record of each unit the costs of programs designed to improve workplace and employee safety, and to encourage employees receiving workers' compensation benefits pursuant to chapter 81 of title 5, United States Code, to return to appropriate positions for which they are medically able.

Notwithstanding any other provision of law, in fiscal year 2004, with respect to the administration of the National Park Service park pass program by the National Park Foundation, the Secretary may obligate to the Foundation administrative funds expected to be received in that fiscal year before the revenues are collected, so long as total obligations in the administrative account do not exceed total revenue collected and deposited in that account by the end of the fiscal year.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, biology, and the mineral and water resources of the United States, its territories and possessions, and other areas as authorized by 43 U.S.C. 31, 1332, and 1340; classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; and to conduct inquiries into the economic conditions affecting mining and materials processing industries (30 U.S.C. 3, 21a, and 1603; 50 U.S.C. 98g(1)) and related purposes as authorized by law and to publish and disseminate data;

43 USC 50.

\$949,686,000, of which \$64,536,000 shall be available only for cooperation with States or municipalities for water resources investigations; and of which \$16,201,000 shall remain available until expended for conducting inquiries into the economic conditions affecting mining and materials processing industries; and of which \$8,000,000 shall remain available until expended for satellite operations; and of which \$24,390,000 shall be available until September 30, 2005, for the operation and maintenance of facilities and deferred maintenance; and of which \$176,099,000 shall be available until September 30, 2005, for the biological research activity and the operation of the Cooperative Research Units: *Provided*, That none of these funds provided for the biological research activity shall be used to conduct new surveys on private property, unless specifically authorized in writing by the property owner: *Provided further*, That no part of this appropriation shall be used to pay more than one-half the cost of topographic mapping or water resources data collection and investigations carried on in cooperation with States and municipalities.

ADMINISTRATIVE PROVISIONS

43 USC 36d.

The amount appropriated for the United States Geological Survey shall be available for the purchase of not to exceed 53 passenger motor vehicles, of which 48 are for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Survey duly appointed to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302 et seq.: *Provided further*, That notwithstanding the provisions of the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301–6308), the United States Geological Survey is authorized to continue existing, and hereafter, to enter into new cooperative agreements directed towards a particular cooperator, in support of joint research and data collection activities with Federal, State, and academic partners funded by appropriations herein, including those that provide for space in cooperator facilities.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only, \$165,316,000, of which \$80,396,000 shall be available for royalty management activities; and an amount

not to exceed \$100,230,000, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for Outer Continental Shelf administrative activities performed by the Minerals Management Service (MMS) over and above the rates in effect on September 30, 1993, and from additional fees for Outer Continental Shelf administrative activities established after September 30, 1993: *Provided*, That to the extent \$100,230,000 in additions to receipts are not realized from the sources of receipts stated above, the amount needed to reach \$100,230,000 shall be credited to this appropriation from receipts resulting from rental rates for Outer Continental Shelf leases in effect before August 5, 1993: *Provided further*, That \$3,000,000 for computer acquisitions shall remain available until September 30, 2005: *Provided further*, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721(b) and (d): *Provided further*, That not to exceed \$3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further*, That notwithstanding any other provision of law, \$15,000 under this heading shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of MMS concurred with the claimed refund due, to pay amounts owed to Indian allottees or tribes, or to correct prior unrecoverable erroneous payments: *Provided further*, That MMS may under the royalty-in-kind pilot program, or under its authority to transfer oil to the Strategic Petroleum Reserve, use a portion of the revenues from royalty-in-kind sales, without regard to fiscal year limitation, to pay for transportation to wholesale market centers or upstream pooling points, and to process or otherwise dispose of royalty production taken in kind, and to recover MMS transportation costs, salaries, and other administrative costs directly related to filling the Strategic Petroleum Reserve: *Provided further*, That MMS shall analyze and document the expected return in advance of any royalty-in-kind sales to assure to the maximum extent practicable that royalty income under the pilot program is equal to or greater than royalty income recognized under a comparable royalty-in-value program.

OIL SPILL RESEARCH

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, \$7,105,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; \$106,424,000: *Provided*, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year 2004 for civil penalties assessed under section 518

30 USC 1211
note.

of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, \$192,969,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$10,000,000, to be derived from the Federal Expenses Share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines, and for associated activities, through the Appalachian Clean Streams Initiative: *Provided*, That grants to minimum program States will be \$1,500,000 per State in fiscal year 2004: *Provided further*, That pursuant to Public Law 97–365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further*, That funds made available under title IV of Public Law 95–87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: *Provided further*, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under title IV of the Surface Mining Control and Reclamation Act of 1977, as amended (30 U.S.C. 1231 et seq.), if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For expenses necessary for the operation of Indian programs, as authorized by law, including the Snyder Act of November 2, 1921 (25 U.S.C. 13), the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.), as amended, the Education Amendments of 1978 (25 U.S.C. 2001–2019), and the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.),

as amended, \$1,916,317,000, to remain available until September 30, 2005 except as otherwise provided herein, of which not to exceed \$86,925,000 shall be for welfare assistance payments and notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, not to exceed \$135,315,000 shall be available for payments to tribes and tribal organizations for contract support costs associated with ongoing contracts, grants, compacts, or annual funding agreements entered into with the Bureau prior to or during fiscal year 2004, as authorized by such Act, except that tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, or compacts, or annual funding agreements and for unmet welfare assistance costs; and of which not to exceed \$458,524,000 for school operations costs of Bureau-funded schools and other education programs shall become available on July 1, 2004, and shall remain available until September 30, 2005; and of which not to exceed \$55,766,000 shall remain available until expended for housing improvement, road maintenance, attorney fees, litigation support, the Indian Self-Determination Fund, land records improvement, and the Navajo-Hopi Settlement Program: *Provided*, That notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, and 25 U.S.C. 2008, not to exceed \$49,182,000 within and only from such amounts made available for school operations shall be available to tribes and tribal organizations for administrative cost grants associated with ongoing grants entered into with the Bureau prior to or during fiscal year 2003 for the operation of Bureau-funded schools, and up to \$3,000,000 within and only from such amounts made available for school operations shall be available for the transitional costs of initial administrative cost grants to tribes and tribal organizations that enter into grants for the operation on or after July 1, 2004 of Bureau-operated schools: *Provided further*, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 2005, may be transferred during fiscal year 2006 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: *Provided further*, That any such unobligated balances not so transferred shall expire on September 30, 2006.

Expiration date.

CONSTRUCTION

For construction, repair, improvement, and maintenance of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands, and interests in lands; and preparation of lands for farming, and for construction of the Navajo Indian Irrigation Project pursuant to Public Law 87–483, \$351,154,000, to remain available until expended: *Provided*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided further*, That not to exceed 6 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau: *Provided further*, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a nonreimbursable basis: *Provided further*, That for

fiscal year 2004, in implementing new construction or facilities improvement and repair project grants in excess of \$100,000 that are provided to tribally controlled grant schools under Public Law 100-297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: *Provided further*, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: *Provided further*, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C. 2005(a), with respect to organizational and financial management capabilities: *Provided further*, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): *Provided further*, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2507(e).

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS
PAYMENTS TO INDIANS

(INCLUDING TRANSFER OF FUNDS)

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, \$60,551,000, to remain available until expended; of which \$31,766,000 shall be available for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 101-618, 107-331, and 102-575, and for implementation of other enacted water rights settlements; and of which \$18,817,000 shall be available pursuant to Public Laws 99-264, 100-580, 106-425, and 106-554; and of which \$9,968,000 shall be available for payment to the Quinault Indian Nation pursuant to the terms of the North Boundary Settlement Agreement dated July 14, 2000, providing for the acquisition of perpetual conservation easements from the Nation: *Provided*, That of the payment to the Quinault Indian Nation, \$4,968,000 shall be derived from amounts provided under the heading "United States Fish and Wildlife Service, Land Acquisition" in Public Law 108-7.

INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed and insured loans, \$5,797,000, as authorized by the Indian Financing Act of 1974, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$94,568,000.

In addition, for administrative expenses to carry out the guaranteed and insured loan programs, \$700,000.

ADMINISTRATIVE PROVISIONS

The Bureau of Indian Affairs may carry out the operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts and grants, either directly or in cooperation with States and other organizations.

Notwithstanding 25 U.S.C. 15, the Bureau of Indian Affairs may contract for services in support of the management, operation, and maintenance of the Power Division of the San Carlos Irrigation Project.

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 229 passenger motor vehicles, of which not to exceed 187 shall be for replacement only.

Notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs for central office operations or pooled overhead general administration (except facilities operations and maintenance) shall be available for tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act or the Tribal Self-Governance Act of 1994 (Public Law 103-413).

In the event any tribe returns appropriations made available by this Act to the Bureau of Indian Affairs for distribution to other tribes, this action shall not diminish the Federal Government's trust responsibility to that tribe, or the government-to-government relationship between the United States and that tribe, or that tribe's ability to access future appropriations.

Notwithstanding any other provision of law, no funds available to the Bureau, other than the amounts provided herein for assistance to public schools under 25 U.S.C. 452 et seq., shall be available to support the operation of any elementary or secondary school in the State of Alaska.

Appropriations made available in this or any other Act for schools funded by the Bureau shall be available only to the schools in the Bureau school system as of September 1, 1996. No funds available to the Bureau shall be used to support expanded grades for any school or dormitory beyond the grade structure in place or approved by the Secretary of the Interior at each school in the Bureau school system as of October 1, 1995. Funds made available under this Act may not be used to establish a charter school at a Bureau-funded school (as that term is defined in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026)), except that a charter school that is in existence on the date of the enactment of this Act and that has operated at a Bureau-funded school before September 1, 1999, may continue to operate during that period, but only if the charter school pays to the Bureau a pro rata share of funds to reimburse the Bureau for the use of the real and personal property (including buses and vans), the funds of the charter school are kept separate and apart from Bureau funds, and the Bureau does not assume any obligation for charter school programs of the State in which the school is located if the charter school loses such funding. Employees of Bureau-funded schools sharing a campus with a charter school and performing functions related to the charter school's operation and employees of a charter school shall not be treated as Federal

employees for purposes of chapter 171 of title 28, United States Code.

DEPARTMENTAL OFFICES

INSULAR AFFAIRS

ASSISTANCE TO TERRITORIES

48 USC 1469b.

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, \$76,343,000, of which: (1) \$70,022,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, coral reef initiative activities, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241; 90 Stat. 272); and (2) \$6,321,000 shall be available for salaries and expenses of the Office of Insular Affairs: *Provided*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or used by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 104–134: *Provided further*, That of the amounts provided for technical assistance, sufficient funds shall be made available for a grant to the Pacific Basin Development Council: *Provided further*, That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure with territorial participation and cost sharing to be determined by the Secretary based on the grantee's commitment to timely maintenance of its capital assets: *Provided further*, That any appropriation for disaster assistance under this heading in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).

COMPACT OF FREE ASSOCIATION

For grants and necessary expenses, \$6,434,000, as provided for in sections 221(a)(2), 221(b), and 233 of the Compact of Free Association for the Republic of Palau as authorized by Public Law 99–658; section 103(f)(2) of title I of H.J. Res. 63 or S.J. Res. 16, (as introduced July 8, 2003, and July 14, 2003, respectively); and section 221(a)(2) of the Compacts of Free Association and

their related agreements between the Government of the United States and the Government of the Republic of the Marshall Islands (signed April 30, 2003), and between the Government of the United States and the Federated States of Micronesia (signed May 14, 2003); to remain available until expended. Further, \$142,400,000 shall be available until expended, of which \$76,700,000 shall be provided for the Federated States of Micronesia and shall be used for grants and necessary expenses as provided for (and in accordance with and subject to the terms, conditions, procedures, and requirements set forth in) sections 211, 212, 213, 214, and 216 of the Compact of Free Association and its related agreements between the Government of the United States and the Government of the Federated States of Micronesia (signed May 14, 2003); \$50,700,000 shall be provided for the Republic of the Marshall Islands and shall be used for grants and necessary expenses as provided for (and in accordance with, and subject to the terms, conditions, procedures, and requirements set forth in) sections 211, 212, 213, 214, 215, and 217 of the Compact of Free Association and its related agreements between the Government of the United States and the Government of the Republic of the Marshall Islands (signed April 30, 2003); and \$15,000,000 shall be made available for the effect of U.S.-FSM Compact and U.S.-RMI Compact, in accordance with, and subject to the terms, conditions, procedures, and requirements set forth in section 104(e) of title I of H.J. Res. 63, or S.J. Res. 16 (as introduced July 8, 2003, and July 14, 2003, respectively). The funding made available in this paragraph shall not be used to fund the Trust Funds of the Compacts of Free Association, however measures necessary to set up the Trust Funds in accordance with the agreement between the Government of the United States and the Government of the Federated States of Micronesia (signed May 14, 2003) and the agreement between the Government of the United States and the Government of the Republic of the Marshall Islands (signed April 30, 2003) implementing section 215 and section 216, respectively, of the Compacts regarding a Trust Fund are authorized and may commence. If the aforementioned H.J. Res. 63, S.J. Res. 16, or similar legislation as identified in the President's fiscal year 2004 budget to approve the Compacts of Free Association (dated April 30, 2003, and May 14, 2003) and their related agreements is enacted, any funding made available under this paragraph shall be considered to have been made available and expended for and under that enacted legislation purposes of funding for fiscal year 2004.

Section 231 of Public Law 99–239 is amended by striking “If these negotiations” and all that follows through the final period and inserting the following: “The period for the enactment of legislation approving the agreements resulting from such negotiations shall extend through the earlier of the date of the enactment of such legislation or September 30, 2004, during which time the provisions of this Compact, including title three, shall remain in full force and effect.”.

48 USC 1901
note.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for management of the Department of the Interior, \$78,933,000, of which not to exceed \$8,500 may

Deadline.
Reports.

be for official reception and representation expenses, and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines: *Provided*, That of this amount, sufficient funds shall be available for the Secretary of the Interior, not later than 60 days after the last day of the fiscal year, to submit to Congress a report on the amount of acquisitions made by the Department of the Interior during such fiscal year of articles, materials, or supplies that were manufactured outside the United States. Such report shall separately indicate the dollar value of any articles, materials, or supplies purchased by the Department of the Interior that were manufactured outside the United States, an itemized list of all waivers under the Buy American Act (41 U.S.C. 10a et seq.) that were granted with respect to such articles, materials, or supplies, and a summary of total procurement funds spent on goods manufactured in the United States versus funds spent on goods manufactured outside of the United States. The Secretary of the Interior shall make the report publicly available by posting the report on an Internet website: *Provided further*, That none of the funds in this or previous appropriations Acts may be used to establish any additional reserves in the Working Capital Fund account other than the two authorized reserves without prior approval of the House and Senate Committees on Appropriations.

Of the unobligated balances in the Special Foreign Currency account, \$1,400,000 are hereby canceled.

WORKING CAPITAL FUND

For the acquisition of a departmental financial and business management system, \$11,700,000, to remain available until expended: *Provided*, That from unobligated balances under this heading, \$20,000,000 are hereby canceled.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901–6907), \$227,500,000, of which not to exceed \$400,000 shall be available for administrative expenses: *Provided*, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, \$50,374,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, \$38,749,000, of which \$3,812,000 shall be for procurement by contract of independent auditing services to audit the consolidated Department of the Interior annual financial statement and the

annual financial statement of the Department of the Interior bureaus and offices funded in this Act.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$189,641,000, to remain available until expended: *Provided*, That of the amounts available under this heading not to exceed \$45,000,000 shall be available for records collection and indexing, imaging and coding, accounting for per capita and judgment accounts, accounting for tribal accounts, reviewing and distributing funds from special deposit accounts, and program management of the Office of Historical Trust Accounting, including litigation support: *Provided further*, That nothing in the American Indian Trust Management Reform Act of 1994, Public Law 103-412, or in any other statute, and no principle of common law, shall be construed or applied to require the Department of the Interior to commence or continue historical accounting activities with respect to the Individual Indian Money Trust until the earlier of the following shall have occurred: (a) Congress shall have amended the American Indian Trust Management Reform Act of 1994 to delineate the specific historical accounting obligations of the Department of the Interior with respect to the Individual Indian Money Trust; or (b) December 31, 2004: *Provided further*, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Departmental Management, "Salaries and Expenses" account: *Provided further*, That funds made available to Tribes and Tribal organizations through contracts or grants obligated during fiscal year 2004, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: *Provided further*, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: *Provided further*, That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$1.00 or less: *Provided further*, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: *Provided further*, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: *Provided further*, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose.

25 USC 4011
note.

INDIAN LAND CONSOLIDATION

For consolidation of fractional interests in Indian lands and expenses associated with redetermining and redistributing escheated interests in allotted lands, and for necessary expenses to carry out the Indian Land Consolidation Act of 1983, as amended, by direct expenditure or cooperative agreement, \$21,980,000, to remain available until expended: *Provided*, That funds provided under this heading may be expended pursuant to the authorities contained in the provisos under the heading “Office of Special Trustee for American Indians, Indian Land Consolidation” of the Interior and Related Agencies Appropriations Act, 2001 (Public Law 106–291).

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment and restoration activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (Public Law 101–380) (33 U.S.C. 2701 et seq.), and Public Law 101–337, as amended (16 U.S.C. 19jj et seq.), \$5,633,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: *Provided further*, That no programs funded with appropriated funds in the “Departmental Management”, “Office of the Solicitor”, and “Office of Inspector General” may be augmented through the Working Capital Fund: *Provided further*, That the annual budget justification for Departmental Management shall describe estimated Working Capital Fund charges to bureaus and offices, including the methodology on which charges are based: *Provided further*, That departures from the Working Capital Fund estimates contained in the Departmental Management budget justification shall be presented to the Committees on Appropriations for approval: *Provided further*, That the Secretary shall provide a semi-annual report to the Committees on Appropriations on reimbursable support agreements between the Office of the Secretary and the National Business Center and the bureaus and offices of the Department, including the amounts billed pursuant to such agreements.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction,

replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be “emergency requirements” pursuant to section 502 of H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004, and must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of wildland fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for wildland fire operations shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for wildland fire operations, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That for wildland fire operations, no funds shall be made available under this authority until the Secretary determines that funds appropriated for “wildland fire operations” shall be exhausted within 30 days: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be “emergency requirements” pursuant to section 502 of H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004, and must be replenished by a supplemental appropriation which must be requested as promptly as possible: *Provided further*, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, United States Code: *Provided*, That reimbursements for costs and supplies, materials, equipment,

and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed \$500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Annual appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of 12 months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore preleasing, leasing and related activities placed under restriction in the President's moratorium statement of June 12, 1998, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior to conduct offshore oil and natural gas preleasing, leasing and related activities in the eastern Gulf of Mexico planning area for any lands located outside Sale 181, as identified in the final Outer Continental Shelf 5-Year Oil and Gas Leasing Program, 1997-2002.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior to conduct oil and natural gas preleasing, leasing and related activities in the Mid-Atlantic and South Atlantic planning areas.

SEC. 110. Notwithstanding any other provisions of law, the National Park Service shall not develop or implement a reduced entrance fee program to accommodate non-local travel through a unit. The Secretary may provide for and regulate local non-recreational passage through units of the National Park System, allowing each unit to develop guidelines and permits for such activity appropriate to that unit.

SEC. 111. Advance payments made under this title to Indian tribes, tribal organizations, and tribal consortia pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) or the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) may be invested by the Indian tribe, tribal organization, or consortium before such funds are expended for the purposes of the grant, compact, or annual funding agreement so long as such funds are—

(1) invested by the Indian tribe, tribal organization, or consortium only in obligations of the United States, or in obligations or securities that are guaranteed or insured by the United

States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations of the United States or securities that are guaranteed or insured by the United States; or

(2) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully collateralized to ensure protection of the funds, even in the event of a bank failure.

SEC. 112. Appropriations made in this Act under the headings Bureau of Indian Affairs and Office of Special Trustee for American Indians and any unobligated balances from prior appropriations Acts made under the same headings shall be available for expenditure or transfer for Indian trust management and reform activities, except that total funding for historical accounting activities shall not exceed amounts specifically designated in this Act for such purpose.

SEC. 113. Notwithstanding any other provision of law, for the purpose of reducing the backlog of Indian probate cases in the Department of the Interior, the hearing requirements of chapter 10 of title 25, United States Code, are deemed satisfied by a proceeding conducted by an Indian probate judge, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing the appointments in the competitive service, for such period of time as the Secretary determines necessary: *Provided*, That the basic pay of an Indian probate judge so appointed may be fixed by the Secretary without regard to the provisions of chapter 51, and subchapter III of chapter 53 of title 5, United States Code, governing the classification and pay of General Schedule employees, except that no such Indian probate judge may be paid at a level which exceeds the maximum rate payable for the highest grade of the General Schedule, including locality pay.

SEC. 114. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transferring funds to address identified, unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. No tribe shall receive a reduction in Tribal Priority Allocation funds of more than 10 percent in fiscal year 2004. Under circumstances of dual enrollment, overlapping service areas or inaccurate distribution methodologies, the 10 percent limitation does not apply.

SEC. 115. Funds appropriated for the Bureau of Indian Affairs for postsecondary schools for fiscal year 2004 shall be allocated among the schools proportionate to the unmet need of the schools as determined by the Postsecondary Funding Formula adopted by the Office of Indian Education Programs.

SEC. 116. (a) The Secretary of the Interior shall take such action as may be necessary to ensure that the lands comprising the Huron Cemetery in Kansas City, Kansas (as described in section 123 of Public Law 106–291) are used only in accordance with this section.

(b) The lands of the Huron Cemetery shall be used only: (1) for religious and cultural uses that are compatible with the use of the lands as a cemetery; and (2) as a burial ground.

SEC. 117. Notwithstanding any other provision of law, in conveying the Twin Cities Research Center under the authority provided by Public Law 104–134, as amended by Public Law 104–

208, the Secretary may accept and retain land and other forms of reimbursement: *Provided*, That the Secretary may retain and use any such reimbursement until expended and without further appropriation: (1) for the benefit of the National Wildlife Refuge System within the State of Minnesota; and (2) for all activities authorized by Public Law 100-696; 16 U.S.C. 460zz.

16 USC 460bb
note.

SEC. 118. Notwithstanding other provisions of law, the National Park Service hereafter may authorize, through cooperative agreement, the Golden Gate National Parks Association to provide fee-based education, interpretive and visitor service functions within the Crissy Field and Fort Point areas of the Presidio.

SEC. 119. Notwithstanding 31 U.S.C. 3302(b), sums received by the Bureau of Land Management for the sale of seeds or seedlings including those collected in fiscal year 2003, may be credited to the appropriation from which funds were expended to acquire or grow the seeds or seedlings and are available without fiscal year limitation.

SEC. 120. Subject to the terms and conditions of section 126 of the Department of the Interior and Related Agencies Act, 2002, the Administrator of General Services shall sell all right, title, and interest of the United States in and to the improvements and equipment of the White River Oil Shale Mine.

SEC. 121. The Secretary of the Interior may use or contract for the use of helicopters or motor vehicles on the Sheldon and Hart National Wildlife Refuges for the purpose of capturing and transporting horses and burros. The provisions of subsection (a) of the Act of September 8, 1959 (18 U.S.C. 47(a)) shall not be applicable to such use. Such use shall be in accordance with humane procedures prescribed by the Secretary.

SEC. 122. Of the funds made available under the heading "Bureau of Land Management, Land Acquisition" in title I of the Department of the Interior and Related Agencies Appropriation Act, 2002 (115 Stat. 420), the Secretary of the Interior shall grant \$500,000 to the City of St. George, Utah, for the purchase of the land as provided in the Virgin River Dinosaur Footprint Preserve Act (116 Stat. 2896), with any surplus funds available after the purchase to be available for the purpose of the preservation of the land and the paleontological resources on the land.

SEC. 123. Funds provided in this Act for Federal land acquisition by the National Park Service for Shenandoah Valley Battlefields National Historic District, New Jersey Pinelands Preserve, and Ice Age National Scenic Trail may be used for a grant to a State, a local government, or any other governmental land management entity for the acquisition of lands without regard to any restriction on the use of Federal land acquisition funds provided through the Land and Water Conservation Fund Act of 1965 as amended.

SEC. 124. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 125. None of the funds made available in this Act may be used: (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when such pedestrian use is consistent with generally accepted safety standards.

SEC. 126. None of the funds made available in this or any other Act for any fiscal year may be used to designate, or to post any sign designating, any portion of Canaveral National Seashore in Brevard County, Florida, as a clothing-optional area or as an area in which public nudity is permitted, if such designation would be contrary to county ordinance.

16 USC 459j–4
note.

SEC. 127. None of the funds in this or any other Act can be used to compensate the Special Master and the Special Master-Monitor, and all variations thereto, appointed by the United States District Court for the District of Columbia in the Cobell v. Norton litigation at an annual rate that exceeds 200 percent of the highest Senior Executive Service rate of pay for the Washington-Baltimore locality pay area.

SEC. 128. The Secretary of the Interior may use discretionary funds to pay private attorneys fees and costs for employees and former employees of the Department of the Interior reasonably incurred in connection with Cobell v. Norton to the extent that such fees and costs are not paid by the Department of Justice or by private insurance. In no case shall the Secretary make payments under this section that would result in payment of hourly fees in excess of the highest hourly rate approved by the District Court for the District of Columbia for counsel in Cobell v. Norton.

SEC. 129. The United States Fish and Wildlife Service shall, in carrying out its responsibilities to protect threatened and endangered species of salmon, implement a system of mass marking of salmonid stocks, intended for harvest, that are released from Federally operated or Federally financed hatcheries including but not limited to fish releases of coho, chinook, and steelhead species. Marked fish must have a visible mark that can be readily identified by commercial and recreational fishers.

SEC. 130. Such sums as may be necessary from “Departmental Management, Salaries and Expenses”, may be transferred to “United States Fish and Wildlife Service, Resource Management” for operational needs at the Midway Atoll National Wildlife Refuge airport.

SEC. 131. (a) IN GENERAL.—Nothing in section 134 of the Department of the Interior and Related Agencies Appropriations Act, 2002 (115 Stat. 443) affects the decision of the United States Court of Appeals for the 10th Circuit in *Sac and Fox Nation v. Norton*, 240 F.3d 1250 (2001).

(b) USE OF CERTAIN INDIAN LAND.—Nothing in this section permits the conduct of gaming under the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) on land described in section 123 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (114 Stat. 944), or land that is contiguous to that land, regardless of whether the land or contiguous land has been taken into trust by the Secretary of the Interior.

SEC. 132. No funds appropriated for the Department of the Interior by this Act or any other Act shall be used to study or implement any plan to drain Lake Powell or to reduce the water level of the lake below the range of water levels required for the operation of the Glen Canyon Dam.

SEC. 133. Notwithstanding the limitation in subparagraph (2)(B) of section 18(a) of the Indian Gaming Regulatory Act (25 U.S.C. 2717(a)), the total amount of all fees imposed by the National Indian Gaming Commission for fiscal year 2005 shall not exceed \$12,000,000.

SEC. 134. The State of Utah's contribution requirement pursuant to Public Law 105-363 shall be deemed to have been satisfied and within thirty days of enactment of this Act, the Secretary of the Interior shall transfer to the State of Utah all right, title, and interest of the United States in and to the Wilcox Ranch lands acquired under section 2(b) of Public Law 105-363, for management by the Utah Division of Wildlife Resources for wildlife habitat and public access to the Ranch as well as to adjacent lands managed by the Bureau of Land Management.

Congaree
National Park,
designation.
16 USC 410jjj
note.

SEC. 135. Upon enactment of this Act, the Congaree Swamp National Monument shall be designated the Congaree National Park.

25 USC 2501
note.

SEC. 136. (a) Section 122 of division F of Public Law 108-7 is amended as follows:

(1) Paragraph 122(a)(4) is amended to read—

“(4) TRIBALLY CONTROLLED SCHOOL.—The term ‘tribally controlled school’ means a school that currently receives a grant under the Tribally Controlled Schools Act of 1988, as amended (25 U.S.C. 2501 et seq.) or is determined by the Secretary to meet the eligibility criteria of section 5205 of the Tribally Controlled Schools Act of 1988, as amended (25 U.S.C. 2504).”.

(2) Paragraph 122(b)(1) is amended by striking the second sentence and inserting: “The Secretary shall ensure that applications for funding to replace schools currently receiving funding for facility operation and maintenance from the Bureau of Indian Affairs receive the highest priority for grants under this section. Among such applications, the Secretary shall give priority to applications of Indian tribes that agree to fund all future facility operation and maintenance costs of the tribally controlled school funded under the demonstration program from other than Federal funds.”.

(3) Subsection (c) is amended by inserting after “EFFECT OF GRANT.—” the following: “(1) Except as provided in paragraph (2) of this subsection,” and is further amended by adding the following new paragraph:

“(2) A tribe receiving a grant for construction of a tribally controlled school under this section shall not be eligible to receive funding from the Bureau of Indian Affairs for that school for education operations or facility operation and maintenance if the school that was not at the time of the grant: (i) a school receiving funding for education operations or facility operation and maintenance under the Tribally Controlled Schools Act or the Indian Self-Determination and Education Assistance Act or (ii) a school operated by the Bureau of Indian Affairs.”.

(b) Notwithstanding the provisions of paragraph (b)(1) of section 122 of division F of Public Law 108-7, as amended by this Act, the Saginaw-Chippewa tribal school and the Redwater Elementary School shall receive priority for funding available in fiscal year 2004. The Saginaw-Chippewa tribal school shall receive \$3,000,000 from prior year funds, and the Redwater Elementary School shall receive \$6,000,000 available in fiscal year 2004.

Deadline.

SEC. 137. The Secretary shall have no more than 180 days from October 1, 2003, to prepare and submit to the Congress, in a manner otherwise consistent with the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.), plans

for the use and distribution of the Mescalero Apache Tribe's Judgment Funds from Docket 92-403L, the Pueblo of Isleta's Judgment Funds from Docket 98-166L, and the Assiniboine and Sioux Tribes of the Fort Peck Reservation's Judgment Funds in Docket No. 773-87-L of the United States Court of Federal Claims; each plan shall become effective upon the expiration of a 60-day period beginning on the day each plan is submitted to the Congress.

Effective dates.

SEC. 138. (a) SHORT TITLE.—This section may be cited as the “Eastern Band of Cherokee Indians Land Exchange Act of 2003”.

Eastern Band of
Cherokee Indians
Land Exchange
Act of 2003.
16 USC 460a-5
note.

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—Congress finds the following:

(A) Since time immemorial, the ancestors of the Eastern Band of Cherokee Indians have lived in the Great Smoky Mountains of North Carolina. The Eastern Band's ancestral homeland includes substantial parts of seven eastern States and the land that now constitutes the Great Smoky Mountains National Park.

(B) The Eastern Band has proposed a land exchange with the National Park Service and has spent over \$1,500,000 for studies to thoroughly inventory the environmental and cultural resources of the proposed land exchange parcels.

(C) Such land exchange would benefit the American public by enabling the National Park Service to acquire the Yellow Face tract, comprising 218 acres of land adjacent to the Blue Ridge Parkway.

(D) Acquisition of the Yellow Face tract for protection by the National Park Service would serve the public interest by preserving important views for Blue Ridge Parkway visitors, preserving habitat for endangered species and threatened species including the northern flying squirrel and the rock gnome lichen, preserving valuable high altitude wetland seeps, and preserving the property from rapidly advancing residential development.

(E) The proposed land exchange would also benefit the Eastern Band by allowing it to acquire the Ravensford tract, comprising 143 acres adjacent to the Tribe's trust territory in Cherokee, North Carolina, and currently within the Great Smoky Mountains National Park and Blue Ridge Parkway. The Ravensford tract is part of the Tribe's ancestral homeland as evidenced by archaeological finds dating back no less than 6,000 years.

(F) The Eastern Band has a critical need to replace the current Cherokee Elementary School, which was built by the Department of the Interior over 40 years ago with a capacity of 480 students. The school now hosts 794 students in dilapidated buildings and mobile classrooms at a dangerous highway intersection in downtown Cherokee, North Carolina.

(G) The Eastern Band ultimately intends to build a new three-school campus to serve as an environmental, cultural, and educational “village,” where Cherokee language and culture can be taught alongside the standard curriculum.

(H) The land exchange and construction of this educational village will benefit the American public by preserving Cherokee traditions and fostering a vibrant, modern, and well-educated Indian nation.

(I) The land exchange will also reunify tribal reservation lands now separated between the Big Cove Community and the balance of the Qualla Boundary, reestablishing the territorial integrity of the Eastern Band.

(J) The Ravensford tract contains no threatened species or endangered species listed pursuant to the Endangered Species Act of 1973. The 218-acre Yellow Face tract has a number of listed threatened species and endangered species and a higher appraised value than the 143-acre Ravensford tract.

(K) The American public will benefit from the Eastern Band's commitment to mitigate any impacts on natural and cultural resources on the Ravensford tract, by among other things reducing the requested acreage from 168 to 143 acres.

(L) The Congress and the Department of the Interior have approved land exchanges in the past when the benefits to the public and requesting party are clear, as they are in this case.

(2) PURPOSES.—The purposes of this section are the following:

(A) To acquire the Yellow Face tract for protection by the National Park Service, in order to preserve the Waterrock Knob area's spectacular views, endangered species and high altitude wetland seeps from encroachment by housing development, for the benefit and enjoyment of the American public.

(B) To transfer the Ravensford tract, to be held in trust by the United States for the benefit of the Eastern Band of Cherokee Indians, in order to provide for an education facility that promotes the cultural integrity of the Eastern Band and to reunify two Cherokee communities that were historically contiguous, while mitigating any impacts on natural and cultural resources on the tract.

(C) To promote cooperative activities and partnerships between the Eastern band and the National Park Service within the Eastern Band's ancestral homelands.

(c) LAND EXCHANGE.—

(1) IN GENERAL.—The Secretary of the Interior ("Secretary") shall exchange the Ravensford tract, currently in the Great Smoky Mountains National Park and the Blue Ridge Parkway, for the Yellow Face tract adjacent to the Waterrock Knob Visitor Center on the Blue Ridge Parkway.

(2) TREATMENT OF EXCHANGED LANDS.—Effective upon receipt by the Secretary of a deed or deeds satisfactory to the Secretary for the lands comprising the Yellow Face tract (as described in subsection (3)) to the United States, all right, title, and interest of the United States in and to the Ravensford tract (as described in subsection (4)), including all improvements and appurtenances, are declared to be held in trust by the United States for the benefit of the Eastern Band of Cherokee Indians as part of the Cherokee Indian Reservation.

(3) **YELLOW FACE TRACT.**—The Yellow Face tract shall contain Parcels 88 and 89 of the Hornbuckle Tract, Yellow Face Section, Qualla Township, Jackson County, North Carolina, which consist altogether of approximately 218 acres and are depicted as the “Yellow Face Tract” on the map entitled “Land Exchange Between the National Park Service and the Eastern Band of Cherokee Indians,” numbered 133/80020A, and dated November 2002. The map shall be on file and available for public inspection in the appropriate offices of the National Park Service and the Bureau of Indian Affairs. Upon completion of the land exchange, the Secretary shall adjust the boundary of the Blue Ridge Parkway to include such lands and shall manage the lands as part of the parkway.

(4) **RAVENSFORD TRACT.**—The lands declared by subsection (2) to be held in trust for the Eastern Band of Cherokee Indians shall consist of approximately 143 acres depicted as the “Ravensford Tract” on the map identified in subsection (3). Upon completion of the land exchange, the Secretary shall adjust the boundaries of Great Smoky Mountains National Park and the Blue Ridge Parkway to exclude such lands.

(5) **LEGAL DESCRIPTIONS.**—Not later than 1 year after the date of enactment of this section, the Secretary of the Interior shall file a legal description of the areas described in subsections (3) and (4) with the Committee on Resources of the House of Representatives and the Committee on Indian Affairs and the Committee on Energy and Natural Resources of the Senate. Such legal descriptions shall have the same force and effect as if the information contained in the description were included in those subsections except that the Secretary may correct clerical and typographical errors in such legal descriptions. The legal descriptions shall be on file and available for public inspection in the offices of the National Park Service and the Bureau of Indian Affairs.

Deadline.

(d) **IMPLEMENTATION PROCESS.**—

(1) **GOVERNMENT-TO-GOVERNMENT AGREEMENTS.**—In order to fulfill the purposes of this section and to establish cooperative partnerships for purposes of this section the Director of the National Park Service and the Eastern Band of Cherokee Indians shall enter into government-to-government consultations and shall develop protocols to review planned construction on the Ravensford tract. The Director of the National Park Service is authorized to enter into cooperative agreements with the Eastern Band for the purpose of providing training, management, protection, preservation, and interpretation of the natural and cultural resources on the Ravensford tract.

(2) **CONSTRUCTION STANDARDS.**—Recognizing the mutual interests and responsibilities of the Eastern Band of Cherokee Indians and the National Park Service for the conservation and protection of the resources on the Ravensford tract, the National Park Service and the Eastern Band shall develop mutually agreed upon standards for size, impact, and design of construction consistent with the purposes of this section on the Ravensford tract. The standards shall be consistent with the Eastern Band’s need to develop educational facilities and support infrastructure adequate for current and future generations and shall otherwise minimize or mitigate any adverse impacts on natural or cultural resources. The standards

shall be based on recognized best practices for environmental sustainability and shall be reviewed periodically and revised as necessary. Development of the tract shall be limited to a road and utility corridor, an educational campus, and the infrastructure necessary to support such development. No new structures shall be constructed on the part of the Ravensford tract depicted as the “No New Construction” area on the map referred to in subsection (c)(3), which is generally the area north of the point where Big Cove Road crosses the Raven Fork River. All development on the Ravensford tract shall be conducted in a manner consistent with this section and such development standards.

(e) GAMING PROHIBITION.—Gaming as defined and regulated by the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) shall be prohibited on the Ravensford tract.

SEC. 139. Notwithstanding any implementation of the Department of the Interior’s trust reorganization plan within fiscal years 2003 or 2004, funds appropriated for fiscal year 2004 shall be available to the tribes within the California Tribal Trust Reform Consortium and to the Salt River Pima Maricopa Indian Community, the Confederated Salish-Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Tribe of the Rocky Boys Reservation on the same basis as funds were distributed in fiscal year 2003. This Demonstration Project shall operate separate and apart from the Department of the Interior’s trust reform reorganization, and the Department shall not impose its trust management infrastructure upon or alter the existing trust resource management systems of the above referenced tribes having a self-governance compact and operating in accordance with the Tribal Self-Governance Program set forth in 25 U.S.C. Sections 458aa–458hh: *Provided*, That the California Trust Reform Consortium and any other participating tribe agree to carry out their responsibilities under the same fiduciary standards as those to which the Secretary of the Interior is held: *Provided further*, That they demonstrate to the satisfaction of the Secretary that they have the capability to do so.

SEC. 140. (a) SHORT TITLE.—This section may be cited as the “Blue Ridge National Heritage Area Act of 2003”.

(b) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that:

(A) The Blue Ridge Mountains and the extensive cultural and natural resources of the Blue Ridge Mountains have played a significant role in the history of the United States and the State of North Carolina.

(B) Archaeological evidence indicates that the Blue Ridge Mountains have been inhabited by humans since the last retreat of the glaciers, with the Native Americans living in the area at the time of European discovery being primarily of Cherokee descent.

(C) The Blue Ridge Mountains of western North Carolina, including the Great Smoky Mountains, played a unique and significant role in the establishment and development of the culture of the United States through several distinct legacies, including—

(i) the craft heritage that—

(I) was first influenced by the Cherokee Indians;

(II) was the origin of the traditional craft movement starting in 1900 and the contemporary craft movement starting in the 1940's; and

(III) is carried out by over 4,000 craftspeople in the Blue Ridge Mountains of western North Carolina, the third largest concentration of such people in the United States;

(ii) a musical heritage comprised of distinctive instrumental and vocal traditions that—

(I) includes stringband music, bluegrass, ballad singing, blues, and sacred music;

(II) has received national recognition; and

(III) has made the region one of the richest repositories of traditional music and folklife in the United States;

(iii) the Cherokee heritage—

(I) dating back thousands of years; and

(II) offering—

(aa) nationally significant cultural traditions practiced by the Eastern Band of Cherokee Indians;

(bb) authentic tradition bearers;

(cc) historic sites; and

(dd) historically important collections of Cherokee artifacts; and

(iv) the agricultural heritage established by the Cherokee Indians, including medicinal and ceremonial food crops, combined with the historic European patterns of raising livestock, culminating in the largest number of specialty crop farms in North Carolina.

(D) The artifacts and structures associated with those legacies are unusually well-preserved.

(E) The Blue Ridge Mountains are recognized as having one of the richest collections of historical resources in North America.

(F) The history and cultural heritage of the Blue Ridge Mountains are shared with the States of Virginia, Tennessee, and Georgia.

(G) there are significant cultural, economic, and educational benefits in celebrating and promoting this mutual heritage.

(H) according to the 2002 reports entitled "The Blue Ridge Heritage and Cultural Partnership" and "Western North Carolina National Heritage Area Feasibility Study and Plan", the Blue Ridge Mountains contain numerous resources that are of outstanding importance to the history of the United States.

(I) it is in the interest of the United States to preserve and interpret the cultural and historical resources of the Blue Ridge Mountains for the education and benefit of present and future generations.

(2) PURPOSE.—The purpose of this section is to foster a close working relationship with, and to assist, all levels of government, the private sector, and local communities in the State in managing, preserving, protecting, and interpreting the cultural, historical, and natural resources of the Heritage Area while continuing to develop economic opportunities.

(c) DEFINITIONS.—

(1) In this section:

(A) HERITAGE AREA.—The term “Heritage Area” means the Blue Ridge National Heritage Area established by subsection (d).

(B) MANAGEMENT ENTITY.—The term “management entity” means the management entity for the Heritage Area designated by subsection (d)(3).

(C) MANAGEMENT PLAN.—The term “management plan” means the management plan for the Heritage Area approved under subsection (e).

(D) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(E) STATE.—The term “State” means the State of North Carolina.

(d) BLUE RIDGE NATIONAL HERITAGE AREA.—

(1) ESTABLISHMENT.—There is established the Blue Ridge National Heritage Area in the State.

(2) BOUNDARIES.—The Heritage Area shall consist of the counties of Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey in the State.

(3) MANAGEMENT ENTITY.—

(A) IN GENERAL.—As a condition of the receipt of funds made available under subsection (i), the Blue Ridge National Heritage Area Partnership shall be the management entity for the Heritage Area.

(B) BOARD OF DIRECTORS.—

(i) COMPOSITION.—The management entity shall be governed by a board of directors composed of nine members, of whom—

(I) two members shall be appointed by AdvantageWest;

(II) two members shall be appointed by Hand-Made In America, Inc.;

(III) one member shall be appointed by the Education Research Consortium of Western North Carolina;

(IV) one member shall be appointed by the Eastern Band of the Cherokee Indians; and

(V) three members shall be appointed by the Governor of North Carolina and shall—

(aa) reside in geographically diverse regions of the Heritage Area;

(bb) be a representative of State or local governments or the private sector; and

(cc) have knowledge of tourism, economic and community development, regional planning, historic preservation, cultural or natural resources development, regional planning, conservation, recreational services, education, or museum services.

(e) MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this section, the management entity shall

Deadline.

submit to the Secretary for approval a management plan for the Heritage Area.

(2) CONSIDERATION OF OTHER PLANS AND ACTIONS.—In developing the management plan, the management entity shall—

(A) for the purpose of presenting a unified preservation and interpretation plan, take into consideration Federal, State, and local plans; and

(B) provide for the participation of residents, public agencies, and private organizations in the Heritage Area.

(3) CONTENTS.—The management plan shall—

(A) present comprehensive recommendations and strategies for the conservation, funding, management, and development of the Heritage Area;

(B) identify existing and potential sources of Federal and non-Federal funding for the conservation, management, and development of the Heritage Area; and

(C) include—

(i) an inventory of the cultural, historical, natural, and recreational resources of the Heritage Area, including a list of property that—

(I) relates to the purposes of the Heritage Area; and

(II) should be conserved, restored, managed, developed, or maintained because of the significance of the property;

(ii) a program of strategies and actions for the implementation of the management plan that identifies the roles of agencies and organizations that are involved in the implementation of the management plan;

(iii) an interpretive and educational plan for the Heritage Area;

(iv) a recommendation of policies for resource management and protection that develop intergovernmental cooperative agreements to manage and protect the cultural, historical, natural, and recreational resources of the Heritage Area; and

(v) an analysis of ways in which Federal, State, and local programs may best be coordinated to promote the purposes of this section.

(4) EFFECT OF FAILURE TO SUBMIT.—If a management plan is not submitted to the Secretary by the date described in paragraph (1), the Secretary shall not provide any additional funding under this section until a management plan is submitted to the Secretary.

(5) APPROVAL OR DISAPPROVAL OF MANAGEMENT PLAN.—

(A) IN GENERAL.—Not later than 90 days after receiving the management plan submitted under paragraph (1), the Secretary shall approve or disapprove the management plan.

Deadline.

(B) CRITERIA.—In determining whether to approve the management plan, the Secretary shall consider whether the management plan—

(i) has strong local support from landowners, business interests, nonprofit organizations, and governments in the Heritage Area; and

(ii) has a high potential for effective partnership mechanisms.

(C) ACTION FOLLOWING DISAPPROVAL.—If the Secretary disapproves a management plan under subparagraph (A), the Secretary shall—

(i) advise the management entity in writing of the reasons for the disapproval;

(ii) make recommendations for revisions to the management plan; and

(iii) allow the management entity to submit to the Secretary revisions to the management plan.

(D) DEADLINE FOR APPROVAL OF REVISION.—Not later than 60 days after the date on which a revision is submitted under subparagraph (C)(iii), the Secretary shall approve or disapprove the proposed revision.

(6) AMENDMENT OF APPROVED MANAGEMENT PLAN.—

(A) IN GENERAL.—After approval by the Secretary of a management plan, the management entity shall periodically—

(i) review the management plan; and

(ii) submit to the Secretary, for review and approval, the recommendation of the management entity for any amendments to the management plan.

(B) USE OF FUNDS.—No funds made available under subsection (i) shall be used to implement any amendment proposed by the management entity under subparagraph (A) until the Secretary approves the amendment.

(f) AUTHORITIES AND DUTIES OF THE MANAGEMENT ENTITY.—

(1) AUTHORITIES.—For the purposes of developing and implementing the management plan, the management entity may use funds made available under subsection (i) to—

(A) make grants to, and enter into cooperative agreements with, the State (including a political subdivision), nonprofit organizations, or persons;

(B) hire and compensate staff; and

(C) enter into contracts for goods and services.

(2) DUTIES.—In addition to developing the management plan, the management entity shall—

(A) develop and implement the management plan while considering the interests of diverse units of government, businesses, private property owners, and nonprofit groups in the Heritage Area;

(B) conduct public meetings in the Heritage Area at least semiannually on the development and implementation of the management plan;

(C) give priority to the implementation of actions, goals, and strategies in the management plan, including providing assistance to units of government, nonprofit organizations, and persons in—

(i) carrying out the programs that protect resources in the Heritage Area;

(ii) encouraging economic viability in the Heritage Area in accordance with the goals of the management plan;

(iii) establishing and maintaining interpretive exhibits in the Heritage Area;

(iv) developing recreational and educational opportunities in the Heritage Area; and

(v) increasing public awareness of and appreciation for the cultural, historical, and natural resources of the Heritage Area; and

(D) for any fiscal year for which Federal funds are received under subsection (i)—

(i) submit to the Secretary a report that describes, for the fiscal year—

(I) the accomplishments of the management entity;

(II) the expenses and income of the management entity; and

(III) each entity to which a grant was made;

(ii) make available for audit by Congress, the Secretary, and appropriate units of government, all records relating to the expenditure of funds and any matching funds; and

(iii) require, for all agreements authorizing expenditure of Federal funds by any entity, that the receiving entity make available for audit all records relating to the expenditure of funds.

(3) PROHIBITION ON THE ACQUISITION OF REAL PROPERTY.—The management entity shall not use Federal funds received under subsection (i) to acquire real property or an interest in real property.

(g) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide to the management entity technical assistance and, subject to the availability of appropriations, financial assistance, for use in developing and implementing the management plan.

(2) PRIORITY FOR ASSISTANCE.—In providing assistance under subsection (a), the Secretary shall give priority to actions that facilitate—

(A) the preservation of the significant cultural, historical, natural, and recreational resources of the Heritage Area; and

(B) the provision of educational, interpretive, and recreational opportunities that are consistent with the resources of the Heritage Area.

(h) LAND USE REGULATION.—

(1) IN GENERAL.—Nothing in this section—

(A) grants any power of zoning or land use to the management entity; or

(B) modifies, enlarges, or diminishes any authority of the Federal Government or any State or local government to regulate any use of land under any law (including regulations).

(2) PRIVATE PROPERTY.—Nothing in this section—

(A) abridges the rights of any person with respect to private property;

(B) affects the authority of the State or local government with respect to private property; or

(C) imposes any additional burden on any property owner.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$10,000,000, of which not more than \$1,000,000 shall be made available for any fiscal year.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of any activities carried out using Federal funds made available under subsection (a) shall be not less than 50 percent.

(j) TERMINATION OF AUTHORITY.—The authority of the Secretary to provide assistance under this section terminates on the date that is 15 years after the date of enactment of this section.

SEC. 141. (a) PAYMENT TO THE HARRIET TUBMAN HOME, AUBURN, NEW YORK, AUTHORIZED.—(1) The Secretary of the Interior may, using amounts appropriated or otherwise made available by this title, make a payment to the Harriet Tubman Home in Auburn, New York, in the amount of \$11,750.

(2) The amount specified in paragraph (1) is the amount of widow's pension that Harriet Tubman should have received from January 1899 to March 1913 under various laws authorizing pension for the death of her husband, Nelson Davis, a deceased veteran of the Civil War, but did not receive, adjusted for inflation since March 1913.

(b) USE OF AMOUNTS.—The Harriet Tubman Home shall use amounts paid under subsection (a) for the purposes of—

- (1) preserving and maintaining the Harriet Tubman Home; and
- (2) honoring the memory of Harriet Tubman.

SEC. 142. Nonrenewable grazing permits authorized in the Jarbidge Field Office, Bureau of Land Management within the past seven years shall be renewed under section 402 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1752) and under section 3 of the Taylor Grazing Act of 1934, as amended (43 U.S.C. 315b). The terms and conditions contained in the most recently expired nonrenewable grazing permit shall continue in effect under the renewed permit. Upon completion of any required analysis or documentation, the permit may be canceled, suspended or modified, in whole or in part, to meet the requirements of applicable laws and regulations. Nothing in this section shall be deemed to extend the nonrenewable permits beyond the standard 1-year term.

SEC. 143. INTERIM COMPENSATION PAYMENTS. Section 2303(b) of Public Law 106-246 (114 Stat. 549) is amended by inserting before the period at the end the following: “, unless the amount of the interim compensation exceeds the amount of the final compensation”.

SEC. 144. Pursuant to section 10101f(d)(3) of the Omnibus Budget Reconciliation Act of 1993 (30 U.S.C. 28f(d)(3)), the following claims shall be given notice of defect and the opportunity to cure: AKFF054162–AKFF054163, AKFF054165–AKFF054166, and AKFF054170–AKFF054171.

SEC. 145. None of the funds appropriated or otherwise made available by this or any other Act, hereafter enacted, may be used to permit the use of the National Mall for a special event, unless the permit expressly prohibits the erection, placement, or use of structures and signs bearing commercial advertising. The Secretary may allow for recognition of sponsors of special events: *Provided*, That the size and form of the recognition shall be consistent with the special nature and sanctity of the Mall and any lettering or design identifying the sponsor shall be no larger than one-third

the size of the lettering or design identifying the special event. In approving special events, the Secretary shall ensure, to the maximum extent practicable, that public use of, and access to the Mall is not restricted. For purposes of this section, the term “special event” shall have the meaning given to it by section 7.96(g)(1)(ii) of title 36, Code of Federal Regulations.

SEC. 146. In addition to amounts provided to the Department of the Interior in this Act, \$5,000,000 is provided for a grant to Kendall County, Illinois.

SEC. 147. CONVEYANCE TO THE CITY OF LAS VEGAS, NEVADA. Section 705(b) of the Clark County Conservation of Public Land and Natural Resources Act of 2002 (116 Stat. 2015) is amended by inserting after “map” the following: “and the approximately 10 acres of land in Clark County, Nevada, described as the NW¼ SE¼ SW¼ of section 28, T. 20 S., R. 60 E., Mount Diablo Base and Meridian”.

SEC. 148. CONGAREE SWAMP NATIONAL MONUMENT BOUNDARY REVISION. The first section of Public Law 94–545 (90 Stat. 2517; 102 Stat. 2607) is amended—

16 USC 431 note.

- (1) in subsection (b), by striking the last sentence; and
- (2) by adding at the end the following:

“(c) ACQUISITION OF ADDITIONAL LAND.—

“(1) IN GENERAL.—The Secretary may acquire by donation, by purchase from a willing seller with donated or appropriated funds, by transfer, or by exchange, land or an interest in land described in paragraph (2) for inclusion in the monument.

“(2) DESCRIPTION OF LAND.—The land referred to in paragraph (1) is the approximately 4,576 acres of land adjacent to the Monument, as depicted on the map entitled “Congaree National Park Boundary Map”, numbered 178/80015, and dated August 2003.

“(3) AVAILABILITY OF MAP.—The map referred to in paragraph (2) shall be on file and available for public inspection in the appropriate offices of the National Park Service.

“(4) BOUNDARY REVISION.—On acquisition of the land or an interest in land under paragraph (1), the Secretary shall revise the boundary of the monument to reflect the acquisition.

“(5) ADMINISTRATION.—Any land acquired by the Secretary under paragraph (1) shall be administered by the Secretary as part of the monument.

“(6) EFFECT.—Nothing in this section—

“(A) affects the use of private land adjacent to the monument;

“(B) preempts the authority of the State with respect to the regulation of hunting, fishing, boating, and wildlife management on private land or water outside the boundaries of the monument; or

“(C) negatively affects the economic development of the areas surrounding the monument.

“(d) ACREAGE LIMITATION.—The total acreage of the monument shall not exceed 26,776 acres.”.

SEC. 149. Section 104 (16 U.S.C. 1374) is amended in subsection (c)(5)(D) by striking “the date of the enactment of the Marine Mammal Protection Act Amendments of 1994” and inserting “February 18, 1997”.

SEC. 150. The National Park Service shall issue a special regulation concerning continued hunting at New River Gorge National

Regulations.
16 USC 460m–20
note.

River in compliance with the requirements of the Administrative Procedures Act, with opportunity for public comment, and shall also comply with the National Environmental Policy Act as appropriate. Notwithstanding any other provision of law, the September 25, 2003 interim final rule authorizing continued hunting at New River Gorge National River shall be in effect until the final special regulation supercedes it.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, \$269,710,000, to remain available until expended: *Provided*, That of the funds provided, \$52,359,000 is for the forest inventory and analysis program.

STATE AND PRIVATE FORESTRY

Notification.

Grants.

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants and for restoring and rehabilitating forests damaged by pests or invasive plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, \$308,140,000, to remain available until expended, as authorized by law of which \$64,934,000 is to be derived from the Land and Water Conservation Fund: *Provided*, That none of the funds provided under this heading for the acquisition of lands or interests in lands shall be available until the Forest Service notifies the House Committee on Appropriations and the Senate Committee on Appropriations, in writing, of specific contractual and grant details including the non-Federal cost share of each project, related to the acquisition of lands or interests in lands to be undertaken with such funds: *Provided further*, That each forest legacy grant shall be for a specific project or set of specific tasks: *Provided further*, That grants for acquisition of lands or conservation easements shall require that the State demonstrates that 25 percent of the total value of the project is comprised of a non-Federal cost share: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, \$500,000 shall be made available to Kake Tribal Corporation as an advance direct lump sum payment to implement the Kake Tribal Corporation Land Transfer Act (Public Law 106–283).

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, \$1,382,916,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land

and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): *Provided*, That unobligated balances available at the start of fiscal year 2004 shall be displayed by budget line item in the fiscal year 2005 budget justification: *Provided further*, That the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management, for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands, and for the performance of cadastral surveys to designate the boundaries of such lands: *Provided further*, That of the funds provided under this heading for Forest Products, \$5,000,000 shall be allocated to the Alaska Region, in addition to its normal allocation for the purposes of preparing additional timber for sale, to establish a 3-year timber supply and such funds may be transferred to other appropriations accounts as necessary to maximize accomplishment: *Provided further*, That of the funds provided under this heading, \$3,150,000 is for expenses required to implement title I of Public Law 106-248, to be segregated in a separate fund established by the Secretary of Agriculture: *Provided further*, That within funds available for the purpose of implementing the Valles Caldera Preservation Act, notwithstanding the limitations of section 107(e)(2) of the Valles Caldera Preservation Act (Public Law 106-248), for fiscal year 2004, the Chair of the Board of Trustees of the Valles Caldera Trust may receive, upon request, compensation for each day (including travel time) that the Chair is engaged in the performance of the functions of the Board, except that compensation shall not exceed the daily equivalent of the annual rate in effect for members of the Senior Executive Service at the ES-1 level, and shall be in addition to any reimbursement for travel, subsistence and other necessary expenses incurred by the Chair in the performance of the Chair's duties.

For an additional amount to reimburse the Judgment Fund as required by 41 U.S.C. 612(c) for judgment liabilities previously incurred, \$188,405,000.

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, \$1,643,212,000, to remain available until expended: *Provided*, That such funds including unobligated balances under this head, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: *Provided further*, That such funds shall be available to reimburse State and other cooperating entities for services provided in response to wildfire and other emergencies or disasters to the extent such reimbursements by the Forest Service for non-fire emergencies are fully repaid by the responsible emergency management agency: *Provided further*, That not less than 50 percent of any unobligated balances remaining (exclusive of amounts for hazardous fuels reduction) at the end of fiscal year 2003 shall be transferred, as repayment for past advances that have not been repaid, to the fund established pursuant to section 3 of Public Law 71-

319 (16 U.S.C. 576 et seq.): *Provided further*, That notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: *Provided further*, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research: *Provided further*, That funds provided shall be available for emergency rehabilitation and restoration, hazardous fuels reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: *Provided further*, That of the funds provided, \$236,392,000 is for hazardous fuels reduction activities, \$7,000,000 is for rehabilitation and restoration, \$22,300,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.), \$51,700,000 is for State fire assistance, \$8,240,000 is for volunteer fire assistance, \$25,000,000 is for forest health activities on State, private, and Federal lands: *Provided further*, That amounts in this paragraph may be transferred to the “State and Private Forestry”, “National Forest System”, and “Forest and Rangeland Research” accounts to fund State fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: *Provided further*, That transfers of any amounts in excess of those authorized in this paragraph, shall require approval of the House and Senate Committees on Appropriations in compliance with reprogramming procedures contained in the statement of managers accompanying this Act: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriations, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: *Provided further*, That included in funding for hazardous fuel reduction is \$5,000,000 for implementing the Community Forest Restoration Act, Public Law 106-393, title VI, and any portion of such funds shall be available for use on non-Federal lands in accordance with authorities available to the Forest Service under the State and Private Forestry Appropriation: *Provided further*, That in using the funds provided in this Act for hazardous fuels reduction activities, the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretary applicable to hazardous fuel reduction activities under the wildland fire management accounts: *Provided further*, That notwithstanding Federal Government procurement and contracting laws, the Secretaries may conduct fuel reduction treatments, rehabilitation and restoration, and other activities authorized under this heading on and adjacent to Federal lands using grants and cooperative agreements: *Provided further*, That notwithstanding Federal Government procurement

and contracting laws, in order to provide employment and training opportunities to people in rural communities, the Secretaries may award contracts, including contracts for monitoring activities, to local private, non-profit, or cooperative entities; Youth Conservation Corps crews or related partnerships, with State, local and non-profit youth groups; small or micro-businesses; or other entities that will hire or train a significant percentage of local people to complete such contracts: *Provided further*, That the authorities described above relating to contracts, grants, and cooperative agreements are available until all funds provided in this title for hazardous fuels reduction activities in the urban wildland interface are obligated: *Provided further*, That the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$12,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects.

For an additional amount, \$301,000,000, to repay prior year advances from other appropriations from which funds were transferred for wildfire suppression and emergency rehabilitation activities: *Provided*, That this additional amount is designated by the Congress as an emergency requirement pursuant to section 502 of H. Con. Res. 95 (108th Congress), the concurrent resolution on the budget for fiscal year 2004: *Provided further*, That this additional amount and \$253,000,000 of the funds appropriated to the Forest Service for the repayment of advances for fire suppression in Public Law 108-83, shall be transferred to the following Forest Service accounts: \$96,000,000 to the Land Acquisition account, \$95,000,000 to the Capital Improvement and Maintenance account, \$9,000,000 to the Working Capital Fund, \$52,000,000 to the National Forest System account, \$31,000,000 to the State and Private Forestry account, \$10,000,000 to the Forest and Rangeland Research account, \$35,000,000 to the Salvage Sale fund, \$28,000,000 to the Timber Purchaser Election account, \$154,000,000 to the Knutson Vandenburg fund, \$20,000,000 to the Brush Disposal account, \$14,000,000 to the Forest Service Recreation Fee Demonstration fund, and \$10,000,000 to the Forest Land Enhancement Program account.

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, \$562,154,000, to remain available until expended for construction, reconstruction, maintenance and acquisition of buildings and other facilities, and for construction, reconstruction, repair, decommissioning, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed: *Provided further*, That no funds shall be expended to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: *Provided further*, That the Forest Service shall transfer \$350,000 appropriated

in Public Law 108-7 within the Capital Improvement and Maintenance appropriation to the State and Private Forestry appropriation, and shall provide these funds for planning and construction of backcountry huts in Alaska.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$67,191,000, to be derived from the Land and Water Conservation Fund and to remain available until expended: *Provided*, That notwithstanding any limitations of the Land and Water Conservation Fund Act (16 U.S.C. 4601-9), the Secretary of Agriculture is henceforth authorized to utilize any funds appropriated under this heading from the Land and Water Conservation Fund to acquire Mental Health Trust lands in Alaska and, upon Federal acquisition, the boundaries of the Tongass National Forest shall be deemed modified to include such lands.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures from funds deposited by non-Federal parties pursuant to Land Sale and Exchange Acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage Federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), \$5,535,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed 124 passenger motor vehicles of which 21 will be used primarily for law enforcement purposes and of which 124 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft to maintain the operable fleet at 195 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to abolish any region, to move or close any regional office for National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions if and only if all previously appropriated emergency contingent funds under the heading "Wildland Fire Management" have been released by the President and apportioned and all wildfire suppression funds under the heading "Wildland Fire Management" are obligated.

The first transfer of funds into the Wildland Fire Management account shall include unobligated funds, if available, from the Land Acquisition account and the Forest Legacy program within the State and Private Forestry account.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section

702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in the statement of managers accompanying this Act.

None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the reprogramming procedures contained in the statement of managers accompanying this Act.

No funds available to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture that exceed the total amount transferred during fiscal year 2000 for such purposes without the advance approval of the House and Senate Committees on Appropriations.

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps.

Of the funds available to the Forest Service, \$2,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101–593, of the funds available to the Forest Service, \$3,000,000 may be advanced in a lump sum to the National Forest Foundation to aid conservation partnership projects in support of the Forest Service mission, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, That of the Federal funds made available to the Foundation, no more than \$350,000 shall be available for administrative expenses: *Provided further*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: *Provided further*, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98–244, \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701–3709, and may be advanced in a lump sum to aid conservation partnership projects in support of the Forest Service mission, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress, and make available to interested persons, a report containing the results of a management review of outfitter and guiding operations in the John Muir, Ansel Adams, and Dinkey Lakes Wilderness Areas of the Inyo and Sierra National Forests, California. The report shall include information regarding: (1) how the Secretary intends to minimize adverse impacts on the historic access rights of special use permittees in these three wilderness areas; and (2) how the Secretary intends to ensure timely compliance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

Deadline.
Reports.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters. Future budget justifications for both the Forest Service and the Department of Agriculture should clearly display the sums previously transferred and the requested funding transfers.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety: *Provided*, That such amounts shall not exceed \$1,000,000.

From funds available to the Forest Service in this Act for payment of costs in accordance with subsection 413(d) of Title IV, Public Law 108-7, \$3,000,000 shall be transferred by the Secretary of Agriculture to the Secretary of the Treasury to make reimbursement payments as provided in such subsection.

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest.

The Secretary of Agriculture may transfer or reimburse funds available to the Forest Service, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing.

Beginning on June 30, 2001 and concluding on December 31, 2004, an eligible individual who is employed in any project funded

Effective date.
Termination
date.

under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Any funds appropriated to the Forest Service may be used to meet the non-Federal share requirement in section 502(c) of the Older American Act of 1965 (42 U.S.C. 3056(c)(2)).

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Wasatch-Cache National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for acquisition and construction of administrative sites on the Wasatch-Cache National Forest.

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

(DEFERRAL AND RESCISSION)

Of the funds made available under this heading for obligation in prior years, \$97,000,000 shall not be available until October 1, 2004, and \$88,000,000 are rescinded: *Provided*, That funds made available in previous appropriations Acts shall be available for any ongoing project regardless of the separate request for proposal under which the project was selected.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95–91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), \$681,163,000, to remain available until expended, of which \$4,000,000 is to continue a multi-year project for construction, renovation, furnishing, and demolition or removal of buildings at National Energy Technology Laboratory facilities in Morgantown, West Virginia and Pittsburgh, Pennsylvania; of which not to exceed \$536,000 may be utilized for travel and travel-related expenses incurred by the headquarters staff of the Office of Fossil Energy; and of which \$172,000,000 are to be made available, after coordination with the private sector, for a request for proposals for a Clean Coal Power Initiative providing for competitively-awarded research, development, and demonstration projects to reduce the barriers to continued and expanded coal use: *Provided*, That no project may be selected for which sufficient funding is not available to provide for the total project: *Provided further*, That funds shall be expended in accordance with the provisions governing the use of funds contained under the heading “Clean Coal Technology” in 42 U.S.C. 5903d: *Provided further*, That the Department may include provisions for repayment of Government contributions to individual projects in an amount up to the Government contribution

to the project on terms and conditions that are acceptable to the Department including repayments from sale and licensing of technologies from both domestic and foreign transactions: *Provided further*, That such repayments shall be retained by the Department for future coal-related research, development and demonstration projects: *Provided further*, That any technology selected under this program shall be considered a Clean Coal Technology, and any project selected under this program shall be considered a Clean Coal Technology Project, for the purposes of 42 U.S.C. 7651n, and Chapters 51, 52, and 60 of title 40 of the Code of Federal Regulations: *Provided further*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further*, That up to 4 percent of program direction funds available to the National Energy Technology Laboratory may be used to support Department of Energy activities not included in this account.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For expenses necessary to carry out naval petroleum and oil shale reserve activities, \$18,219,000, to remain available until expended: *Provided*, That, notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

ELK HILLS SCHOOL LANDS FUND

For necessary expenses in fulfilling installment payments under the Settlement Agreement entered into by the United States and the State of California on October 11, 1996, as authorized by section 3415 of Public Law 104–106, \$36,000,000, to become available on October 1, 2004 for payment to the State of California for the State Teachers' Retirement Fund from the Elk Hills School Lands Fund.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, \$888,937,000, to remain available until expended: *Provided*, That \$274,500,000 shall be for use in energy conservation grant programs as defined in section 3008(3) of Public Law 99–509 (15 U.S.C. 4507): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99–509, such sums shall be allocated to the eligible programs as follows: \$230,000,000 for weatherization assistance grants and \$44,500,000 for State energy program grants.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Office of Hearings and Appeals, \$1,047,000, to remain available until expended.

STRATEGIC PETROLEUM RESERVE

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), \$173,081,000, to remain available until expended.

NORTHEAST HOME HEATING OIL RESERVE

For necessary expenses for Northeast Home Heating Oil Reserve storage, operations, and management activities pursuant to the Energy Policy and Conservation Act of 2000, \$5,000,000, to remain available until expended.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, \$82,111,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

Contracts.
Reports.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

In addition to other authorities set forth in this Act, the Secretary may accept fees and contributions from public and private sources, to be deposited in a contributed funds account, and prosecute projects using such fees and contributions in cooperation with other Federal, State or private agencies or concerns.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, \$2,561,932,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: *Provided*, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That up to \$18,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That \$467,046,000 for contract medical care shall remain available for obligation until September 30, 2005: *Provided further*, That of the funds provided, up to \$27,000,000 to remain available until expended, shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available until expended: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: *Provided further*, That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed \$270,734,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, as amended, prior to or during fiscal year 2004, of which not to exceed \$2,500,000 may be used for contract support costs associated with new or expanded self-determination contracts, grants, self-governance compacts or annual funding agreements: *Provided further*, That funds available for the Indian Health Care Improvement Fund may be used, as needed, to carry out activities typically funded under the Indian Health Facilities account: *Provided further*, That of

Reports.
Records.

Contracts.
Grants.

Alaska.

the amounts provided to the Indian Health Service, \$15,000,000 is provided for alcohol control, enforcement, prevention, treatment, sobriety and wellness, and education in Alaska to be distributed as direct lump sum payments as follows: (a) \$2,000,000 to the State of Alaska for regional distribution to hire and equip additional Village Public Safety Officers to engage primarily in bootlegging prevention and enforcement activities; (b) \$5,000,000 to the Alaska Native Tribal Health Consortium, which shall be allocated for: (1) substance abuse and behavioral health counselors through the Counselor in Every Village program; and (2) comprehensive substance abuse training programs for counselors and others delivering substance abuse services; (c) \$6,000,000 to be divided as follows among the following Alaska Native regional organizations to provide substance abuse treatment and prevention programs: (1) \$2,500,000 for Southcentral Foundation's Pathway Home; (2) \$1,500,000 for Cook Inlet Tribal Council's substance abuse prevention and treatment programs; (3) \$1,500,000 for Yukon-Kuskokwim Health Corporation's Tundra Swan Inhalant Abuse Center; and (4) \$500,000 for the Southeast Alaska Regional Health Consortium for its Deilee Hitt program; and (d) \$2,000,000 for the Alaska Federation of Natives sobriety and wellness program for competitive merit-based grants: *Provided further*, That none of the funds may be used for tribal courts or tribal ordinance programs or any program that is not directly related to alcohol control, enforcement, prevention, treatment, or sobriety: *Provided further*, That no more than 10 percent may be used by any entity receiving funding for administrative overhead including indirect costs: *Provided further*, That the State of Alaska must maintain its existing level of effort and must use these funds to enhance or expand existing efforts or initiate new projects or programs and may not use such funds to supplant existing programs.

INDIAN HEALTH FACILITIES

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act, and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, \$396,232,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities: *Provided further*, That from the funds appropriated herein, \$5,000,000 shall be designated by the Indian Health Service as a contribution to the Yukon-Kuskokwim Health Corporation (YKHC) to complete a priority project for the acquisition of land, planning, design and construction of 79 staff quarters in the Bethel service area, pursuant to the negotiated project agreement between the YKHC and the Indian Health Service: *Provided*

further, That this project shall not be subject to the construction provisions of the Indian Self-Determination and Education Assistance Act and shall be removed from the Indian Health Service priority list upon completion: *Provided further*, That the Federal Government shall not be liable for any property damages or other construction claims that may arise from YKHC undertaking this project: *Provided further*, That the land shall be owned or leased by the YKHC and title to quarters shall remain vested with the YKHC: *Provided further*, That not to exceed \$500,000 shall be used by the Indian Health Service to purchase TRANSAM equipment from the Department of Defense for distribution to the Indian Health Service and tribal facilities: *Provided further*, That none of the funds appropriated to the Indian Health Service may be used for sanitation facilities construction for new homes funded with grants by the housing programs of the United States Department of Housing and Urban Development: *Provided further*, That not to exceed \$1,000,000 from this account and the “Indian Health Services” account shall be used by the Indian Health Service to obtain ambulances for the Indian Health Service and tribal facilities in conjunction with an existing interagency agreement between the Indian Health Service and the General Services Administration: *Provided further*, That not to exceed \$500,000 shall be placed in a Demolition Fund, available until expended, to be used by the Indian Health Service for demolition of Federal buildings.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefor as authorized by 5 U.S.C. 5901–5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

In accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651–2653) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation. Notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act) and Public Law 93-638, as amended.

Funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation.

None of the funds made available to the Indian Health Service in this Act shall be used for any assessments or charges by the Department of Health and Human Services unless identified in the budget justification and provided in this Act, or approved by the House and Senate Committees on Appropriations through the reprogramming process. Personnel ceilings may not be imposed on the Indian Health Service nor may any action be taken to reduce the full time equivalent level of the Indian Health Service below the level in fiscal year 2002 adjusted upward for the staffing of new and expanded facilities, funding provided for staffing at the Lawton, Oklahoma hospital in fiscal years 2003 and 2004, critical positions not filled in fiscal year 2002, and staffing necessary to carry out the intent of Congress with regard to program increases.

Notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant, or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or a self-governance agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation.

None of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to the eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law.

With respect to functions transferred by the Indian Health Service to tribes or tribal organizations, the Indian Health Service is authorized to provide goods and services to those entities, on a reimbursable basis, including payment in advance with subsequent adjustment. The reimbursements received therefrom, along with the funds received from those entities pursuant to the Indian Self-Determination Act, may be credited to the same or subsequent appropriation account which provided the funding. Such amounts shall remain available until expended.

Reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance.

The appropriation structure for the Indian Health Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, \$13,532,000, to remain available until expended: *Provided*, That funds provided

in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further*, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND
ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of Public Law 99-498, as amended (20 U.S.C. 56 part A), \$6,250,000, of which \$1,000,000 shall remain available until expended to assist with the Institute's efforts to develop a Continuing Education Life-long Learning Center.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed 30 years), and protection of buildings, facilities, and approaches; not to exceed \$100,000 for services as authorized by 5 U.S.C. 3109; up to five replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees, \$494,748,000, of which not to exceed \$46,903,000 for the instrumentation program, collections acquisition, exhibition reinstallation, the National Museum of the American Indian, and the repatriation of skeletal remains program shall remain available until expended; and of which \$828,000 for fellowships and scholarly awards shall remain available until September 30, 2005; and including such funds as may be necessary to support American overseas research centers and a total of \$125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further*, That the Smithsonian Institution may expend Federal appropriations designated in this Act for lease or rent payments for long term and

swing space, as rent payable to the Smithsonian Institution, and such rent payments may be deposited into the general trust funds of the Institution to the extent that federally supported activities are housed in the 900 H Street, N.W. building in the District of Columbia: *Provided further*, That this use of Federal appropriations shall not be construed as debt service, a Federal guarantee of, a transfer of risk to, or an obligation of, the Federal Government: *Provided further*, That no appropriated funds may be used to service debt which is incurred to finance the costs of acquiring the 900 H Street building or of planning, designing, and constructing improvements to such building.

FACILITIES CAPITAL

For necessary expenses of repair, revitalization, and alteration of facilities owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), and for construction, including necessary personnel, \$108,970,000, to remain available until expended, of which not to exceed \$10,000 is for services as authorized by 5 U.S.C. 3109: *Provided*, That contracts awarded for environmental systems, protection systems, and repair or restoration of facilities of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price: *Provided further*, That balances from amounts previously appropriated under the headings “Repair, Restoration and Alteration of Facilities” and “Construction” shall be transferred to and merged with this appropriation and shall remain until expended.

ADMINISTRATIVE PROVISIONS, SMITHSONIAN INSTITUTION

None of the funds in this or any other Act may be used to make any changes to the existing Smithsonian science programs including closure of facilities, relocation of staff or redirection of functions and programs without approval from the Board of Regents of recommendations received from the Science Commission.

None of the funds in this or any other Act may be used to initiate the design for any proposed expansion of current space or new facility without consultation with the House and Senate Appropriations Committees.

None of the funds in this or any other Act may be used for the Holt House located at the National Zoological Park in Washington, D.C., unless identified as repairs to minimize water damage, monitor structure movement, or provide interim structural support.

None of the funds available to the Smithsonian may be reprogrammed without the advance written approval of the House and Senate Committees on Appropriations in accordance with the reprogramming procedures contained in the statement of the managers accompanying this Act.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901–5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, \$87,849,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$11,600,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$16,560,000.

CONSTRUCTION

For necessary expenses for capital repair and restoration of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$16,000,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, \$8,604,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$122,480,000, shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to sections 5(c) and 5(g) of the Act, including \$17,000,000 for support of arts education and public outreach activities through the Challenge America program, for program support, and for administering the functions of the Act, to remain available until expended: *Provided*, That funds previously appropriated to the National Endowment for the Arts “Matching Grants” account and “Challenge America” account may be transferred to and merged with this account.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$120,878,000, shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until expended.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$16,122,000, to remain available until expended, of which \$10,436,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant

or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses: *Provided further*, That funds from nonappropriated sources may be used as necessary for official reception and representation expenses: *Provided further*, That the Chairperson of the National Endowment for the Arts may approve grants up to \$10,000, if in the aggregate this amount does not exceed 5 percent of the sums appropriated for grant-making purposes per year: *Provided further*, That such small grant actions are taken pursuant to the terms of an expressed and direct delegation of authority from the National Council on the Arts to the Chairperson.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), \$1,422,000: *Provided*, That the Commission is authorized to charge fees to cover the full costs of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99–190 (20 U.S.C. 956(a)), as amended, \$7,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For necessary expenses of the Advisory Council on Historic Preservation (Public Law 89–665, as amended), \$4,000,000: *Provided*, That none of these funds shall be available for compensation of level V of the Executive Schedule or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71–71i), including services as authorized by 5 U.S.C. 3109, \$7,730,000: *Provided*, That for fiscal year 2004 and thereafter, all appointed members of the Commission will be compensated at a rate not to exceed the daily equivalent of the annual rate of pay for positions at level IV of the Executive Schedule for each day such member is engaged in the actual performance of duties.

40 USC 8711
note.

UNITED STATES HOLOCAUST MEMORIAL MUSEUM

HOLOCAUST MEMORIAL MUSEUM

For expenses of the Holocaust Memorial Museum, as authorized by Public Law 106–292 (36 U.S.C. 2301–2310), \$39,997,000, of

which \$1,900,000 for the museum's repair and rehabilitation program and \$1,264,000 for the museum's exhibitions program shall remain available until expended.

PRESIDIO TRUST

PRESIDIO TRUST FUND

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$20,700,000 shall be available to the Presidio Trust, to remain available until expended.

TITLE III—GENERAL PROVISIONS

Contracts.
Public
information.

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 303. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 304. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 305. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 306. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (*Sequoiadendron giganteum*) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 2003.

SEC. 307. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes

(30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) REPORT.—On September 30, 2004, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104-208). Deadline.

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

SEC. 308. Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103-138, 103-332, 104-134, 104-208, 105-83, 105-277, 106-113, 106-291, 107-63, and 108-7 for payments to tribes and tribal organizations for contract support costs associated with self-determination or self-governance contracts, grants, compacts, or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 2003 for such purposes, except that, for the Bureau of Indian Affairs, tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.

SEC. 309. Of the funds provided to the National Endowment for the Arts— Grants.

(1) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(2) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or local arts agency, or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services. Procedures.

(3) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

SEC. 310. The National Endowment for the Arts and the National Endowment for the Humanities are authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities.

Any proceeds from such gifts, bequests, or devises, after acceptance by the National Endowment for the Arts or the National Endowment for the Humanities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate endowment for the purposes specified in each case.

SEC. 311. (a) In providing services or awarding financial assistance under the National Foundation on the Arts and the Humanities Act of 1965 from funds appropriated under this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations.

(b) In this section:

(1) The term “underserved population” means a population of individuals, including urban minorities, who have historically been outside the purview of arts and humanities programs due to factors such as a high incidence of income below the poverty line or to geographic isolation.

(2) The term “poverty line” means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) (applicable to a family of the size involved).

(c) In providing services and awarding financial assistance under the National Foundation on the Arts and Humanities Act of 1965 with funds appropriated by this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that will encourage public knowledge, education, understanding, and appreciation of the arts.

Grants.

(d) With funds appropriated by this Act to carry out section 5 of the National Foundation on the Arts and Humanities Act of 1965—

(1) the Chairperson shall establish a grant category for projects, productions, workshops, or programs that are of national impact or availability or are able to tour several States;

(2) the Chairperson shall not make grants exceeding 15 percent, in the aggregate, of such funds to any single State, excluding grants made under the authority of paragraph (1);

Reports.

(3) the Chairperson shall report to the Congress annually and by State, on grants awarded by the Chairperson in each grant category under section 5 of such Act; and

(4) the Chairperson shall encourage the use of grants to improve and support community-based music performance and education.

SEC. 312. No part of any appropriation contained in this Act shall be expended or obligated to complete and issue the 5-year program under the Forest and Rangeland Renewable Resources Planning Act.

SEC. 313. None of the funds in this Act may be used to support Government-wide administrative functions unless such functions are justified in the budget process and funding is approved by the House and Senate Committees on Appropriations.

SEC. 314. Notwithstanding any other provision of law, none of the funds in this Act may be used for GSA Telecommunication Centers.

SEC. 315. Notwithstanding any other provision of law, for fiscal year 2004 the Secretaries of Agriculture and the Interior are authorized to limit competition for watershed restoration project contracts as part of the “Jobs in the Woods” Program established in Region 10 of the Forest Service to individuals and entities in historically timber-dependent areas in the States of Washington, Oregon, northern California, Idaho, Montana, and Alaska that have been affected by reduced timber harvesting on Federal lands. The Secretaries shall consider the benefits to the local economy in evaluating bids and designing procurements which create economic opportunities for local contractors.

SEC. 316. Amounts deposited during fiscal year 2003 in the roads and trails fund provided for in the 14th paragraph under the heading “FOREST SERVICE” of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or to carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildland-community interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, long-term forest productivity, and biological integrity. The projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

SEC. 317. Other than in emergency situations, none of the funds in this Act may be used to operate telephone answering machines during core business hours unless such answering machines include an option that enables callers to reach promptly an individual on-duty with the agency being contacted.

SEC. 318. No timber sale in Region 10 shall be advertised if the indicated rate is deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar. Program accomplishments shall be based on volume sold. Should Region 10 sell, in fiscal year 2004, the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan in sales which are not deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar, all of the western redcedar timber from those sales which is surplus to the needs of domestic processors in Alaska, shall be made available to domestic processors in the contiguous 48 United States at prevailing domestic prices. Should Region 10 sell, in fiscal year 2003, less than the annual average portion of the decadal allowable sale quantity called for in the Tongass Land Management Plan in sales which are not deficit when appraised using a residual value approach that assigns domestic Alaska values for western redcedar, the volume of western redcedar timber available to domestic processors at prevailing domestic prices in the contiguous 48 United States shall be that volume: (i) which is surplus to the needs

of domestic processors in Alaska; and (ii) is that percent of the surplus western redcedar volume determined by calculating the ratio of the total timber volume which has been sold on the Tongass to the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan. The percentage shall be calculated by Region 10 on a rolling basis as each sale is sold (for purposes of this amendment, a “rolling basis” shall mean that the determination of how much western redcedar is eligible for sale to various markets shall be made at the time each sale is awarded). Western redcedar shall be deemed “surplus to the needs of domestic processors in Alaska” when the timber sale holder has presented to the Forest Service documentation of the inability to sell western redcedar logs from a given sale to domestic Alaska processors at a price equal to or greater than the log selling value stated in the contract. All additional western redcedar volume not sold to Alaska or contiguous 48 United States domestic processors may be exported to foreign markets at the election of the timber sale holder. All Alaska yellow cedar may be sold at prevailing export prices at the election of the timber sale holder.

16 USC 460/-6a
note.

SEC. 319. A project undertaken by the Forest Service under the Recreation Fee Demonstration Program as authorized by section 315 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1996, as amended, shall not result in—

(1) displacement of the holder of an authorization to provide commercial recreation services on Federal lands. Prior to initiating any project, the Secretary shall consult with potentially affected holders to determine what impacts the project may have on the holders. Any modifications to the authorization shall be made within the terms and conditions of the authorization and authorities of the impacted agency; and

(2) the return of a commercial recreation service to the Secretary for operation when such services have been provided in the past by a private sector provider, except when—

(A) the private sector provider fails to bid on such opportunities;

(B) the private sector provider terminates its relationship with the agency; or

(C) the agency revokes the permit for non-compliance with the terms and conditions of the authorization.

In such cases, the agency may use the Recreation Fee Demonstration Program to provide for operations until a subsequent operator can be found through the offering of a new prospectus.

16 USC 1604
note.

SEC. 320. Prior to October 1, 2004, the Secretary of Agriculture shall not be considered to be in violation of subparagraph 6(f)(5)(A) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(5)(A)) solely because more than 15 years have passed without revision of the plan for a unit of the National Forest System. Nothing in this section exempts the Secretary from any other requirement of the Forest and Rangeland Renewable Resources Planning Act (16 U.S.C. 1600 et seq.) or any other law: *Provided*, That if the Secretary is not acting expeditiously and in good faith, within the funding available, to revise a plan for a unit of the National Forest System, this section shall be void with respect to such plan and a court of proper jurisdiction may order completion of the plan on an accelerated basis.

SEC. 321. No funds provided in this Act may be expended to conduct preleasing, leasing and related activities under either the Mineral Leasing Act (30 U.S.C. 181 et seq.) or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) within the boundaries of a National Monument established pursuant to the Act of June 8, 1906 (16 U.S.C. 431 et seq.) as such boundary existed on January 20, 2001, except where such activities are allowed under the Presidential proclamation establishing such monument.

SEC. 322. EXTENSION OF FOREST SERVICE CONVEYANCES PILOT PROGRAM.—Section 329 of the Department of the Interior and Related Agencies Appropriations Act, 2002 (16 U.S.C. 580d note; Public Law 107-63) is amended—

(1) in subsection (b), by striking “20” and inserting “30”;

(2) in subsection (c) by striking “3” and inserting “8”; and

(3) in subsection (d), by striking “2006” and inserting “2007”.

SEC. 323. Employees of the foundations established by Acts of Congress to solicit private sector funds on behalf of Federal land management agencies shall, in fiscal year 2005, qualify for General Service Administration contract airfares.

SEC. 324. In entering into agreements with foreign countries pursuant to the Wildfire Suppression Assistance Act (42 U.S.C. 1856m) the Secretary of Agriculture and the Secretary of the Interior are authorized to enter into reciprocal agreements in which the individuals furnished under said agreements to provide wildfire services are considered, for purposes of tort liability, employees of the country receiving said services when the individuals are engaged in fire suppression: *Provided*, That the Secretary of Agriculture or the Secretary of the Interior shall not enter into any agreement under this provision unless the foreign country (either directly or through its fire organization) agrees to assume any and all liability for the acts or omissions of American firefighters engaged in firefighting in a foreign country: *Provided further*, That when an agreement is reached for furnishing fire fighting services, the only remedies for acts or omissions committed while fighting fires shall be those provided under the laws of the host country, and those remedies shall be the exclusive remedies for any claim arising out of fighting fires in a foreign country: *Provided further*, That neither the sending country nor any legal organization associated with the firefighter shall be subject to any legal action whatsoever pertaining to or arising out of the firefighter's role in fire suppression.

Contracts.
Wildfires.

SEC. 325. A grazing permit or lease issued by the Secretary of the Interior or a grazing permit issued by the Secretary of Agriculture where National Forest System lands are involved that expires, is transferred, or waived during fiscal years 2004–2008 shall be renewed under section 402 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1752), section 19 of the Granger-Thye Act, as amended (16 U.S.C. 5801), title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010 et seq.), or, if applicable, section 510 of the California Desert Protection Act (16 U.S.C. 410aaa–50). The terms and conditions contained in the expired, transferred, or waived permit or lease shall continue in effect under the renewed permit or lease until such time as the Secretary of the Interior or Secretary of Agriculture as appropriate completes processing of such permit or lease in compliance

Deadline.
Reports.
43 USC 1752
note.

with all applicable laws and regulations, at which time such permit or lease may be canceled, suspended or modified, in whole or in part, to meet the requirements of such applicable laws and regulations. Nothing in this section shall be deemed to alter the statutory authority of the Secretary of the Interior or the Secretary of Agriculture: *Provided*, That where National Forest System lands are involved and the Secretary of Agriculture has renewed an expired or waived grazing permit prior to fiscal year 2004, the terms and conditions of the renewed grazing permit shall remain in effect until such time as the Secretary of Agriculture completes processing of the renewed permit in compliance with all applicable laws and regulations or until the expiration of the renewed permit, whichever comes first. Upon completion of the processing, the permit may be canceled, suspended or modified, in whole or in part, to meet the requirements of applicable laws and regulations: *Provided further*, That beginning in November 2004, and every year thereafter, the Secretaries of the Interior and Agriculture shall report to Congress the extent to which they are completing analysis required under applicable laws prior to the expiration of grazing permits, and beginning in May 2004, and every two years thereafter, the Secretaries shall provide Congress recommendations for legislative provisions necessary to ensure all permit renewals are completed in a timely manner. The legislative recommendations provided shall be consistent with the funding levels requested in the Secretaries' budget proposals: *Provided further*, That notwithstanding section 504 of the Rescissions Act (109 Stat. 212), the Secretaries in their sole discretion determine the priority and timing for completing required environmental analysis of grazing allotments based on the environmental significance of the allotments and funding available to the Secretaries for this purpose: *Provided further*, That any Federal lands included within the boundary of Lake Roosevelt National Recreation Area, as designated by the Secretary of the Interior on April 5, 1990 (Lake Roosevelt Cooperative Management Agreement), that were utilized as of March 31, 1997, for grazing purposes pursuant to a permit issued by the National Park Service, the person or persons so utilizing such lands as of March 31, 1997, shall be entitled to renew said permit under such terms and conditions as the Secretary may prescribe, for the lifetime of the permittee or 20 years, whichever is less.

SEC. 326. Notwithstanding any other provision of law or regulation, to promote the more efficient use of the health care funding allocation for fiscal year 2004, the Eagle Butte Service Unit of the Indian Health Service, at the request of the Cheyenne River Sioux Tribe, may pay base salary rates to health professionals up to the highest grade and step available to a physician, pharmacist, or other health professional and may pay a recruitment or retention bonus of up to 25 percent above the base pay rate.

SEC. 327. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 328. None of the funds in this Act may be used to prepare or issue a permit or lease for oil or gas drilling in the Finger Lakes National Forest, New York, during fiscal year 2004.

SEC. 329. None of the funds made available in this Act may be used for the planning, design, or construction of improvements to Pennsylvania Avenue in front of the White House without the advance approval of the Committees on Appropriations.

SEC. 330. In awarding a Federal Contract with funds made available by this Act, the Secretary of Agriculture and the Secretary of the Interior (the “Secretaries”) may, in evaluating bids and proposals, give consideration to local contractors who are from, and who provide employment and training for, dislocated and displaced workers in an economically disadvantaged rural community, including those historically timber-dependent areas that have been affected by reduced timber harvesting on Federal lands and other forest-dependent rural communities isolated from significant alternative employment opportunities: *Provided*, That the Secretaries may award grants or cooperative agreements to local non-profit entities, Youth Conservation Corps or related partnerships with State, local or non-profit youth groups, or small or disadvantaged business: *Provided further*, That the contract, grant, or cooperative agreement is for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management: *Provided further*, That the terms “rural community” and “economically disadvantaged” shall have the same meanings as in section 2374 of Public Law 101-624: *Provided further*, That the Secretaries shall develop guidance to implement this section: *Provided further*, That nothing in this section shall be construed as relieving the Secretaries of any duty under applicable procurement laws, except as provided in this section.

Guidelines.

SEC. 331. No funds appropriated in this Act for the acquisition of lands or interests in lands may be expended for the filing of declarations of taking or complaints in condemnation without the approval of the House and Senate Committees on Appropriations: *Provided*, That this provision shall not apply to funds appropriated to implement the Everglades National Park Protection and Expansion Act of 1989, or to funds appropriated for Federal assistance to the State of Florida to acquire lands for Everglades restoration purposes.

SEC. 332. Section 315(f) of the Department of the Interior and Related Agencies Appropriations Act, 1996 (as contained in section 101(c) of Public Law 104-134; 110 Stat. 1321-200; 16 U.S.C. 4601-6a note), is amended—

(1) by striking “September 30, 2004” and inserting “December 31, 2005”; and

(2) by striking “2007” and inserting “2008”.

SEC. 333. IMPLEMENTATION OF GALLATIN LAND CONSOLIDATION ACT OF 1998. (a) DEFINITIONS.—For purposes of this section:

(1) “Gallatin Land Consolidation Act of 1998” means Public Law 105-267 (112 Stat. 2371).

(2) “Option Agreement” has the same meaning as defined in section 3(6) of the Gallatin Land Consolidation Act of 1998.

(3) “Secretary” means the Secretary of Agriculture.

(4) “Excess receipts” means National Forest Fund receipts from the National Forests in Montana, which are identified and adjusted by the Forest Service within the fiscal year, and which are in excess of funds retained for: the Salvage Sale Fund; the Knutson-Vandenberg Fund; the Purchaser Road/Specified Road Credits; the Twenty-Five Percent Fund, as

amended; the Ten Percent Road and Trail Fund; the Timber Sale Pipeline Restoration Fund; the Fifty Percent Grazing Class A Receipts Fund; and the Land and Water Conservation Fund Recreation User Fees Receipts—Class A Fund.

(5) “Special Account” means the special account referenced in section 4(c)(2) of the Gallatin Land Consolidation Act of 1998.

(6) “Eastside National Forests” has the same meaning as in section 3(4) of the Gallatin Land Consolidation Act of 1998.

(b) SPECIAL ACCOUNT.—

(1) The Secretary is authorized and directed, without further appropriation or reprogramming of funds, to transfer to the Special Account these enumerated funds and receipts in the following order:

(A) timber sale receipts from the Gallatin National Forest and other Eastside National Forests, as such receipts are referenced in section 4(a)(2)(C) of the Gallatin Land Consolidation Act of 1998;

(B) any available funds heretofore appropriated for the acquisition of lands for National Forest purposes in the State of Montana through fiscal year 2003;

(C) net receipts from the conveyance of lands on the Gallatin National Forest as authorized by subsection (c); and

(D) excess receipts for fiscal years 2003 through 2008.

(2) All funds in the Special Account shall be available to the Secretary until expended, without further appropriation, and will be expended prior to the end of fiscal year 2008 for the following purposes:

(A) the completion of the land acquisitions authorized by the Gallatin Land Consolidation Act of 1998 and fulfillment of the Option Agreement, as may be amended from time to time; and

(B) the acquisition of lands for which acquisition funds were transferred to the Special Account pursuant to subsection (b)(1)(B).

(3) The Special Account shall be closed at the end of fiscal year 2008 and any monies remaining in the Special Account shall be transferred to the fund established under Public Law 90-171 (commonly known as the “Sisk Act”, 16 U.S.C. 484a) to remain available, until expended, for the acquisition of lands for National Forest purposes in the State of Montana.

(4) Funds deposited in the Special Account or eligible for deposit shall not be subject to transfer or reprogramming for wildland fire management or any other emergency purposes.

(c) LAND CONVEYANCES WITHIN THE GALLATIN NATIONAL FOREST.—

(1) CONVEYANCE AUTHORITY.—The Secretary is authorized, under such terms and conditions as the Secretary may prescribe and without requirements for further administrative or environmental analyses or examination, to sell or exchange any or all rights, title, and interests of the United States in the following lands within the Gallatin National Forest in the State of Montana:

(A) SMC East Boulder Mine Portal Tract: Principal Meridian, T.3S., R.11E., Section 4, lots 3 to 4 inclusive, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, containing 76.27 acres more or less.

(B) Forest Service West Yellowstone Administrative Site: United States Forest Service Administrative Site located within the NE $\frac{1}{4}$ of Block 17 of the Townsite of West Yellowstone which is situated in the N $\frac{1}{2}$ of Section 34, T.13S., R.5E., Principal Meridian, Gallatin County, Montana, containing 1.04 acres more or less.

(C) Mill Fork Mission Creek Tract: Principal Meridian, T.13S., R.5E., Section 34, NW $\frac{1}{4}$ SW $\frac{1}{4}$, containing 40 acres more or less.

(D) West Yellowstone Town Expansion Tract #1: Principal Meridian, T.13S., R.5E., Section 33, E $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$, containing 40 acres more or less.

(E) West Yellowstone Town Expansion Tract #2: Principal Meridian, T.13S., R.5E., Section 33, NE $\frac{1}{4}$ SE $\frac{1}{4}$, containing 40 acres more or less.

(2) DESCRIPTIONS.—The Secretary may modify the descriptions in subsection (c)(1) to correct errors or to reconfigure the properties in order to facilitate a conveyance.

(3) CONSIDERATION.—Consideration for a sale or exchange of land under this subsection may include cash, land, or a combination of both.

(4) VALUATION.—Any appraisals of land deemed necessary or desirable by the Secretary to carry out the purposes of this section shall conform to the Uniform Appraisal Standards for Federal Land Acquisitions.

(5) CASH EQUALIZATION.—Notwithstanding any other provision of law, the Secretary may accept a cash equalization payment in excess of 25 percent of the value of any land exchanged under this subsection.

(6) SOLICITATIONS OF OFFERS.—The Secretary may—

(A) solicit offers for sale or exchange of land under this subsection on such terms and conditions as the Secretary may prescribe; or

(B) reject any offer made under this subsection if the Secretary determines that the offer is not adequate or not in the public interest.

(7) METHODS OF SALE.—The Secretary may sell land at public or private sale, including competitive sale by auction, bid, or otherwise, in accordance with such terms, conditions, and procedures as the Secretary determines will be in the best interests of the United States.

(8) BROKERS.—The Secretary may utilize brokers or other third parties in the disposition of the land authorized by this subsection and, from the proceeds of the sale, may pay reasonable commissions or fees on the sale or sales.

(9) RECEIPTS FROM SALE OR EXCHANGE.—The Secretary shall deposit the net receipts of a sale or exchange under this subsection in the Special Account.

(d) MISCELLANEOUS PROVISIONS.—

(1) Receipts from any sale or exchange pursuant to subsection (c) of this section:

(A) Shall not be deemed excess receipts for purposes of this section.

(B) Shall not be paid or distributed to the State or counties under any provision of law, or otherwise deemed as moneys received from the National Forest for purposes of the Act of May 23, 1908 or the Act of March 1, 1911

(16 U.S.C. 500, as amended), or the Act of March 4, 1913 (16 U.S.C. 501, as amended).

(2) As of the date of enactment of this section, any public land order withdrawing land described in subsection (c)(1) from all forms of appropriation under the public land laws is revoked with respect to any portion of the land conveyed by the Secretary under this section.

(3) Subject to valid existing rights, all lands described in section (c)(1) are withdrawn from location, entry, and patent under the mining laws of the United States.

(4) The Agriculture Property Management Regulations shall not apply to any action taken pursuant to this section.

(e) OPTION AGREEMENT AMENDMENT.—The Amendment No. 1 to the Option Agreement is hereby ratified as a matter of Federal law and the parties to it are authorized to effect the terms and conditions thereof.

SEC. 334. Subsection (c) of section 551 of the Land Between the Lakes Protection Act of 1998 (16 U.S.C. 460lll–61) is amended to read as follows:

“(c) USE OF FUNDS.—The Secretary of Agriculture may expend amounts appropriated or otherwise made available to carry out this title in a manner consistent with the authorities exercised by the Tennessee Valley Authority before the transfer of the Recreation Area to the administrative jurisdiction of the Secretary, including campground management and visitor services, paid advertisement, and procurement of food and supplies for resale purposes.”

SEC. 335. Section 339 of the Department of the Interior and Related Agencies Appropriations Act, 2000, as enacted into law by section 1000(a)(3) of Public Law 106-113 (113 Stat. 1501A-204; 16 U.S.C. 528 note), is amended—

(1) in subsection (b)—

(A) in the first sentence, by striking “not less than the fair market value” and inserting “fees under subsection (c)”; and

(B) by striking the second sentence and inserting the following: “The Secretary shall establish appraisal methods and bidding procedures to determine the fair market value of forest botanical products harvested under the pilot program.”;

(2) in subsection (c), by striking paragraph (1) and inserting the following new paragraph (1):

“(1) IMPOSITION AND COLLECTION.—Under the pilot program, the Secretary of Agriculture shall charge and collect from a person who harvests forest botanical products on National Forest System lands a fee in an amount established by the Secretary to recover at least a portion of the fair market value of the harvested forest botanical products and a portion of the costs incurred by the Department of Agriculture associated with granting, modifying, or monitoring the authorization for harvest of the forest botanical products, including the costs of any environmental or other analysis.”;

(3) in subsection (d)(1), by striking “charges and fees under subsections (b) and” and inserting “a fee under subsection”;

(4) in subsection (f)—

(A) in paragraph (1), by striking “subsections (b) and” and inserting “subsection”;

Procedures.

(B) in paragraph (2), by striking “in excess of the amounts collected for forest botanical products during fiscal year 1999”;

(C) in paragraph (3), by striking “charges and fees collected at that unit under the pilot program to pay for” and all that follows through the period at the end and inserting “fees collected at that unit under subsection (c) to pay for the costs of conducting inventories of forest botanical products, determining sustainable levels of harvest, monitoring and assessing the impacts of harvest levels and methods, conducting restoration activities, including any necessary vegetation, and covering costs of the Department of Agriculture described in subsection (c)(1).”; and

(D) in paragraph (4), by striking “subsections (b) and” and inserting “subsection”;

(5) in subsection (g)—

(A) by striking “charges and fees under subsections (b) and” and inserting “fees under subsection”; and

(B) by striking “subsections (b) and” the second place it appears and inserting “subsection”; and

(6) in subsection (h), by striking paragraph (1) and inserting the following new paragraph (1):

“(1) COLLECTION OF FEES.—The Secretary of Agriculture may collect fees under the authority of subsection (c) until September 30, 2009.”.

Termination
date.

SEC. 336. TRANSFER OF FOREST LEGACY PROGRAM LAND. Section 7(l) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c(l)) is amended by inserting after paragraph (2) the following:

“(3) TRANSFER OF FOREST LEGACY PROGRAM LAND—

“(A) IN GENERAL.—Subject to any terms and conditions that the Secretary may require (including the requirements described in subparagraph (B)), the Secretary may, at the request of the State of Vermont, convey to the State, by quitclaim deed, without consideration, any land or interest in land acquired in the State under the Forest Legacy Program.

“(B) REQUIREMENTS.—In conveying land or an interest in land under subparagraph (A), the Secretary may require that—

“(i) the deed conveying the land or interest in land include requirements for the management of the land in a manner that—

“(I) conserves the land or interest in land; and

“(II) is consistent with any other Forest Legacy Program purposes for which the land or interest in land was acquired;

“(ii) if the land or interest in land is subsequently sold, exchanged, or otherwise disposed of by the State of Vermont, the State shall—

“(I) reimburse the Secretary in an amount that is based on the current market value of the land or interest in land in proportion to the amount of consideration paid by the United States for the land or interest in land; or

“(II) convey to the Secretary land or an interest in land that is equal in value to the land or interest in land conveyed.

“(C) DISPOSITION OF FUNDS.—Amounts received by the Secretary under subparagraph (B)(ii) shall be credited to the Wildland Fire Management account, to remain available until expended.”.

SEC. 337. Notwithstanding section 9(b) of Public Law 106-506, funds hereinafter appropriated under Public Law 106-506 shall require matching funds from non-Federal sources on the basis of aggregate contribution to the Environmental Improvement Program, as defined in Public Law 106-506, rather than on a project-by-project basis, except for those activities provided under section 9(c) of that Act, to which this amendment shall not apply.

Deadlines.
Alaska.
Timber.

SEC. 338. Any application for judicial review of a Record of Decision for any timber sale in Region 10 of the Forest Service that had a Notice of Intent prepared on or before January 1, 2003 shall—

(1) be filed in the Alaska District of the Federal District Court within 30 days after exhaustion of the Forest Service administrative appeals process (36 CFR 215) or within 30 days of enactment of this Act if the administrative appeals process has been exhausted prior to enactment of this Act, and the Forest Service shall strictly comply with the schedule for completion of administrative action; and

(2) be completed and a decision rendered by the court not later than 180 days from the date such request for review is filed; if a decision is not rendered by the court within 180 days as required by this subsection, the Secretary of Agriculture shall petition the court to proceed with the action.

SEC. 339. (a) IN GENERAL.—The Secretary of Agriculture may cancel, with the consent of the timber purchaser, a maximum of 70 contracts for the sale of timber awarded between October 1, 1995 and January 1, 2002 on the Tongass National Forest in Alaska if—

(1) the Secretary determines, in the Secretary’s sole discretion, that the sale would result in a financial loss to the purchaser and the costs to the government of seeking a legal remedy against the purchaser would likely exceed the cost of terminating the contract; and

(2) the timber purchaser agrees to—

(A) terminate its rights under the contract; and

(B) release the United States from all liability, including further consideration or compensation resulting from such cancellation.

(b) EFFECT OF CANCELLATION.—

(1) IN GENERAL.—The United States shall not surrender any claim against a timber purchaser that arose under a contract before cancellation under this section not in connection with the cancellation.

(2) LIMITATION.—Cancellation of a contract under this section shall release the timber purchaser from liability for any damages resulting from cancellation of such contract.

(c) TIMBER AVAILABLE FOR RESALE.—Timber included in a contract cancelled under this section shall be available for resale by the Secretary of Agriculture.

SEC. 340. (a) JUSTIFICATION OF COMPETITIVE SOURCING ACTIVITIES.—(1) In each budget submitted by the President to Congress under section 1105 of title 31, United States Code, for a fiscal year, beginning with fiscal year 2005, amounts requested to perform competitive sourcing studies for programs, projects, and activities listed in paragraph (2) shall be set forth separately from other amounts requested.

31 USC 501 note.

(2) Paragraph (1) applies to programs, projects, and activities—

Applicability.

(A) of the Department of the Interior for which funds are appropriated by this Act;

(B) of the Forest Service; and

(C) of the Department of Energy for which funds are appropriated by this Act.

(b) ANNUAL REPORTING REQUIREMENTS ON COMPETITIVE SOURCING ACTIVITIES.—(1) Not later than December 31 of each year, beginning with December 31, 2003, the Secretary concerned shall submit to the Committees on Appropriations of the Senate and the House of Representatives a report, covering the preceding fiscal year, on the competitive sourcing studies conducted by the Department of the Interior, the Forest Service, or the Department of Energy, as appropriate, and the costs and cost savings to the citizens of the United States of such studies.

Deadline.

31 USC 501 note.

(2) In this subsection, the term “Secretary concerned” means—

(A) the Secretary of the Interior, with respect to the Department of the Interior programs, projects, and activities for which funds are appropriated by this Act;

(B) the Secretary of Agriculture, with respect to the Forest Service; and

(C) the Secretary of Energy, with respect to the Department of Energy programs, projects, and activities for which funds are appropriated by this Act.

(3) The report under this subsection shall include, for the fiscal year covered—

(A) the total number of competitions completed;

(B) the total number of competitions announced, together with a list of the activities covered by such competitions;

(C) the total number of full-time equivalent Federal employees studied under completed competitions;

(D) the total number of full-time equivalent Federal employees being studied under competitions announced, but not completed;

(E) the incremental cost directly attributable to conducting the competitions identified under subparagraphs (A) and (B), including costs attributable to paying outside consultants and contractors;

(F) an estimate of the total anticipated savings, or a quantifiable description of improvements in service or performance, derived from completed competitions;

(G) actual savings, or a quantifiable description of improvements in service or performance, derived from the implementation of competitions;

(H) the total projected number of full-time equivalent Federal employees covered by competitions scheduled to be announced in the fiscal year; and

(I) a description of how the competitive sourcing decision making processes are aligned with strategic workforce plans.

Deadline.

(c) **DECLARATION OF COMPETITIVE SOURCING STUDIES.**—For fiscal year 2004, each of the Secretaries of executive departments referred to in subsection (b)(2) shall submit a detailed competitive sourcing proposal to the Committees on Appropriations of the Senate and the House of Representatives not later than 60 days after the date of the enactment of this Act. The proposal shall include, for each competitive sourcing study proposed to be carried out by or for the Secretary concerned, the number of positions to be studied, the amount of funds needed for the study, and the program, project, and activity from which the funds will be expended.

(d) **LIMITATION ON COMPETITIVE SOURCING STUDIES.**—(1) Of the funds made available by this or any other Act to the Department of Energy or the Department of the Interior for fiscal year 2004, not more than the maximum amount specified in paragraph (2)(A) may be used by the Secretary of Energy or the Secretary of the Interior to initiate or continue competitive sourcing studies in fiscal year 2004 for programs, projects, and activities for which funds are appropriated by this Act until such time as the Secretary concerned submits a reprogramming proposal to the Committees on Appropriations of the Senate and the House of Representatives, and such proposal has been processed consistent with the fiscal year 2004 reprogramming guidelines.

(2) For the purposes of paragraph (1)—

(A) the maximum amount—

(i) with respect to the Department of Energy is \$500,000; and

(ii) with respect to the Department of the Interior is \$2,500,000; and

(B) the fiscal year 2004 reprogramming guidelines referred to in such paragraph are the reprogramming guidelines set forth in the joint explanatory statement accompanying the Act (H.R. 2691, 108th Congress, 1st session), making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

(3) Of the funds appropriated by this Act, not more than \$5,000,000 may be used in fiscal year 2004 for competitive sourcing studies and related activities by the Forest Service.

(e) **LIMITATION ON CONVERSION TO CONTRACTOR PERFORMANCE.**—(1) None of the funds made available in this or any other Act may be used to convert to contractor performance an activity or function of the Forest Service, an activity or function of the Department of the Interior performed under programs, projects, and activities for which funds are appropriated by this Act, or an activity or function of the Department of Energy performed under programs, projects, and activities for which funds are appropriated by this Act, if such activity or function is performed on or after the date of the enactment of this Act by more than 10 Federal employees unless—

(A) the conversion is based on the result of a public-private competition that includes a more efficient and cost effective organization plan developed by such activity or function; and

(B) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly

to the Federal Government by an amount that equals or exceeds the lesser of—

- (i) 10 percent of the more efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or
- (ii) \$10,000,000.

(2) This subsection shall not apply to a commercial or industrial type function that—

(A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47);

(B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or

(C) is planned to be converted to performance by a qualified firm under at least 51 percent ownership by an Indian tribe, as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)).

(3) The conversion of any activity or function under the authority provided by this subsection shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy.

(f) COMPETITIVE SOURCING STUDY DEFINED.—In this subsection, the term “competitive sourcing study” means a study on subjecting work performed by Federal Government employees or private contractors to public-private competition or on converting the Federal Government employees or the work performed by such employees to private contractor performance under the Office of Management and Budget Circular A–76 or any other administrative regulation, directive, or policy.

31 USC 501 note.

SEC. 341. Section 4(e)(3)(A)(vi) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2346; 116 Stat. 2007) is amended by striking “under this Act” and inserting “under this Act, including costs incurred under paragraph (2)(A)”.

SEC. 342. LAKE TAHOE RESTORATION PROJECTS. Section 4(e)(3)(A) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2346; 116 Stat. 2007) is further amended—

- (1) in clause (v), by striking “and” at the end;
- (2) by redesignating clause (vi) as clause (vii); and
- (3) by inserting after clause (v) the following:

“(vi) transfer to the Secretary of Agriculture, or, if the Secretary of Agriculture enters into a cooperative agreement with the head of another Federal agency, the head of the Federal agency, for Federal environmental restoration projects under sections 6 and 7 of the Lake Tahoe Restoration Act (114 Stat. 2354), environmental improvement payments under section 2(g) of Public Law 96–586 (94 Stat. 3382), and any Federal environmental restoration project included in the environmental improvement program adopted by the Tahoe Regional Planning Agency in February 1998 (as amended), in an amount equal to the cumulative amounts authorized to be appropriated for such projects under those Acts, in accordance with a revision to the Southern Nevada Public Land Management Act

of 1998 Implementation Agreement to implement this section, which shall include a mechanism to ensure appropriate stakeholders from the States of California and Nevada participate in the process to recommend projects for funding; and”.

SEC. 343. Estimated overhead charges, deductions, reserves or holdbacks from programs, projects and activities to support governmentwide, departmental, agency or bureau administrative functions or headquarters, regional or central office operations shall be presented in annual budget justifications. Changes to such estimates shall be presented to the Committees on Appropriations for approval.

SEC. 344. (a) ACROSS-THE-BOARD RESCISSIONS.—There is hereby rescinded an amount equal to 0.646 percent of—

(1) the budget authority provided for fiscal year 2004 for any discretionary account in this Act; and

(2) the budget authority provided in any advance appropriation for fiscal year 2004 for any discretionary account in the Department of the Interior and Related Agencies Appropriations Act, 2003.

(b) PROPORTIONATE APPLICATION.—Any rescission made by subsection (a) shall be applied proportionately—

(1) to each discretionary account and each item of budget authority described in subsection (a); and

(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying reports for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President’s budget).

Flathead and
Kootenai
National Forest
Rehabilitation
Act of 2003.
Wildfires.
Montana.

TITLE IV—THE FLATHEAD AND KOOTENAI NATIONAL FOREST REHABILITATION ACT

SEC. 401. SHORT TITLE. This title may be cited as the “Flathead and Kootenai National Forest Rehabilitation Act of 2003”.

SEC. 402. FINDINGS AND PURPOSE. (a) FINDINGS.—Congress finds that—

(1) the Robert Fire and Wedge Fire of 2003 caused extensive resource damage in the Flathead National Forest;

(2) the fires of 2000 caused extensive resource damage on the Kootenai National Forest and implementation of rehabilitation and recovery projects developed by the agency for the Forest is critical;

(3) the environmental planning and analysis to restore areas affected by the Robert Fire and Wedge Fire will be completed through a collaborative community process;

(4) the rehabilitation of burned areas needs to be completed in a timely manner in order to reduce the long-term environmental impacts; and

(5) wildlife and watershed resource values will be maintained in areas affected by the Robert Fire and Wedge Fire while exempting the rehabilitation effort from certain applications of the National Environmental Policy Act (NEPA) and the Clean Water Act (CWA).

(b) The purpose of this title is to accomplish in a collaborative environment, the planning and rehabilitation of the Robert Fire and Wedge Fire and to ensure timely implementation of recovery and rehabilitation projects on the Kootenai National Forest.

SEC. 403. REHABILITATION PROJECTS. (a) IN GENERAL.—The Secretary of Agriculture (in this title referred to as the “Secretary”) may conduct projects that the Secretary determines are necessary to rehabilitate and restore, and may conduct salvage harvests on, National Forest System lands in the North Fork drainage on the Flathead National Forest, as generally depicted on a map entitled “North Fork Drainage” which shall be on file and available for public inspection in the Office of Chief, Forest Service, Washington, D.C.

(b) PROCEDURE.—

(1) IN GENERAL.—Except as otherwise provided by this title, the Secretary shall conduct projects under this title in accordance with—

(A) the National Environmental Policy Act (42 U.S.C. 4321 et seq.); and

(B) other applicable laws.

(2) ENVIRONMENTAL ASSESSMENT OR IMPACT STATEMENT.—If an environmental assessment or an environmental impact statement (pursuant to section 102(2) of the National Environmental Policy Act (42 U.S.C. 4332(2))) is required for a project under this title, the Secretary shall not be required to study, develop, or describe any alternative to the proposed agency action in the environmental assessment or the environmental impact statement.

(3) PUBLIC COLLABORATION.—To encourage meaningful participation during preparation of a project under this title, the Secretary shall facilitate collaboration among the State of Montana, local governments, and Indian tribes, and participation of interested persons, during the preparation of each project in a manner consistent with the Implementation Plan for the 10-year Comprehensive Strategy of a Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment, dated May 2002, which was developed pursuant to the conference report for the Department of the Interior and Related Agencies Appropriations Act, 2001 (House Report 106-646).

(4) COMPLIANCE WITH CLEAN WATER ACT.—Consistent with the Clean Water Act (33 U.S.C. 1251 et seq.) and Montana Code 75-5-703(10)(b), the Secretary is not prohibited from implementing projects under this title due to the lack of a Total Maximum Daily Load as provided for under section 303(d) of the Clean Water Act (33 U.S.C. 1313(d)), except that the Secretary shall comply with any best management practices required by the State of Montana.

(5) ENDANGERED SPECIES ACT CONSULTATION.—If a consultation is required under section 7 of the Endangered Species Act (16 U.S.C. 1536) for a project under this title, the Secretary of the Interior shall expedite and give precedence to such consultation over any similar requests for consultation by the Secretary.

(6) ADMINISTRATIVE APPEALS.—Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (Public Law 102-381; 16 U.S.C. 1612 note) and section

Applicability.

215 of title 36, Code of Federal Regulations shall apply to projects under this title.

SEC. 404. CONTRACTING AND COOPERATIVE AGREEMENTS. (a) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into contract or cooperative agreements to carry out a project under this title.

(b) EXEMPTION.—Notwithstanding any other provisions of law, the Secretary may limit competition for a contract or a cooperative agreement under subsection (a).

Establishment.

SEC. 405. MONITORING REQUIREMENTS. (a) IN GENERAL.—The Secretary shall establish a multiparty monitoring group consisting of a representative number of interested parties, as determined by the Secretary, to monitor the performance and effectiveness of projects conducted under this title.

(b) REPORTING REQUIREMENTS.—The multiparty monitoring group shall prepare annually a report to the Secretary on the progress of the projects conducted under this title in rehabilitating and restoring the North Fork drainage. The Secretary shall submit the report to the Senate Subcommittee on Interior Appropriations of the Senate Committee on Appropriations.

SEC. 406. SUNSET. The authority for the Secretary to issue a decision to carry out a project under this title shall expire 5 years from the date of enactment.

Publication.
Public
information.

SEC. 407. IMPLEMENTATION OF RECORDS OF DECISION. The Secretary of Agriculture shall publish new information regarding forest wide estimates of old growth from volume 103 of the administrative record in the case captioned Ecology Center v. Castaneda, CV–02–200–M–DWM (D. Mont.) for public comment for a 30-day period. The Secretary shall review any comments received during the comment period and decide whether to modify the Records of Decision (hereinafter referred to as the “ROD’s”) for the Pinkham, White Pine, Kelsey-Beaver, Gold/Boulder/Sullivan, and Pink Stone projects on the Kootenai National Forest. The ROD’s, whether modified or not, shall not be deemed arbitrary and capricious under the NFMA, NEPA or other applicable law as long as each project area retains 10 percent designated old growth below 5,500 feet elevation in third order watersheds in which the project is located as specified in the forest plan.

This Act may be cited as the “Department of the Interior and Related Agencies Appropriations Act, 2004”.

Approved November 10, 2003.

LEGISLATIVE HISTORY—H.R. 2691 (S. 1391):

HOUSE REPORTS: Nos. 108–195 (Comm. on Appropriations) and 108–330 (Comm. of Conference).

SENATE REPORTS: No. 108–89 accompanying S. 1391 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 149 (2003):

July 16, 17, considered and passed House.

Sept. 17, 18, 22, 23, considered and passed Senate, amended.

Oct. 30, House agreed to conference report.

Nov. 3, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 10, Presidential statement.



Public Law 108–109
108th Congress

An Act

Nov. 11, 2003
[H.R. 1516]

To provide for the establishment by the Secretary of Veterans Affairs of additional cemeteries in the National Cemetery Administration.

National
Cemetery
Expansion Act
of 2003.
38 USC 2400
note.

38 USC 2400
note.
Deadline.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Cemetery Expansion Act of 2003”.

SEC. 2. ESTABLISHMENT OF NEW NATIONAL CEMETERIES.

(a) **ESTABLISHMENT.**—Not later than 4 years after the date of the enactment of this Act, the Secretary of Veterans Affairs, in accordance with chapter 24 of title 38, United States Code, shall establish six new national cemeteries. The new cemeteries shall be located in the following locations (those locations having been determined by the Secretary of Veterans Affairs to be the most appropriate locations for new national cemeteries):

- (1) Southeastern Pennsylvania.
- (2) The Birmingham, Alabama, area.
- (3) The Jacksonville, Florida, area.
- (4) The Bakersfield, California, area.
- (5) The Greenville/Columbia, South Carolina, area.
- (6) The Sarasota County, Florida, area.

(b) **FUNDS.**—Amounts appropriated for the Department of Veterans Affairs for any fiscal year after fiscal year 2003 for Advance Planning shall be available for the purposes of subsection (a).

(c) **SITE SELECTION PROCESS.**—In determining the specific sites for the new cemeteries required by subsection (a) within the locations specified in that subsection, the Secretary shall solicit the advice and views of representatives of State and local veterans organizations and other individuals as the Secretary considers appropriate.

Deadline.

(d) **INITIAL REPORT.**—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries required by subsection (a). The report shall—

(1) set forth a schedule for the establishment of each such cemetery and an estimate of the costs associated with the establishment of each such cemetery; and

(2) identify the amount of Advance Planning Funds obligated for purposes of this section as of the submission of the report.

(e) **ANNUAL REPORTS.**—The Secretary shall submit to Congress an annual report on the implementation of this section until the

establishment of all six cemeteries is completed and each such cemetery has opened. The Secretary shall include in each such annual report an update of the information provided under paragraphs (1) and (2) of subsection (d).

(f) DEFINITION OF SOUTHEASTERN PENNSYLVANIA.—In this section, the term “southeastern Pennsylvania” means the city of Philadelphia and Berks County, Bucks County, Chester County, Delaware County, Philadelphia County, and Montgomery County in the State of Pennsylvania.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 1516:

HOUSE REPORTS: No. 108–199 (Comm. on Veterans’ Affairs).
SENATE REPORTS: No. 108–164 (Comm. on Veterans’ Affairs).
CONGRESSIONAL RECORD, Vol. 149 (2003):
July 21, considered and passed House.
Oct. 17, considered and passed Senate, amended.
Oct. 29, House concurred in Senate amendments.



Public Law 108–110
108th Congress

An Act

Nov. 11, 2003
[H.R. 1610]

To redesignate the facility of the United States Postal Service located at 120 East Ritchie Avenue in Marceline, Missouri, as the “Walt Disney Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The facility of the United States Postal Service located at 120 East Ritchie Avenue in Marceline, Missouri, and known as the Marceline Main Office, shall be known and designated as the “Walt Disney Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Walt Disney Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 1610 (S. 1207):

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 9, considered and passed House.

Oct. 29, considered and passed Senate.



Public Law 108–111
108th Congress

An Act

To designate the facility of the United States Postal Service located at 440 South Orange Blossom Trail in Orlando, Florida, as the “Arthur ‘Pappy’ Kennedy Post Office”.

Nov. 11, 2003
[H.R. 1882]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 440 South Orange Blossom Trail in Orlando, Florida, shall be known and designated as the “Arthur ‘Pappy’ Kennedy Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Arthur ‘Pappy’ Kennedy Post Office”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 1882:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Sept. 30, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–112
108th Congress

An Act

Nov. 11, 2003
[H.R. 2075]

To designate the facility of the United States Postal Service located at 1905 West Blue Heron Boulevard in West Palm Beach, Florida, as the “Judge Edward Rodgers Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1905 West Blue Heron Boulevard in West Palm Beach, Florida, shall be known and designated as the “Judge Edward Rodgers Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Judge Edward Rodgers Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2075:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Sept. 30, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–113
108th Congress

An Act

To designate the facility of the United States Postal Service located at 1101 Colorado Street in Boulder City, Nevada, as the “Bruce Woodbury Post Office Building”.

Nov. 11, 2003
[H.R. 2254]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1101 Colorado Street in Boulder City, Nevada, shall be known and designated as the “Bruce Woodbury Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Bruce Woodbury Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2254:

CONGRESSIONAL RECORD, Vol. 149 (2003):
June 16, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–114
108th Congress

An Act

Nov. 11, 2003
[H.R. 2309]

To designate the facility of the United States Postal Service located at 2300 Redondo Avenue in Long Beach, California, as the “Stephen Horn Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 2300 Redondo Avenue in Long Beach, California, shall be known and designated as the “Stephen Horn Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Stephen Horn Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2309:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Sept. 3, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–115
108th Congress

An Act

To designate the facility of the United States Postal Service located at 2001 East Willard Street in Philadelphia, Pennsylvania, as the “Robert A. Borski Post Office Building”.

Nov. 11, 2003
[H.R. 2328]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 2001 East Willard Street in Philadelphia, Pennsylvania, shall be known and designated as the “Robert A. Borski Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Robert A. Borski Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2328:

CONGRESSIONAL RECORD, Vol. 149 (2003):
July 21, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–116
108th Congress

An Act

Nov. 11, 2003
[H.R. 2396]

To designate the facility of the United States Postal Service located at 1210 Highland Avenue in Duarte, California, as the “Francisco A. Martinez Flores Post Office”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1210 Highland Avenue in Duarte, California, shall be known and designated as the “Francisco A. Martinez Flores Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Francisco A. Martinez Flores Post Office”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2396:

CONGRESSIONAL RECORD, Vol. 149 (2003):
July 8, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–117
108th Congress

An Act

To designate the facility of the United States Postal Service located at 339 Hicksville Road in Bethpage, New York, as the “Brian C. Hickey Post Office Building”.

Nov. 11, 2003
[H.R. 2452]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 339 Hicksville Road in Bethpage, New York, shall be known and designated as the “Brian C. Hickey Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Brian C. Hickey Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2452:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 8, considered and passed House.

Oct. 29, considered and passed Senate.



Public Law 108–118
108th Congress

An Act

Nov. 11, 2003
[H.R. 2533]

To designate the facility of the United States Postal Service located at 10701 Abercorn Street in Savannah, Georgia, as the “J.C. Lewis, Jr. Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 10701 Abercorn Street in Savannah, Georgia, shall be known and designated as the “J.C. Lewis, Jr. Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “J.C. Lewis, Jr. Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2533:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 23, considered and passed House.

Oct. 29, considered and passed Senate.



Public Law 108–119
108th Congress

An Act

To designate the facility of the United States Postal Service located at 141 Weston Street in Hartford, Connecticut, as the “Barbara B. Kennelly Post Office Building”.

Nov. 11, 2003
[H.R. 2746]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 141 Weston Street in Hartford, Connecticut, shall be known and designated as the “Barbara B. Kennelly Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Barbara B. Kennelly Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 2746:

CONGRESSIONAL RECORD, Vol. 149 (2003):
July 25, considered and passed House.
Oct. 29, considered and passed Senate.



Public Law 108–120
108th Congress

An Act

Nov. 11, 2003
[H.R. 3011]

To designate the facility of the United States Postal Service located at 135 East Olive Avenue in Burbank, California, as the “Bob Hope Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 135 East Olive Avenue in Burbank, California, shall be known and designated as the “Bob Hope Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Bob Hope Post Office Building”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 3011:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 30, considered and passed House.

Oct. 29, considered and passed Senate.



Public Law 108–121
108th Congress

An Act

To amend title 10, United States Code, and the Internal Revenue Code of 1986 to increase the death gratuity payable with respect to deceased members of the Armed Forces and to exclude such gratuity from gross income, to provide additional tax relief for members of the Armed Forces and their families, and for other purposes.

Nov. 11, 2003

[H.R. 3365]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Military Family
Tax Relief Act of
2003.
26 USC 1 note.

SECTION 1. SHORT TITLE, ETC.

(a) **SHORT TITLE.**—This Act may be cited as the “Military Family Tax Relief Act of 2003”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

Sec. 101. Exclusion of gain from sale of a principal residence by a member of the uniformed services or the Foreign Service.

Sec. 102. Treatment of death gratuities payable with respect to deceased members of the Armed Forces.

Sec. 103. Exclusion for amounts received under Department of Defense homeowners assistance program.

Sec. 104. Expansion of combat zone filing rules to contingency operations.

Sec. 105. Modification of membership requirement for exemption from tax for certain veterans’ organizations.

Sec. 106. Clarification of the treatment of certain dependent care assistance programs.

Sec. 107. Clarification relating to exception from additional tax on certain distributions from qualified tuition programs, etc., on account of attendance at military academy.

Sec. 108. Suspension of tax-exempt status of terrorist organizations.

Sec. 109. Above-the-line deduction for overnight travel expenses of National Guard and Reserve members.

Sec. 110. Tax relief and assistance for families of Space Shuttle Columbia heroes.

TITLE II—REVENUE PROVISION

Sec. 201. Extension of customs user fees.

TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL

SEC. 101. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY A MEMBER OF THE UNIFORMED SERVICES OR THE FOREIGN SERVICE.

26 USC 121.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

“(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

“(A) IN GENERAL.—At the election of an individual with respect to a property, the running of the 5-year period described in subsections (a) and (c)(1)(B) and paragraph (7) of this subsection with respect to such property shall be suspended during any period that such individual or such individual’s spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service of the United States.

“(B) MAXIMUM PERIOD OF SUSPENSION.—The 5-year period described in subsection (a) shall not be extended more than 10 years by reason of subparagraph (A).

“(C) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified official extended duty’ means any extended duty while serving at a duty station which is at least 50 miles from such property or while residing under Government orders in Government quarters.

“(ii) UNIFORMED SERVICES.—The term ‘uniformed services’ has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

“(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term ‘member of the Foreign Service of the United States’ has the meaning given the term ‘member of the Service’ by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

“(iv) EXTENDED DUTY.—The term ‘extended duty’ means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

“(D) SPECIAL RULES RELATING TO ELECTION.—

“(i) ELECTION LIMITED TO 1 PROPERTY AT A TIME.—An election under subparagraph (A) with respect to any property may not be made if such an election is in effect with respect to any other property.

“(ii) REVOCATION OF ELECTION.—An election under subparagraph (A) may be revoked at any time.”.

26 USC 121 note.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) **WAIVER OF LIMITATIONS.**—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including *res judicata*), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 102. TREATMENT OF DEATH GRATUITIES PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) **INCREASE IN AMOUNT OF DEATH GRATUITY.**—

(1) **IN GENERAL.**—Section 1478(a) of title 10, United States Code, is amended by striking “\$6,000” and inserting “\$12,000”.

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

Applicability.
10 USC 1478
note.

(b) **EXCLUSION FROM GROSS INCOME.**—

(1) **IN GENERAL.**—Subsection (b)(3) of section 134 (relating to certain military benefits) is amended by adding at the end the following new subparagraph:

26 USC 134.

“(C) **EXCEPTION FOR DEATH GRATUITY ADJUSTMENTS MADE BY LAW.**—Subparagraph (A) shall not apply to any adjustment to the amount of death gratuity payable under chapter 75 of title 10, United States Code, which is pursuant to a provision of law enacted after September 9, 1986.”.

(2) **CONFORMING AMENDMENT.**—Subparagraph (A) of section 134(b)(3) is amended by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply with respect to deaths occurring after September 10, 2001.

Applicability.
26 USC 134 note.

SEC. 103. EXCLUSION FOR AMOUNTS RECEIVED UNDER DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.

(a) **IN GENERAL.**—Section 132(a) (relating to the exclusion from gross income of certain fringe benefits) is amended by striking “or” at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting “, or”, and by adding at the end the following new paragraph:

“(8) qualified military base realignment and closure fringe.”.

(b) **QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.**—Section 132 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) **QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘qualified military base realignment and closure fringe’ means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) (as in effect on the date of the enactment of this subsection) to offset the adverse effects on housing values as a result of a military base realignment or closure.

“(2) **LIMITATION.**—With respect to any property, such term shall not include any payment referred to in paragraph (1)

to the extent that the sum of all of such payments related to such property exceeds the maximum amount described in clause (1) of subsection (c) of such section (as in effect on such date).”.

Applicability.
26 USC 132 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 104. EXPANSION OF COMBAT ZONE FILING RULES TO CONTINGENCY OPERATIONS.

26 USC 7508.

(a) **IN GENERAL.**—Section 7508(a) (relating to time for performing certain acts postponed by reason of service in combat zone) is amended—

(1) by inserting “, or when deployed outside the United States away from the individual’s permanent duty station while participating in an operation designated by the Secretary of Defense as a contingency operation (as defined in section 101(a)(13) of title 10, United States Code) or which became such a contingency operation by operation of law” after “section 112”,

(2) by inserting in the first sentence “or at any time during the period of such contingency operation” after “for purposes of such section”,

(3) by inserting “or operation” after “such an area”, and

(4) by inserting “or operation” after “such area”.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 7508(d) is amended by inserting “or contingency operation” after “area”.

(2) The heading for section 7508 is amended by inserting “**OR CONTINGENCY OPERATION**” after “**COMBAT ZONE**”.

(3) The item relating to section 7508 in the table of sections for chapter 77 is amended by inserting “or contingency operation” after “combat zone”.

Applicability.
26 USC 7508
note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to any period for performing an act which has not expired before the date of the enactment of this Act.

SEC. 105. MODIFICATION OF MEMBERSHIP REQUIREMENT FOR EXEMPTION FROM TAX FOR CERTAIN VETERANS’ ORGANIZATIONS.

(a) **IN GENERAL.**—Subparagraph (B) of section 501(c)(19) (relating to list of exempt organizations) is amended by striking “or widowers” and inserting “, widowers, ancestors, or lineal descendants”.

Applicability.
26 USC 501 note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 106. CLARIFICATION OF THE TREATMENT OF CERTAIN DEPENDENT CARE ASSISTANCE PROGRAMS.

(a) **IN GENERAL.**—Section 134(b) (defining qualified military benefit) is amended by adding at the end the following new paragraph:

“(4) **CLARIFICATION OF CERTAIN BENEFITS.**—For purposes of paragraph (1), such term includes any dependent care assistance program (as in effect on the date of the enactment of this paragraph) for any individual described in paragraph (1)(A).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 134(b)(3)(A), as amended by section 102, is amended by inserting “and paragraph (4)” after “subparagraphs (B) and (C)”.

26 USC 134.

(2) Section 3121(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(3) Section 3306(b)(13) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(4) Section 3401(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

Applicability.
26 USC 134 note.

(d) NO INFERENCE.—No inference may be drawn from the amendments made by this section with respect to the tax treatment of any amounts under the program described in section 134(b)(4) of the Internal Revenue Code of 1986 (as added by this section) for any taxable year beginning before January 1, 2003.

26 USC 134 note.

SEC. 107. CLARIFICATION RELATING TO EXCEPTION FROM ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS, ETC., ON ACCOUNT OF ATTENDANCE AT MILITARY ACADEMY.

(a) IN GENERAL.—Subparagraph (B) of section 530(d)(4) (relating to exceptions from additional tax for distributions not used for educational purposes) is amended by striking “or” at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following new clause:

“(iv) made on account of the attendance of the designated beneficiary at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the payment or distribution does not exceed the costs of advanced education (as defined by section 2005(e)(3) of title 10, United States Code, as in effect on the date of the enactment of this section) attributable to such attendance, or”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

Applicability.
26 USC 530 note.

SEC. 108. SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

“(p) SUSPENSION OF TAX-EXEMPT STATUS OF TERRORIST ORGANIZATIONS.—

“(1) IN GENERAL.—The exemption from tax under subsection (a) with respect to any organization described in paragraph (2), and the eligibility of any organization described in paragraph (2) to apply for recognition of exemption under subsection (a), shall be suspended during the period described in paragraph (3).

“(2) TERRORIST ORGANIZATIONS.—An organization is described in this paragraph if such organization is designated or otherwise individually identified—

“(A) under section 212(a)(3)(B)(vi)(II) or 219 of the Immigration and Nationality Act as a terrorist organization or foreign terrorist organization,

“(B) in or pursuant to an Executive order which is related to terrorism and issued under the authority of the International Emergency Economic Powers Act or section 5 of the United Nations Participation Act of 1945 for the purpose of imposing on such organization an economic or other sanction, or

“(C) in or pursuant to an Executive order issued under the authority of any Federal law if—

“(i) the organization is designated or otherwise individually identified in or pursuant to such Executive order as supporting or engaging in terrorist activity (as defined in section 212(a)(3)(B) of the Immigration and Nationality Act) or supporting terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989); and

“(ii) such Executive order refers to this subsection.

“(3) PERIOD OF SUSPENSION.—With respect to any organization described in paragraph (2), the period of suspension—

“(A) begins on the later of—

“(i) the date of the first publication of a designation or identification described in paragraph (2) with respect to such organization, or

“(ii) the date of the enactment of this subsection, and

“(B) ends on the first date that all designations and identifications described in paragraph (2) with respect to such organization are rescinded pursuant to the law or Executive order under which such designation or identification was made.

“(4) DENIAL OF DEDUCTION.—No deduction shall be allowed under any provision of this title, including sections 170, 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), and 2522, with respect to any contribution to an organization described in paragraph (2) during the period described in paragraph (3).

“(5) DENIAL OF ADMINISTRATIVE OR JUDICIAL CHALLENGE OF SUSPENSION OR DENIAL OF DEDUCTION.—Notwithstanding section 7428 or any other provision of law, no organization or other person may challenge a suspension under paragraph (1), a designation or identification described in paragraph (2), the period of suspension described in paragraph (3), or a denial of a deduction under paragraph (4) in any administrative or judicial proceeding relating to the Federal tax liability of such organization or other person.

“(6) ERRONEOUS DESIGNATION.—

“(A) IN GENERAL.—If—

“(i) the tax exemption of any organization described in paragraph (2) is suspended under paragraph (1),

“(ii) each designation and identification described in paragraph (2) which has been made with respect to such organization is determined to be erroneous pursuant to the law or Executive order under which such designation or identification was made, and

“(iii) the erroneous designations and identifications result in an overpayment of income tax for any taxable year by such organization, credit or refund (with interest) with respect to such overpayment shall be made.

“(B) WAIVER OF LIMITATIONS.—If the credit or refund of any overpayment of tax described in subparagraph (A)(iii) is prevented at any time by the operation of any law or rule of law (including *res judicata*), such credit or refund may nevertheless be allowed or made if the claim therefor is filed before the close of the 1-year period beginning on the date of the last determination described in subparagraph (A)(ii).

“(7) NOTICE OF SUSPENSIONS.—If the tax exemption of any organization is suspended under this subsection, the Internal Revenue Service shall update the listings of tax-exempt organizations and shall publish appropriate notice to taxpayers of such suspension and of the fact that contributions to such organization are not deductible during the period of such suspension.”

Publication.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to designations made before, on, or after the date of the enactment of this Act.

Applicability.
26 USC 501 note.

SEC. 109. ABOVE-THE-LINE DEDUCTION FOR OVERNIGHT TRAVEL EXPENSES OF NATIONAL GUARD AND RESERVE MEMBERS.

(a) DEDUCTION ALLOWED.—Section 162 (relating to certain trade or business expenses) is amended by redesignating subsection (p) as subsection (q) and inserting after subsection (o) the following new subsection:

26 USC 162.

“(p) TREATMENT OF EXPENSES OF MEMBERS OF RESERVE COMPONENT OF ARMED FORCES OF THE UNITED STATES.—For purposes of subsection (a)(2), in the case of an individual who performs services as a member of a reserve component of the Armed Forces of the United States at any time during the taxable year, such individual shall be deemed to be away from home in the pursuit of a trade or business for any period during which such individual is away from home in connection with such service.”

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ELECTS TO ITEMIZE.—Section 62(a)(2) (relating to certain trade and business deductions of employees) is amended by adding at the end the following new subparagraph:

“(E) CERTAIN EXPENSES OF MEMBERS OF RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—The deductions allowed by section 162 which consist of expenses, determined at a rate not in excess of the rates for travel expenses (including per diem in lieu of subsistence) authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, paid or incurred by the taxpayer in connection with the performance of services by such taxpayer as a member of a reserve component of the Armed Forces of the United States for any period during which such individual is more than 100 miles away from home in connection with such services.”

Applicability.
26 USC 62 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 110. TAX RELIEF AND ASSISTANCE FOR FAMILIES OF SPACE SHUTTLE COLUMBIA HEROES.

26 USC 692.

(a) **INCOME TAX RELIEF.**—

(1) **IN GENERAL.**—Subsection (d) of section 692 (relating to income taxes of members of Armed Forces and victims of certain terrorist attacks on death) is amended by adding at the end the following new paragraph:

Applicability.

“(5) **RELIEF WITH RESPECT TO ASTRONAUTS.**—The provisions of this subsection shall apply to any astronaut whose death occurs in the line of duty, except that paragraph (3)(B) shall be applied by using the date of the death of the astronaut rather than September 11, 2001.”.

(2) **CONFORMING AMENDMENTS.**—

(A) Section 5(b)(1) is amended by inserting “, astronauts,” after “Forces”.

(B) Section 6013(f)(2)(B) is amended by inserting “, astronauts,” after “Forces”.

(3) **CLERICAL AMENDMENTS.**—

(A) The heading of section 692 is amended by inserting “, **ASTRONAUTS,**” after “**FORCES**”.

(B) The item relating to section 692 in the table of sections for part II of subchapter J of chapter 1 is amended by inserting “, astronauts,” after “Forces”.

Applicability.
26 USC 5 note.

(4) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply with respect to any astronaut whose death occurs after December 31, 2002.

(b) **DEATH BENEFIT RELIEF.**—

(1) **IN GENERAL.**—Subsection (i) of section 101 (relating to certain death benefits) is amended by adding at the end the following new paragraph:

Applicability.

“(4) **RELIEF WITH RESPECT TO ASTRONAUTS.**—The provisions of this subsection shall apply to any astronaut whose death occurs in the line of duty.”.

(2) **CLERICAL AMENDMENT.**—The heading for subsection (i) of section 101 is amended by inserting “OR ASTRONAUTS” after “VICTIMS”.

Applicability.
26 USC 101 note.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to amounts paid after December 31, 2002, with respect to deaths occurring after such date.

(c) **ESTATE TAX RELIEF.**—

(1) **IN GENERAL.**—Section 2201(b) (defining qualified decedent) is amended by striking “and” at the end of paragraph (1)(B), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

“(3) any astronaut whose death occurs in the line of duty.”.

(2) **CLERICAL AMENDMENTS.**—

(A) The heading of section 2201 is amended by inserting “, **DEATHS OF ASTRONAUTS,**” after “**FORCES**”.

(B) The item relating to section 2201 in the table of sections for subchapter C of chapter 11 is amended by inserting “, deaths of astronauts,” after “Forces”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to estates of decedents dying after December 31, 2002.

Applicability.
26 USC 2201
note.

TITLE II—REVENUE PROVISION

SEC. 201. EXTENSION OF CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking “March 31, 2004” and inserting “March 1, 2005”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 3365:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 29, considered and passed House.
Nov. 3, considered and passed Senate, amended.
Nov. 4, further amended in Senate.
Nov. 5, House concurred in Senate amendments.



Public Law 108–122
108th Congress

Joint Resolution

Nov. 11, 2003
[H.J. Res. 52]

Recognizing the Dr. Samuel D. Harris National Museum of Dentistry, an affiliate of the Smithsonian Institution in Baltimore, Maryland, as the official national museum of dentistry in the United States.

Whereas the Dr. Samuel D. Harris National Museum of Dentistry, an affiliate of the Smithsonian Institution, is an international resource with the primary mission of educating people, especially children, about the history of dentistry and the importance of good oral care;

Whereas the museum is the most comprehensive museum of dentistry in the Nation, showcasing the people, objects, and events that have created and defined the dental profession;

Whereas the museum is located on the campus of the University of Maryland in Baltimore, home of the world's first dental school, founded in 1840;

Whereas the museum educates the public about the importance of oral health in overall health through exciting, interactive exhibitions and the careful preservation and creative presentation of significant dental artifacts; and

Whereas the museum is a national center for both the public and the profession to obtain information concerning historical aspects of oral health and preventive care, for scholars to study the evolution of dental treatment, and for dental practitioners to take pride in the accomplishments of their profession: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the museum, known as the Dr. Samuel D. Harris National Museum of Dentistry, an affiliate of the Smithsonian Institution, located at 31 South Greene Street in Baltimore, Maryland, is recognized as the official national museum of dentistry in the United States.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.J. Res. 52:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 7, considered and passed House.

Oct. 23, considered and passed Senate.



Public Law 108–123
108th Congress

An Act

To amend section 5379 of title 5, United States Code, to increase the annual and aggregate limits on student loan repayments by Federal agencies.

Nov. 11, 2003
[S. 926]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Employee Student Loan Assistance Act”.

Federal
Employee
Student Loan
Assistance Act.
5 USC 101 note.

SEC. 2. STUDENT LOAN REPAYMENTS.

Section 5379(b)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking “\$6,000” and inserting “\$10,000”; and

(2) in subparagraph (B), by striking “\$40,000” and inserting “\$60,000”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—S. 926:

SENATE REPORTS: No. 108–109 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 30, considered and passed Senate.

Oct. 28, considered and passed House.



Public Law 108–124
108th Congress

An Act

Nov. 11, 2003
[H.R. 1883]

To designate the facility of the United States Postal Service located at 1601–1 Main Street in Jacksonville, Florida, as the “Eddie Mae Steward Post Office”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 1601–1 Main Street in Jacksonville, Florida, shall be known and designated as the “Eddie Mae Steward Post Office”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Eddie Mae Steward Post Office”.

Approved November 11, 2003.

LEGISLATIVE HISTORY—H.R. 1883:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 15, considered and passed House.

Oct. 29, considered and passed Senate.



Public Law 108–125
108th Congress

An Act

To extend the authority for the construction of a memorial to
Martin Luther King, Jr.

Nov. 11, 2003
[S. 470]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. MEMORIAL TO MARTIN LUTHER KING, JR.

40 USC 8903
note.

Section 508(b) of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333), as amended, is amended to read as follows:

“(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—(1) Except as provided in paragraph (2), the establishment of the memorial shall be in accordance with chapter 89 of title 40, United States Code.

“(2) Notwithstanding section 8903(e) of title 40, United States Code, the authority provided by this section terminates on November 12, 2006.”.

Termination
date.

Approved November 11, 2003.

LEGISLATIVE HISTORY—S. 470 (H.R. 1209):

HOUSE REPORTS: No. 108–203 accompanying H.R. 1209 (Comm. on Resources).

SENATE REPORTS: No. 108–90 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 17, considered and passed Senate.

Oct. 28, considered and passed House.



Public Law 108–126
108th Congress

An Act

Nov. 17, 2003
[H.R. 1442]

To authorize the design and construction of a visitor center for the Vietnam Veterans Memorial.

District of
Columbia.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

**TITLE I—VIETNAM VETERANS
MEMORIAL VISITOR CENTER**

SEC. 101. VISITOR CENTER.

Public Law 96–297 (16 U.S.C. 431 note) is amended by adding at the end the following:

“SEC. 6. VISITOR CENTER.

“(a) AUTHORIZATION.—

“(1) IN GENERAL.—The Vietnam Veterans Memorial Fund, Inc., is authorized to construct a visitor center at or near the Vietnam Veterans Memorial on Federal land in the District of Columbia, or its environs, subject to the provisions of this section, in order to better inform and educate the public about the Vietnam Veterans Memorial and the Vietnam War.

“(2) LOCATION.—The visitor center shall be located underground.

“(3) CONSULTATION ON DESIGN PHASE.—The Vietnam Veterans Memorial Fund, Inc., shall consult with educators, veterans groups, and the National Park Service in developing the proposed design of the visitor center.

“(b) COMPLIANCE WITH STANDARDS APPLICABLE TO COMMEMORATIVE WORKS.—Chapter 89 of title 40, United States Code, shall apply, including provisions related to the siting, design, construction, and maintenance of the visitor center, and the visitor center shall be considered a commemorative work for the purposes of that Act, except that—

“(1) final approval of the visitor center shall not be withheld;

“(2) the provisions of subsections (b) and (c) of section 8908 of title 40, United States Code, requiring further approval by law for the location of a commemorative work within Area I and prohibiting the siting of a visitor center within the Reserve shall not apply;

“(3) the size of the visitor center shall be limited to the minimum necessary—

“(A) to provide for appropriate educational and interpretive functions; and

“(B) to prevent interference or encroachment on the Vietnam Veterans Memorial and to protect open space and visual sightlines on the Mall; and

“(4) the visitor center shall be constructed and landscaped in a manner harmonious with the site of the Vietnam Veterans Memorial, consistent with the special nature and sanctity of the Mall.

“(c) OPERATION AND MAINTENANCE.—

“(1) IN GENERAL.—The Secretary of the Interior shall—

“(A) operate and maintain the visitor center, except that the Secretary shall enter into a written agreement with the Vietnam Veterans Memorial Fund, Inc., for specified maintenance needs of the visitor center, as determined by the Secretary; and

“(B) as soon as practicable, in consultation with educators and veterans groups, develop a written interpretive plan for the visitor center in accordance with National Park Service policy.

“(2) DONATION FOR PERPETUAL MAINTENANCE AND PRESERVATION.—Paragraph (1)(A) does not waive the requirements of section 8906(b) of title 40, United States Code, with respect to the visitor center.

“(d) FUNDING.—The Vietnam Veterans Memorial Fund, Inc., shall be solely responsible for acceptance of contributions for, and payment of expenses of, the establishment of the visitor center. No Federal funds shall be used to pay any expense of the establishment of the visitor center.”.

TITLE II—COMMEMORATIVE WORKS

SEC. 201. SHORT TITLE.

This title may be cited as the “Commemorative Works Clarification and Revision Act of 2003”.

SEC. 202. ESTABLISHMENT OF RESERVE.

(a) FINDINGS.—Congress finds that—

(1) the great cross-axis of the Mall in the District of Columbia, which generally extends from the United States Capitol to the Lincoln Memorial, and from the White House to the Jefferson Memorial, is a substantially completed work of civic art; and

(2) to preserve the integrity of the Mall, a reserve area should be designated within the core of the great cross-axis of the Mall where the siting of new commemorative works is prohibited.

(b) RESERVE.—Section 8908 of title 40, United States Code, is amended by adding at the end the following:

“(c) RESERVE.—After the date of enactment of the Commemorative Works Clarification and Revision Act of 2003, no commemorative work or visitor center shall be located within the Reserve.”.

SEC. 203. CLARIFYING AND CONFORMING AMENDMENTS.

(a) PURPOSES.—Section 8901(2) of title 40, United States Code, is amended by striking “Columbia,” and inserting “Columbia and

Commemorative
Works
Clarification and
Revision Act of
2003.
40 USC 101 note.

40 USC 8901
note.

its environs, and to encourage the location of commemorative works within the urban fabric of the District of Columbia;”.

(b) DEFINITIONS.—Section 8902 of title 40, United States Code, is amended by striking subsection (a) and inserting the following:

“(a) DEFINITIONS.—In this chapter:

“(1) COMMEMORATIVE WORK.—The term ‘commemorative work’ means any statue, monument, sculpture, memorial, plaque, inscription, or other structure or landscape feature, including a garden or memorial grove, designed to perpetuate in a permanent manner the memory of an individual, group, event or other significant element of American history, except that the term does not include any such item which is located within the interior of a structure or a structure which is primarily used for other purposes.

“(2) THE DISTRICT OF COLUMBIA AND ITS ENVIRONS.—The term ‘the District of Columbia and its environs’ means those lands and properties administered by the National Park Service and the General Services Administration located in the Reserve, Area I, and Area II as depicted on the map entitled ‘Commemorative Areas Washington, DC and Environs’, numbered 869/86501 B, and dated June 24, 2003.

“(3) RESERVE.—The term ‘Reserve’ means the great cross-axis of the Mall, which generally extends from the United States Capitol to the Lincoln Memorial, and from the White House to the Jefferson Memorial, as depicted on the map referenced in paragraph (2).

“(4) SPONSOR.—The term ‘sponsor’ means a public agency, or an individual, group or organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, and which is authorized by Congress to establish a commemorative work in the District of Columbia and its environs.”.

(c) AUTHORIZATION.—Section 8903 of title 40, United States Code, is amended—

(1) in subsection (b)—

(A) by striking “work commemorating a lesser conflict” and inserting “work solely commemorating a limited military engagement”; and

(B) by striking “the event” and inserting “such war or conflict”;

(2) in subsection (d)—

(A) by striking “CONSULTATION WITH NATIONAL CAPITAL MEMORIAL COMMISSION.—” and inserting “CONSULTATION WITH NATIONAL CAPITAL MEMORIAL ADVISORY COMMISSION.—”;

(B) by striking “House Administration” and inserting “Resources”; and

(C) by inserting “Advisory” before “Commission”; and

(3) by striking subsection (e) and inserting the following:

“(e) EXPIRATION OF LEGISLATIVE AUTHORITY.—Any legislative authority for a commemorative work shall expire at the end of the seven-year period beginning on the date of the enactment of such authority, or at the end of the seven-year period beginning on the date of the enactment of legislative authority to locate the commemorative work within Area I, if such additional authority has been granted, unless—

“(1) the Secretary of the Interior or the Administrator of General Services (as appropriate) has issued a construction permit for the commemorative work during that period; or

“(2) the Secretary or the Administrator (as appropriate), in consultation with the National Capital Memorial Advisory Commission, has made a determination that—

“(A) final design approvals have been obtained from the National Capital Planning Commission and the Commission of Fine Arts; and

“(B) 75 percent of the amount estimated to be required to complete the commemorative work has been raised.

If these two conditions have been met, the Secretary or the Administrator (as appropriate) may extend the seven-year legislative authority for a period not to exceed three additional years. Upon expiration of the legislative authority, any previous site and design approvals shall also expire.”.

(d) NATIONAL CAPITAL MEMORIAL ADVISORY COMMISSION.—Section 8904 of title 40, United States Code, is amended—

Government
organization.

(1) in the heading, by inserting “**Advisory**” before “**Commission**”;

(2) in subsection (a), by striking “There is a National” and all that follows through “consists of” and inserting the following: “There is established the National Capital Memorial Advisory Commission, which shall be composed of”;

(3) in subsection (c)—

(A) by inserting “Advisory” before “Commission shall”; and

(B) by striking “Services” and inserting “Services (as appropriate)”; and

(4) in subsection (d) by inserting “Advisory” before “Commission”.

(e) SITE AND DESIGN APPROVAL.—Section 8905 of title 40, United States Code, is amended—

(1) in subsection (a)—

(A) by striking “person” each place it appears and inserting “sponsor”; and

(B) in paragraph (1)—

(i) by inserting “Advisory” before “Commission”; and

(ii) by striking “designs” and inserting “design concepts”; and

(2) in subsection (b)—

(A) by striking “Secretary, and Administrator” and inserting “and the Secretary or Administrator (as appropriate)”; and

(B) in paragraph (2)(B), by striking, “open space and existing public use.” and inserting “open space, existing public use, and cultural and natural resources.”.

(f) CRITERIA FOR ISSUANCE OF CONSTRUCTION PERMIT.—Section 8906 of title 40, United States Code, is amended—

(1) in subsection (a)(3) and (a)(4) by striking “person” and inserting “sponsor”; and

(2) by striking subsection (b) and inserting the following:

“(b) DONATION FOR PERPETUAL MAINTENANCE AND PRESERVATION.—

“(1) In addition to the criteria described above in subsection (a), no construction permit shall be issued unless the sponsor

authorized to construct the commemorative work has donated an amount equal to 10 percent of the total estimated cost of construction to offset the costs of perpetual maintenance and preservation of the commemorative work. All such amounts shall be available for those purposes pursuant to the provisions of this subsection. The provisions of this subsection shall not apply in instances when the commemorative work is constructed by a Department or agency of the Federal Government and less than 50 percent of the funding for such work is provided by private sources.

“(2) Notwithstanding any other provision of law, money on deposit in the Treasury on the date of enactment of the Commemorative Works Clarification and Revision Act of 2003 provided by a sponsor for maintenance pursuant to this subsection shall be credited to a separate account in the Treasury.

“(3) Money provided by a sponsor pursuant to the provisions of this subsection after the date of enactment of the Commemorative Works Clarification and Revision Act of 2003 shall be credited to a separate account with the National Park Foundation.

“(4) Upon request of the Secretary or Administrator (as appropriate), the Secretary of the Treasury or the National Park Foundation shall make all or a portion of such moneys available to the Secretary or the Administrator (as appropriate) for the maintenance of a commemorative work. Under no circumstances may the Secretary or Administrator request funds from a separate account exceeding the total money in the account established under paragraph (2) or (3). The Secretary and the Administrator shall maintain an inventory of funds available for such purposes. Funds provided under this paragraph shall be available without further appropriation and shall remain available until expended.”.

(g) AREAS I AND II.—Section 8908(a) of title 40, United States Code, is amended—

(1) by striking “Secretary of the Interior and Administrator of General Services” and inserting “Secretary of the Interior or the Administrator of General Services (as appropriate)”; and

(2) by striking “numbered 869/86581, and dated May 1, 1986” and inserting “entitled ‘Commemorative Areas Washington, DC and Environs’, numbered 869/86501 B, and dated June 24, 2003”.

SEC. 204. SITE AND DESIGN CRITERIA.

Section 8905(b) of title 40, United States Code (as amended by section 203(e)), is amended by adding at the end the following:

“(5) MUSEUMS.—No commemorative work primarily designed as a museum may be located on lands under the jurisdiction of the Secretary in Area I or in East Potomac Park as depicted on the map referenced in section 8902(2).

“(6) SITE-SPECIFIC GUIDELINES.—The National Capital Planning Commission and the Commission of Fine Arts may develop such criteria or guidelines specific to each site that are mutually agreed upon to ensure that the design of the commemorative work carries out the purposes of this chapter.

“(7) DONOR CONTRIBUTIONS.—Donor contributions to commemorative works shall not be acknowledged in any manner as part of the commemorative work or its site.”.

SEC. 205. NO EFFECT ON PREVIOUSLY APPROVED SITES.

40 USC 8901
note.

Except for the provision in the amendment made by section 202(b) prohibiting a visitor center from being located in the Reserve (as defined in section 8902 of title 40, United States Code), nothing in this title shall apply to a commemorative work for which a site was approved in accordance with chapter 89 of title 40, United States Code, prior to the date of enactment of this title.

SEC. 206. NATIONAL PARK SERVICE REPORTS.

Deadline.

Within 6 months after the date of enactment of this title, the Secretary of the Interior, in consultation with the National Capital Planning Commission and the Commission of Fine Arts, shall submit to the Committee on Energy and Natural Resources of the United States Senate, and to the Committee on Resources of the United States House of Representatives reports setting forth plans for the following:

(1) To relocate, as soon as practicable after the date of enactment of this Act, the National Park Service’s stable and maintenance facilities that are within the Reserve (as defined in section 8902 of title 40, United States Code).

(2) To relocate, redesign or otherwise alter the concession facilities that are within the Reserve to the extent necessary to make them compatible with the Reserve’s character.

(3) To limit the sale or distribution of permitted merchandise to those areas where such activities are less intrusive upon the Reserve, and to relocate any existing sale or distribution structures that would otherwise be inconsistent with the plan.

(4) To make other appropriate changes, if any, to protect the character of the Reserve.

Approved November 17, 2003.

LEGISLATIVE HISTORY—H.R. 1442:

HOUSE REPORTS: No. 108–295 (Comm. on Resources).
CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 15, considered and passed House.

Nov. 5, considered and passed Senate, amended.

Nov. 6, House concurred in Senate amendment.



Public Law 108–127
108th Congress

An Act

Nov. 17, 2003
[H.R. 3288]

To amend title XXI of the Social Security Act to make technical corrections with respect to the definition of qualifying State.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL CORRECTIONS RELATING TO THE DEFINITION OF QUALIFYING STATE UNDER TITLE XXI OF THE SOCIAL SECURITY ACT.

Effective as if included in the enactment of Public Law 108–74, section 2105(g)(2) of the Social Security Act, as added by section 1(b) of such Act, is amended—

Ante, p. 895.

(1) by striking “185” the first place it appears and inserting “184”;

(2) by inserting “August 1, 1994, or” before “July 1, 1995”; and

(3) by inserting before the period at the end the following: “, or, in the case of a State that had a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on October 1, 1993, had an income eligibility standard under such waiver for children that was at least 185 percent of the poverty line and on and after July 1, 1998, has an income eligibility standard for children under section 1902(a)(10)(A) or a statewide waiver in effect under section 1115 with respect to title XIX that is at least 185 percent of the poverty line”.

Approved November 17, 2003.

LEGISLATIVE HISTORY—H.R. 3288 (S. 1547):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 20, considered and passed House.

Oct. 31, considered and passed Senate.



Public Law 108–128
108th Congress

An Act

To revise the boundary of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area in the State of Colorado, and for other purposes.

Nov. 17, 2003

[S. 677]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Black Canyon of the Gunnison Boundary Revision Act of 2003”.

SEC. 2. BLACK CANYON OF THE GUNNISON NATIONAL PARK BOUNDARY REVISION.

(a) BOUNDARY REVISION.—Section 4(a) of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area Act of 1999 (16 U.S.C. 410fff–2(a)) is amended—

(1) by striking “There” and inserting “(1) There”; and

(2) by adding at the end the following:

“(2) The boundary of the Park is revised to include the addition of approximately 2,530 acres, as generally depicted on the map entitled ‘Black Canyon of the Gunnison National Park and Gunnison Gorge NCA Boundary Modifications’ and dated April 2, 2003.”.

(b) TRANSFER OF ADMINISTRATIVE JURISDICTION.—On the date of enactment of this Act, the Secretary shall transfer the land under the jurisdiction of the Bureau of Land Management identified as “Tract C” on the map described in subsection (a)(2) to the administrative jurisdiction of the National Park Service for inclusion in the Black Canyon of the Gunnison National Park.

(c) CONFORMING AMENDMENT.—Section 5(a)(1) of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area Act of 1999 (16 U.S.C. 410fff–3(a)(1)) is amended by striking “Map” and inserting “Map or the map described in section 4(a)(2)”.

Black Canyon of
the Gunnison
Boundary
Revision Act of
2003.
16 USC 410fff
note.

16 USC 410fff–2
note.

SEC. 3. GUNNISON GORGE NATIONAL CONSERVATION AREA BOUNDARY REVISION.

Section 7(a) of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area Act of 1999 (16 U.S.C. 410fff-5(a)) is amended—

(1) by striking “There” and inserting “(1) There”; and

(2) by adding at the end the following:

“(2) The boundary of the Conservation Area is revised to include the addition of approximately 7,100 acres, as generally depicted on the map entitled ‘Black Canyon of the Gunnison National Park and Gunnison Gorge NCA Boundary Modifications’, and dated April 2, 2003.”.

SEC. 4. GRAZING PRIVILEGES.

(a) **TRANSFER OF PRIVILEGES.**—Section 4(e)(1) of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Area Act of 1999 (16 U.S.C. 410fff-2(e)(1)) is amended by adding at the end the following:

“(D) If land within the Park on which the grazing of livestock is authorized under permits or leases under subparagraph (A) is exchanged for private land under section 5(a), the Secretary shall transfer any grazing privileges to the land acquired in the exchange.”.

(b) **PRIVILEGES OF CERTAIN PARTNERSHIPS.**—Section 4(e)(3) of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Area Act of 1999 (16 U.S.C. 410fff-2(e)(3)) is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph

(D);

(3) by inserting after subparagraph (A) the following:

“(B) with respect to the permit or lease issued to LeValley Ranch Ltd., for the lifetime of the last surviving limited partner as of October 21, 1999;

“(C) with respect to the permit or lease issued to Sanburg Herefords, L.L.P., for the lifetime of the last surviving general partner as of October 21, 1999; and”; and

(4) in subparagraph (D) (as redesignated by paragraph

(2))—

(A) by striking “partnership, corporation, or” each place it appears and inserting “corporation or”; and

(B) by striking “subparagraph (A)” and inserting “subparagraphs (A), (B), or (C)”.

SEC. 5. ACCESS TO WATER DELIVERY FACILITIES.16 USC 410fff–2
note.

The Commissioner of Reclamation shall retain administrative jurisdiction over the Crystal Dam Access Road and land, facilities, and roads of the Bureau of Reclamation in the East Portal area, including the Gunnison Tunnel, and the Crystal Dam area, as depicted on the map entitled “Black Canyon of the Gunnison National Park and Gunnison Gorge NCA Boundary Modifications”, and dated April 2, 2003, for the maintenance, repair, construction, replacement, and operation of any facilities relating to the delivery of water and power under the jurisdiction of the Bureau of Reclamation.

Approved November 17, 2003.

LEGISLATIVE HISTORY—S. 677:**HOUSE REPORTS:** No. 108–344 (Comm. on Resources).**SENATE REPORTS:** No. 108–96 (Comm. on Energy and Natural Resources).**CONGRESSIONAL RECORD**, Vol. 149 (2003):

July 17, considered and passed Senate.

Nov. 4, considered and passed House.



Public Law 108–129
108th Congress

An Act

Nov. 17, 2003
[S. 924]

To authorize the exchange of lands between an Alaska Native Village Corporation and the Department of the Interior, and for other purposes.

16 USC 668dd
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

For the purposes of this Act, the term—

(1) “ANCSA” means the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.);

(2) “ANILCA” means the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.);

(3) “Calista” means the Calista Corporation, an Alaska Native Regional Corporation established pursuant to ANCSA;

(4) “Identified Lands” means approximately 10,943 acres of lands (including surface and subsurface estates) designated as “Proposed Village Site” on a map entitled “Proposed Newtok Exchange,” dated September, 2002, and available for inspection in the Anchorage office of the United States Fish and Wildlife Service;

(5) “limited warranty deed” means a warranty deed which is, with respect to its warranties, limited to that portion of the chain of title from the moment of conveyance from the United States to Newtok to and including the moment at which such title is validly reconveyed to the United States;

(6) “Newtok” means the Newtok Native Corporation, an Alaska Native Village Corporation established pursuant to ANCSA;

(7) “Newtok lands” means approximately 12,101 acres of surface estate comprising conveyed lands and selected lands identified as Aknerkochik on the map referred to in paragraph (4) and that surface estate selected by Newtok on Baird Inlet Island as shown on the map; and

(8) “Secretary” means the Secretary of the Interior.

SEC. 2. LANDS TO BE EXCHANGED.

(a) LANDS EXCHANGED TO THE UNITED STATES.—If, within 180 days after the date of enactment of this Act, Newtok expresses to the Secretary in writing its intent to enter into a land exchange with the United States, the Secretary shall accept from Newtok a valid, unencumbered conveyance, by limited warranty deed, of the Newtok lands previously conveyed to Newtok. The Secretary shall also accept from Newtok a relinquishment of irrevocable prioritized selections for approximately 4,956 acres for those validly selected lands not yet conveyed to Newtok.

(b) **LANDS EXCHANGED TO NEWTOK.**—In exchange for the Newtok lands conveyed and selections relinquished under subsection (a), the Secretary shall, subject to valid existing rights and notwithstanding section 14(f) of ANCSA, convey to Newtok the surface and subsurface estates of the Identified Lands. The conveyance shall be by interim conveyance. Subsequent to the interim conveyance, the Secretary shall survey Identified Lands at no cost to Newtok and issue a patent to the Identified Lands subject to the provisions of ANCSA and this Act.

SEC. 3. CONVEYANCE.

(a) **TIMING.**—The Secretary shall issue interim conveyances pursuant to subsection 2(b) at the earliest possible time after acceptance of the Newtok conveyance and relinquishment of selections under subsection 2(a).

(b) **RELATIONSHIP TO ANCSA.**—Lands conveyed to Newtok under this Act shall be treated as having been conveyed under the provisions of ANCSA, except that the provisions of 14(c) and 22g of ANCSA shall not apply to these lands. Consistent with section 103(c) of ANILCA, these lands shall not be included as a portion of the Yukon Delta National Wildlife Refuge and shall not be subject to regulations applicable solely to public lands within this Conservation System Unit.

(c) **EFFECT ON ENTITLEMENT.**—Except as otherwise provided, nothing in this Act shall be construed to change the total acreage of land to which Newtok is entitled under ANCSA.

(d) **EFFECT ON NEWTOK LANDS.**—The Newtok Lands shall be included in the Yukon Delta National Wildlife Refuge as of the date of acceptance of the conveyance of those lands from Newtok, except that residents of the Village of Newtok, Alaska, shall retain access rights to subsistence resources on those Newtok lands as guaranteed under section 811 of ANILCA (16 U.S.C. 3121), and to subsistence uses, such as traditional subsistence fishing, hunting and gathering, consistent with section 803 of ANILCA (16 U.S.C. 3113).

(e) **ADJUSTMENT TO CALISTA CORPORATION ANCSA ENTITLEMENT FOR RELINQUISHED NEWTOK SELECTIONS.**—To the extent that Calista subsurface rights are affected by this Act, Calista shall be entitled to an equivalent acreage of in lieu subsurface entitlement for the Newtok selections relinquished in the exchange as set forth in subsection 2(a) of this Act. This equivalent entitlement shall come from subsurface lands already selected by Calista, but which have not been conveyed. If Calista does not have sufficient subsurface selections to accommodate this additional entitlement, Calista Corporation is hereby authorized to make an additional in lieu selection for the deficient acreage from lands within the region but outside any conservation system unit.

(f) ADJUSTMENT TO EXCHANGE.—If requested by Newtok, the Secretary may consider and make adjustments to the exchange to meet the purposes of this Act, subject to all the same terms and conditions of this Act.

Approved November 17, 2003.

LEGISLATIVE HISTORY—S. 924:

HOUSE REPORTS: No. 108–345 (Comm. on Resources).

SENATE REPORTS: No. 108–97 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 17, considered and passed Senate.

Nov. 4, considered and passed House.



Public Law 108–130
108th Congress

An Act

To amend the Federal Food, Drug, and Cosmetic Act to establish a program of fees relating to animal drugs.

Nov. 18, 2003
[S. 313]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Animal Drug User Fee Act of 2003”.

Animal Drug
User Fee Act of
2003.
21 USC 301 note.

SEC. 2. FINDINGS.

Congress finds as follows:

21 USC 379j–11
note.

(1) Prompt approval of safe and effective new animal drugs is critical to the improvement of animal health and the public health.

(2) Animal health and the public health will be served by making additional funds available for the purpose of augmenting the resources of the Food and Drug Administration that are devoted to the process for review of new animal drug applications.

(3) The fees authorized by this Act will be dedicated toward expediting the animal drug development process and the review of new and supplemental animal drug applications and investigational animal drug submissions as set forth in the goals identified, for purposes of part 4 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act, in the letters from the Secretary of Health and Human Services to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Health, Education, Labor, and Pensions of the Senate as set forth in the Congressional Record.

SEC. 3. FEES RELATING TO ANIMAL DRUGS.

Subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379f et seq.) is amended by adding at the end the following part:

“PART 4—FEES RELATING TO ANIMAL DRUGS

“SEC. 739. DEFINITIONS.

21 USC 379j–11.

“For purposes of this subchapter:

“(1) The term ‘animal drug application’ means an application for approval of any new animal drug submitted under section 512(b)(1). Such term does not include either a new

animal drug application submitted under section 512(b)(2) or a supplemental animal drug application.

“(2) The term ‘supplemental animal drug application’ means—

“(A) a request to the Secretary to approve a change in an animal drug application which has been approved; or

“(B) a request to the Secretary to approve a change to an application approved under section 512(c)(2) for which data with respect to safety or effectiveness are required.

“(3) The term ‘animal drug product’ means each specific strength or potency of a particular active ingredient or ingredients in final dosage form marketed by a particular manufacturer or distributor, which is uniquely identified by the labeler code and product code portions of the national drug code, and for which an animal drug application or a supplemental animal drug application has been approved.

“(4) The term ‘animal drug establishment’ means a foreign or domestic place of business which is at one general physical location consisting of one or more buildings all of which are within 5 miles of each other, at which one or more animal drug products are manufactured in final dosage form.

“(5) The term ‘investigational animal drug submission’ means—

“(A) the filing of a claim for an investigational exemption under section 512(j) for a new animal drug intended to be the subject of an animal drug application or a supplemental animal drug application, or

“(B) the submission of information for the purpose of enabling the Secretary to evaluate the safety or effectiveness of an animal drug application or supplemental animal drug application in the event of their filing.

“(6) The term ‘animal drug sponsor’ means either an applicant named in an animal drug application, except for an approved application for which all subject products have been removed from listing under section 510, or a person who has submitted an investigational animal drug submission that has not been terminated or otherwise rendered inactive by the Secretary.

“(7) The term ‘final dosage form’ means, with respect to an animal drug product, a finished dosage form which is approved for administration to an animal without substantial further manufacturing. Such term includes animal drug products intended for mixing in animal feeds.

“(8) The term ‘process for the review of animal drug applications’ means the following activities of the Secretary with respect to the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions:

“(A) The activities necessary for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(B) The issuance of action letters which approve animal drug applications or supplemental animal drug applications or which set forth in detail the specific deficiencies in animal drug applications, supplemental animal

drug applications, or investigational animal drug submissions and, where appropriate, the actions necessary to place such applications, supplements or submissions in condition for approval.

“(C) The inspection of animal drug establishments and other facilities undertaken as part of the Secretary’s review of pending animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(D) Monitoring of research conducted in connection with the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(E) The development of regulations and policy related to the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(F) Development of standards for products subject to review.

“(G) Meetings between the agency and the animal drug sponsor.

“(H) Review of advertising and labeling prior to approval of an animal drug application or supplemental animal drug application, but not such activities after an animal drug has been approved.

“(9) The term ‘costs of resources allocated for the process for the review of animal drug applications’ means the expenses incurred in connection with the process for the review of animal drug applications for—

“(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific animal drug applications, supplemental animal drug applications, or investigational animal drug submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities,

“(B) management of information, and the acquisition, maintenance, and repair of computer resources,

“(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies, and

“(D) collecting fees under section 740 and accounting for resources allocated for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(10) The term ‘adjustment factor’ applicable to a fiscal year refers to the formula set forth in section 735(8) with the base or comparator year being 2003.

“(11) The term ‘affiliate’ refers to the definition set forth in section 735(9).

“SEC. 740. AUTHORITY TO ASSESS AND USE ANIMAL DRUG FEES.

21 USC 379j-12.

“(a) **TYPES OF FEES.**—Beginning in fiscal year 2004, the Secretary shall assess and collect fees in accordance with this section as follows:

“(1) ANIMAL DRUG APPLICATION AND SUPPLEMENT FEE.—

“(A) IN GENERAL.—Each person that submits, on or after September 1, 2003, an animal drug application or a supplemental animal drug application shall be subject to a fee as follows:

“(i) A fee established in subsection (b) for an animal drug application; and

“(ii) A fee established in subsection (b) for a supplemental animal drug application for which safety or effectiveness data are required, in an amount that is equal to 50 percent of the amount of the fee under clause (i).

“(B) PAYMENT.—The fee required by subparagraph (A) shall be due upon submission of the animal drug application or supplemental animal drug application.

“(C) EXCEPTION FOR PREVIOUSLY FILED APPLICATION OR SUPPLEMENT.—If an animal drug application or a supplemental animal drug application was submitted by a person that paid the fee for such application or supplement, was accepted for filing, and was not approved or was withdrawn (without a waiver or refund), the submission of an animal drug application or a supplemental animal drug application for the same product by the same person (or the person’s licensee, assignee, or successor) shall not be subject to a fee under subparagraph (A).

“(D) REFUND OF FEE IF APPLICATION REFUSED FOR FILING.—The Secretary shall refund 75 percent of the fee paid under subparagraph (B) for any animal drug application or supplemental animal drug application which is refused for filing.

“(E) REFUND OF FEE IF APPLICATION WITHDRAWN.—If an animal drug application or a supplemental animal drug application is withdrawn after the application or supplement was filed, the Secretary may refund the fee or portion of the fee paid under subparagraph (B) if no substantial work was performed on the application or supplement after the application or supplement was filed. The Secretary shall have the sole discretion to refund the fee under this paragraph. A determination by the Secretary concerning a refund under this paragraph shall not be reviewable.

“(2) ANIMAL DRUG PRODUCT FEE.—Each person—

“(A) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510, and

“(B) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application;

shall pay for each such animal drug product the annual fee established in subsection (b). Such fee shall be payable for the fiscal year in which the animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be payable on or before January

Deadline.

31 of each year. Such fee shall be paid only once for each animal drug product for a fiscal year in which the fee is payable.

“(3) ANIMAL DRUG ESTABLISHMENT FEE.—Each person—

“(A) who owns or operates, directly or through an affiliate, an animal drug establishment, and

“(B) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510, and

“(C) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application,

shall be assessed an annual fee established in subsection (b) for each animal drug establishment listed in its approved animal drug application as an establishment that manufactures the animal drug product named in the application. The annual establishment fee shall be assessed in each fiscal year in which the animal drug product named in the application is assessed a fee under paragraph (2) unless the animal drug establishment listed in the application does not engage in the manufacture of the animal drug product during the fiscal year. The fee shall be paid on or before January 31 of each year. The establishment shall be assessed only one fee per fiscal year under this section: *Provided, however,* That where a single establishment manufactures both animal drug products and prescription drug products, as defined in section 735(3), such establishment shall be assessed both the animal drug establishment fee and the prescription drug establishment fee, as set forth in section 736(a)(2), within a single fiscal year.

Deadline.

“(4) ANIMAL DRUG SPONSOR FEE.—Each person—

“(A) who meets the definition of an animal drug sponsor within a fiscal year; and

“(B) who, after September 1, 2003, had pending before the Secretary an animal drug application, a supplemental animal drug application, or an investigational animal drug submission,

shall be assessed an annual fee established under subsection (b). The fee shall be paid on or before January 31 of each year. Each animal drug sponsor shall pay only one such fee each fiscal year.

Deadline.

“(b) FEE AMOUNTS.—Except as provided in subsection (a)(1) and subsections (c), (d), (f), and (g), the fees required under subsection (a) shall be established to generate fee revenue amounts as follows:

“(1) TOTAL FEE REVENUES FOR APPLICATION AND SUPPLEMENT FEES.—The total fee revenues to be collected in animal drug application fees under subsection (a)(1)(A)(i) and supplemental animal drug application fees under subsection (a)(1)(A)(ii) shall be \$1,250,000 in fiscal year 2004, \$2,000,000 in fiscal year 2005, and \$2,500,000 in fiscal years 2006, 2007, and 2008.

“(2) TOTAL FEE REVENUES FOR PRODUCT FEES.—The total fee revenues to be collected in product fees under subsection (a)(2) shall be \$1,250,000 in fiscal year 2004, \$2,000,000 in fiscal year 2005, and \$2,500,000 in fiscal years 2006, 2007, and 2008.

“(3) TOTAL FEE REVENUES FOR ESTABLISHMENT FEES.—The total fee revenues to be collected in establishment fees under subsection (a)(3) shall be \$1,250,000 in fiscal year 2004, \$2,000,000 in fiscal year 2005, and \$2,500,000 in fiscal years 2006, 2007, and 2008.

“(4) TOTAL FEE REVENUES FOR SPONSOR FEES.—The total fee revenues to be collected in sponsor fees under subsection (a)(4) shall be \$1,250,000 in fiscal year 2004, \$2,000,000 in fiscal year 2005, and \$2,500,000 in fiscal years 2006, 2007, and 2008.

“(c) ADJUSTMENTS.—

“(1) INFLATION ADJUSTMENT.—The revenues established in subsection (b) shall be adjusted by the Secretary by notice, published in the Federal Register, for a fiscal year to reflect the greater of—

“(A) the total percentage change that occurred in the Consumer Price Index for all urban consumers (all items; United States city average) for the 12-month period ending June 30 preceding the fiscal year for which fees are being established; or

“(B) the total percentage change for the previous fiscal year in basic pay under the General Schedule in accordance with section 5332 of title 5, United States Code, as adjusted by any locality-based comparability payment pursuant to section 5304 of such title for Federal employees stationed in the District of Columbia.

The adjustment made each fiscal year by this subsection will be added on a compounded basis to the sum of all adjustments made each fiscal year after fiscal year 2004 under this subsection.

“(2) WORKLOAD ADJUSTMENT.—After the fee revenues are adjusted for inflation in accordance with paragraph (1), the fee revenues shall be further adjusted each fiscal year after fiscal year 2004 to reflect changes in review workload. With respect to such adjustment:

“(A) This adjustment shall be determined by the Secretary based on a weighted average of the change in the total number of animal drug applications, supplemental animal drug applications for which data with respect to safety or effectiveness are required, manufacturing supplemental animal drug applications, investigational animal drug study submissions, and investigational animal drug protocol submissions submitted to the Secretary. The Secretary shall publish in the Federal Register the fees resulting from this adjustment and the supporting methodologies.

“(B) Under no circumstances shall this workload adjustment result in fee revenues for a fiscal year that are less than the fee revenues for that fiscal year established in subsection (b), as adjusted for inflation under paragraph (1).

“(3) FINAL YEAR ADJUSTMENT.—For fiscal year 2008, the Secretary may further increase the fees to provide for up to 3 months of operating reserves of carryover user fees for the process for the review of animal drug applications for the first 3 months of fiscal year 2009. If the Food and Drug Administration has carryover balances for the process for the

Federal Register,
publication.

Federal Register,
publication.

review of animal drug applications in excess of 3 months of such operating reserves, then this adjustment will not be made. If this adjustment is necessary, then the rationale for the amount of the increase shall be contained in the annual notice setting fees for fiscal year 2008.

“(4) ANNUAL FEE SETTING.—The Secretary shall establish, 60 days before the start of each fiscal year beginning after September 30, 2003, for that fiscal year, animal drug application fees, supplemental animal drug application fees, animal drug sponsor fees, animal drug establishment fees, and animal drug product fees based on the revenue amounts established under subsection (b) and the adjustments provided under this subsection. Deadline.

“(5) LIMIT.—The total amount of fees charged, as adjusted under this subsection, for a fiscal year may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of animal drug applications.

“(d) FEE WAIVER OR REDUCTION.—

“(1) IN GENERAL.—The Secretary shall grant a waiver from or a reduction of 1 or more fees assessed under subsection (a) where the Secretary finds that—

“(A) the assessment of the fee would present a significant barrier to innovation because of limited resources available to such person or other circumstances,

“(B) the fees to be paid by such person will exceed the anticipated present and future costs incurred by the Secretary in conducting the process for the review of animal drug applications for such person,

“(C) the animal drug application or supplemental animal drug application is intended solely to provide for use of the animal drug in—

“(i) a Type B medicated feed (as defined in section 558.3(b)(3) of title 21, Code of Federal Regulations (or any successor regulation)) intended for use in the manufacture of Type C free-choice medicated feeds, or

“(ii) a Type C free-choice medicated feed (as defined in section 558.3(b)(4) of title 21, Code of Federal Regulations (or any successor regulation)),

“(D) the animal drug application or supplemental animal drug application is intended solely to provide for a minor use or minor species indication, or

“(E) the sponsor involved is a small business submitting its first animal drug application to the Secretary for review.

“(2) USE OF STANDARD COSTS.—In making the finding in paragraph (1)(B), the Secretary may use standard costs.

“(3) RULES FOR SMALL BUSINESSES.—

“(A) DEFINITION.—In paragraph (1)(E), the term ‘small business’ means an entity that has fewer than 500 employees, including employees of affiliates.

“(B) WAIVER OF APPLICATION FEE.—The Secretary shall waive under paragraph (1)(E) the application fee for the first animal drug application that a small business or its affiliate submits to the Secretary for review. After a small business or its affiliate is granted such a waiver, the small business or its affiliate shall pay application fees for all

subsequent animal drug applications and supplemental animal drug applications for which safety or effectiveness data are required in the same manner as an entity that does not qualify as a small business.

Federal Register,
publication.

“(C) CERTIFICATION.—The Secretary shall require any person who applies for a waiver under paragraph (1)(E) to certify their qualification for the waiver. The Secretary shall periodically publish in the Federal Register a list of persons making such certifications.

“(e) EFFECT OF FAILURE TO PAY FEES.—An animal drug application or supplemental animal drug application submitted by a person subject to fees under subsection (a) shall be considered incomplete and shall not be accepted for filing by the Secretary until all fees owed by such person have been paid. An investigational animal drug submission under section 739(5)(B) that is submitted by a person subject to fees under subsection (a) shall be considered incomplete and shall not be accepted for review by the Secretary until all fees owed by such person have been paid. The Secretary may discontinue review of any animal drug application, supplemental animal drug application or investigational animal drug submission from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which they are due.

“(f) ASSESSMENT OF FEES.—

“(1) LIMITATION.—Fees may not be assessed under subsection (a) for a fiscal year beginning after fiscal year 2003 unless appropriations for salaries and expenses of the Food and Drug Administration for such fiscal year (excluding the amount of fees appropriated for such fiscal year) are equal to or greater than the amount of appropriations for the salaries and expenses of the Food and Drug Administration for the fiscal year 2003 (excluding the amount of fees appropriated for such fiscal year) multiplied by the adjustment factor applicable to the fiscal year involved.

“(2) AUTHORITY.—If the Secretary does not assess fees under subsection (a) during any portion of a fiscal year because of paragraph (1) and if at a later date in such fiscal year the Secretary may assess such fees, the Secretary may assess and collect such fees, without any modification in the rate, for animal drug applications, supplemental animal drug applications, investigational animal drug submissions, animal drug sponsors, animal drug establishments and animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

“(g) CREDITING AND AVAILABILITY OF FEES.—

“(1) IN GENERAL.—Fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of animal drug applications.

“(2) COLLECTIONS AND APPROPRIATION ACTS.—

“(A) IN GENERAL.—The fees authorized by this section—

“(i) shall be retained in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year, and

“(ii) shall only be collected and available to defray increases in the costs of the resources allocated for the process for the review of animal drug applications (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2003 multiplied by the adjustment factor.

“(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of animal drug applications—

“(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

“(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

“(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

“(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fees under this section—

“(A) \$5,000,000 for fiscal year 2004;

“(B) \$8,000,000 for fiscal year 2005;

“(C) \$10,000,000 for fiscal year 2006;

“(D) \$10,000,000 for fiscal year 2007; and

“(E) \$10,000,000 for fiscal year 2008;

as adjusted to reflect adjustments in the total fee revenues made under this section and changes in the total amounts collected by animal drug application fees, supplemental animal drug application fees, animal drug sponsor fees, animal drug establishment fees, and animal drug product fees.

“(4) OFFSET.—Any amount of fees collected for a fiscal year under this section that exceeds the amount of fees specified in appropriations Acts for such fiscal year shall be credited to the appropriation account of the Food and Drug Administration as provided in paragraph (1), and shall be subtracted from the amount of fees that would otherwise be authorized to be collected under this section pursuant to appropriation Acts for a subsequent fiscal year.

“(h) COLLECTION OF UNPAID FEES.—In any case where the Secretary does not receive payment of a fee assessed under subsection (a) within 30 days after it is due, such fee shall be treated as a claim of the United States Government subject to subchapter II of chapter 37 of title 31, United States Code.

Deadline.

“(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

“(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of animal drug applications, be reduced to offset the number of officers, employees, and advisory committees so engaged.

“(k) ABBREVIATED NEW ANIMAL DRUG APPLICATIONS.—The Secretary shall—

“(1) to the extent practicable, segregate the review of abbreviated new animal drug applications from the process for the review of animal drug applications, and

“(2) adopt other administrative procedures to ensure that review times of abbreviated new animal drug applications do not increase from their current level due to activities under the user fee program.”.

21 USC 379j–11
note.

SEC. 4. ACCOUNTABILITY AND REPORTS.

(a) PUBLIC ACCOUNTABILITY.—

(1) CONSULTATION.—In developing recommendations to Congress for the goals and plans for meeting the goals for the process for the review of animal drug applications for the fiscal years after fiscal year 2008, and for the reauthorization of sections 739 and 740 of the Federal Food, Drug, and Cosmetic Act (as added by section 3), the Secretary of Health and Human Services (referred to in this section as the “Secretary”) shall consult with the Committee on Energy and Commerce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate, appropriate scientific and academic experts, veterinary professionals, representatives of consumer advocacy groups, and the regulated industry.

(2) RECOMMENDATIONS.—The Secretary shall—

(A) publish in the Federal Register recommendations under paragraph (1), after negotiations with the regulated industry;

(B) present the recommendations to the Committees referred to in that paragraph;

(C) hold a meeting at which the public may comment on the recommendations; and

(D) provide for a period of 30 days for the public to provide written comments on the recommendations.

Federal Register,
publication.

Deadline.

(b) PERFORMANCE REPORTS.—Beginning with fiscal year 2004, not later than 60 days after the end of each fiscal year during which fees are collected under part 4 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act, the Secretary shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report concerning the progress of the Food and Drug Administration in achieving the goals identified in the letters described in section 2(3) of this Act toward expediting the animal drug development

process and the review of the new and supplemental animal drug applications and investigational animal drug submissions during such fiscal year, the future plans of the Food and Drug Administration for meeting the goals, the review times for abbreviated new animal drug applications, and the administrative procedures adopted by the Food and Drug Administration to ensure that review times for abbreviated new animal drug applications are not increased from their current level due to activities under the user fee program.

(c) **FISCAL REPORT.**—Beginning with fiscal year 2004, not later than 120 days after the end of each fiscal year during which fees are collected under the part described in subsection (b), the Secretary shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made. Deadline.

SEC. 5. SUNSET.

The amendments made by section 3 shall not be in effect after October 1, 2008, and section 4 shall not be in effect after 120 days after such date.

21 USC 379j–11
note.

Approved November 18, 2003.

LEGISLATIVE HISTORY—S. 313:

SENATE REPORTS: No. 108–51 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 23, considered and passed Senate.

June 3, passage vitiated; reconsidered and passed Senate.

Nov. 4, considered and passed House, amended.

Nov. 7, Senate concurred in House amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 18, Presidential statement.



Public Law 108–131
108th Congress

An Act

Nov. 22, 2003
[H.R. 274]

Blackwater
National Wildlife
Refuge
Expansion Act.
16 USC 668dd
note.

To authorize the Secretary of the Interior to acquire the property in Cecil County, Maryland, known as Garrett Island for inclusion in the Blackwater National Wildlife Refuge.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Blackwater National Wildlife Refuge Expansion Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Garrett Island, located at the mouth of the Susquehanna River in Cecil County, Maryland, is a microcosm of the geology and geography of the region, including hard rock piedmont, coastal plain, and volcanic formations.

(2) Garrett Island is the only rocky island in the tidal waters of the Chesapeake.

(3) Garrett Island and adjacent waters provide high-quality habitat for bird and fish species.

(4) Garrett Island contains significant archaeological sites reflecting human history and prehistory of the region.

SEC. 3. AUTHORITY TO ACQUIRE PROPERTY FOR INCLUSION IN THE BLACKWATER NATIONAL WILDLIFE REFUGE.

(a) **ACQUISITION.**—The Secretary of the Interior may use otherwise available amounts to acquire the area known as Garrett Island, consisting of approximately 198 acres located at the mouth of the Susquehanna River in Cecil County, Maryland.

(b) **ADMINISTRATION.**—Lands and interests acquired by the United States under this section shall be managed by the Secretary as the Garrett Island Unit of the Blackwater National Wildlife Refuge.

(c) **PURPOSES.**—The purposes for which the Garrett Island Unit is established and shall be managed are the following:

(1) To support the Delmarva Conservation Corridor Demonstration Program.

(2) To conserve, restore, and manage habitats as necessary to contribute to the migratory bird populations prevalent in the Atlantic Flyway.

(3) To conserve, restore, and manage the significant aquatic resource values associated with submerged land adjacent to the unit and to achieve the habitat objectives of the agreement known as the Chesapeake 2000 Agreement.

- (4) To conserve the archaeological resources on the unit.
- (5) To provide public access to the unit in a manner that does not adversely impact natural resources on and around the unit.

Approved November 22, 2003.

LEGISLATIVE HISTORY—H.R. 274:

SENATE REPORTS: No. 108–180 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 29, considered and passed House.

Nov. 7, considered and passed Senate.



Public Law 108–132
108th Congress

An Act

Nov. 22, 2003
[H.R. 2559]

Military
Construction
Appropriations
Act, 2004.

Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for military construction, family housing, and base realignment and closure functions administered by the Department of Defense, for the fiscal year ending September 30, 2004, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, \$1,448,239,000, to remain available until September 30, 2008: *Provided*, That of this amount, not to exceed \$126,833,000 shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for “Military Construction, Army” under Public Law 107–249, \$137,850,000 are rescinded: *Provided further*, That of the funds appropriated for “Military Construction, Army” under Public Law 107–64, \$24,000,000 are rescinded: *Provided further*, That of the funds appropriated for “Military Construction, Army” under Public Law 106–246, \$17,415,000 are rescinded: *Provided further*, That of the funds appropriated for “Military Construction, Army” under Public Law 106–52, \$4,350,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities,

and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, \$1,238,458,000, to remain available until September 30, 2008: *Provided*, That of this amount, not to exceed \$71,001,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for “Military Construction, Navy” under Public Law 107-249, \$27,213,000 are rescinded: *Provided further*, That of the funds appropriated for “Military Construction, Navy” under Public Law 107-64, \$18,409,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSION)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, \$1,067,751,000, to remain available until September 30, 2008: *Provided*, That of this amount, not to exceed \$95,778,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for “Military Construction, Air Force” in Public Law 107-249, \$23,000,000 are rescinded.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, \$773,471,000, to remain available until September 30, 2008: *Provided*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed \$65,130,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for “Military Construction, Defense-wide” under Public Law 107-249, \$72,309,000 are rescinded.

Notification.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$311,592,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$222,908,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$88,451,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$45,498,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$62,032,000, to remain available until September 30, 2008.

NORTH ATLANTIC TREATY ORGANIZATION

SECURITY INVESTMENT PROGRAM

(INCLUDING RESCISSION)

For the United States share of the cost of the North Atlantic Treaty Organization Security Investment Program for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in Military Construction Authorization Acts and section 2806 of title 10, United States Code, \$169,300,000, to remain available until expended: *Provided*, That of the funds appropriated for “North Atlantic Treaty Organization Security

Investment Program” under Public Law 107–249, \$8,000,000 are rescinded.

FAMILY HOUSING CONSTRUCTION, ARMY

(INCLUDING RESCISSION)

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$383,591,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated for “Family Housing Construction, Army” under Public Law 107–249, \$94,151,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

For expenses of family housing for the Army for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$1,033,026,000.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

(INCLUDING RESCISSION)

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$184,193,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated for “Family Housing Construction, Navy and Marine Corps” under Public Law 107–249, \$40,508,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND
MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$835,078,000.

FAMILY HOUSING CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSION)

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$657,065,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 107–249, \$19,347,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For expenses of family housing for the Air Force for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$816,074,000.

FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$350,000, to remain available until September 30, 2008.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, \$49,440,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

(INCLUDING RESCISSION)

For the Department of Defense Family Housing Improvement Fund, \$300,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities: *Provided*, That of funds available in the “Family Housing Improvement Fund”, \$9,692,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), \$370,427,000, to remain available until expended.

GENERAL PROVISIONS

Contracts.

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for construction, where cost estimates exceed \$25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value

by a Federal court; (2) purchases negotiated by the Attorney General or his designee; (3) where the estimated value is less than \$25,000; or (4) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed \$500,000 for projects to be accomplished in Japan, in any NATO member country, or in countries bordering the Arabian Sea, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Sea, may be used to award any contract estimated by the Government to exceed \$1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 percent: *Provided further*, That this section shall not apply to contract awards for military construction on Kwajalein Atoll for which the lowest responsive and responsible bid is submitted by a Marshallese contractor.

SEC. 113. The Secretary of Defense is to inform the appropriate committees of Congress, including the Committees on Appropriations, of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed \$100,000.

Notification.
Deadline.

SEC. 114. Not more than 20 percent of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 115. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 116. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

10 USC 2860
note.

SEC. 117. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

(TRANSFER OF FUNDS)

10 USC 2860
note.

SEC. 118. During the 5-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriation to which transferred.

Reports.
Deadline.

SEC. 119. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Sea to assume a greater share of the common defense burden of such nations and the United States.

(TRANSFER OF FUNDS)

SEC. 120. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to be merged

with, and to be available for the same purposes and the same time period as that account.

(TRANSFER OF FUNDS)

SEC. 121. Subject to 30 days prior notification to the Committees on Appropriations, such additional amounts as may be determined by the Secretary of Defense may be transferred to the Department of Defense Family Housing Improvement Fund from amounts appropriated for construction in “Family Housing” accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: *Provided*, That appropriations made available to the Fund shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169, title 10, United States Code, pertaining to alternative means of acquiring and improving military family housing and supporting facilities.

SEC. 122. None of the funds appropriated or made available by this Act may be obligated for Partnership for Peace Programs in the New Independent States of the former Soviet Union.

SEC. 123. (a) Not later than 60 days before issuing any solicitation for a contract with the private sector for military family housing the Secretary of the military department concerned shall submit to the congressional defense committees the notice described in subsection (b).

Deadline.
Contracts.
Notice.

(b)(1) A notice referred to in subsection (a) is a notice of any guarantee (including the making of mortgage or rental payments) proposed to be made by the Secretary to the private party under the contract involved in the event of—

(A) the closure or realignment of the installation for which housing is provided under the contract;

(B) a reduction in force of units stationed at such installation; or

(C) the extended deployment overseas of units stationed at such installation.

(2) Each notice under this subsection shall specify the nature of the guarantee involved and assess the extent and likelihood, if any, of the liability of the Federal Government with respect to the guarantee.

(c) In this section, the term “congressional defense committees” means the following:

(1) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the House of Representatives.

(TRANSFER OF FUNDS)

SEC. 124. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374)

to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

10 USC 2821
note.

SEC. 125. Notwithstanding this or any other provision of law, funds appropriated in Military Construction Appropriations Acts for operations and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including general or flag officer quarters: *Provided*, That not more than \$35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days advance prior notification to the appropriate committees of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: *Provided further*, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations all operations and maintenance expenditures for each individual general or flag officer quarters for the prior fiscal year.

Reports.

SEC. 126. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 127. No funds appropriated in this Act under the heading “North Atlantic Treaty Organization Security Investment Program”, and no funds appropriated for any fiscal year before fiscal year 2004 for that program that remain available for obligation, may be obligated or expended for the conduct of studies of missile defense.

Establishment.
10 USC 111 note.

SEC. 128. (a) COMMISSION ON REVIEW OF OVERSEAS MILITARY FACILITY STRUCTURE OF THE UNITED STATES.—(1) There is established the Commission on the Review of the Overseas Military Facility Structure of the United States (in this section referred to as the “Commission”).

(2)(A) The Commission shall be composed of eight members of whom—

(i) two shall be appointed by the Majority Leader of the Senate;

(ii) two shall be appointed by the Minority Leader of the Senate;

(iii) two shall be appointed by the Speaker of the House of Representatives; and

(iv) two shall be appointed by the Minority Leader of the House of Representatives.

(B) Individuals appointed to the Commission shall have significant experience in the national security or foreign policy of the United States.

Deadline.

(C) Appointments of the members of the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(3) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting. Deadline.

(5) The Commission shall meet at the call of the Chairman.

(6) A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(7) The Commission shall select a Chairman and Vice Chairman from among its members.

(b) DUTIES.—(1) The Commission shall conduct a thorough study of matters relating to the military facility structure of the United States overseas.

(2) In conducting the study, the Commission shall—

(A) assess the number of forces required to be forward based outside the United States;

(B) examine the current state of the military facilities and training ranges of the United States overseas for all permanent stations and deployed locations, including the condition of land and improvements at such facilities and ranges and the availability of additional land, if required, for such facilities and ranges;

(C) identify the amounts received by the United States, whether in direct payments, in-kind contributions, or otherwise, from foreign countries by reason of military facilities of the United States overseas;

(D) assess whether or not the current military basing and training range structure of the United States overseas is adequate to meet the current and future mission of the Department of Defense, including contingency, mobilization, and future force requirements;

(E) assess the feasibility and advisability of the closure or realignment of military facilities of the United States overseas, or of the establishment of new military facilities of the United States overseas; and

(F) consider or assess any other issue relating to military facilities of the United States overseas that the Commission considers appropriate.

(3)(A) Not later than December 31, 2004, the Commission shall submit to the President and Congress a report which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate. Deadline.
Reports.

(B) In addition to the matters specified in subparagraph (A), the report shall also include a proposal by the Commission for an overseas basing strategy for the Department of Defense in order to meet the current and future mission of the Department.

(c) POWERS.—(1) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this section.

(2) The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) Upon request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable

basis, the administrative support necessary for the Commission to carry out its duties under this section.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(5) The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) PERSONNEL MATTERS.—(1) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission under this section. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2)(A) Members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission under this section.

(B) Members and staff of the Commission may receive transportation on military aircraft to and from the United States, and overseas, for purposes of the performance of the duties of the Commission to the extent that such transportation will not interfere with the requirements of military operations.

(3)(A) The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties under this section. The employment of an executive director shall be subject to confirmation by the Commission.

(B) The Commission may employ a staff to assist the Commission in carrying out its duties. The total number of the staff of the Commission, including an executive director under subparagraph (A), may not exceed 12.

(C) The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any employee of the Department of Defense, the Department of State, or the General Accounting Office may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) SECURITY.—(1) Members and staff of the Commission, and any experts and consultants to the Commission, shall possess security clearances appropriate for their duties with the Commission under this section.

(2) The Secretary of Defense shall assume responsibility for the handling and disposition of any information relating to the national security of the United States that is received, considered, or used by the Commission under this section.

(f) TERMINATION.—The Commission shall terminate 45 days after the date on which the Commission submits its report under subsection (b).

(g) FUNDING.—(1) Of the amount appropriated by this Act, \$3,000,000 shall be available to the Commission to carry out this section.

(2) The amount made available by paragraph (1) shall remain available, without fiscal year limitation, until September 2005.

This Act may be cited as the “Military Construction Appropriations Act, 2004”.

Approved November 22, 2003.

LEGISLATIVE HISTORY—H.R. 2559 (S. 1357):

HOUSE REPORTS: Nos. 108–173 (Comm. on Appropriations) and 108–342 (Comm. of Conference).

SENATE REPORTS: No. 108–82 accompanying S. 1357 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 149 (2003):

June 26, considered and passed House.

July 10, 11, considered and passed Senate, amended, in lieu of S. 1357.

Nov. 5, House agreed to conference report.

Nov. 12, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 22, Presidential statement.



Public Law 108–133
108th Congress

An Act

Nov. 22, 2003
[H.R. 3054]

To amend the Policemen and Firemen’s Retirement and Disability Act to permit military service previously performed by members and former members of the Metropolitan Police Department of the District of Columbia, the Fire Department of the District of Columbia, the United States Park Police, and the United States Secret Service to count as creditable service for purposes of calculating retirement annuities payable to such members upon payment of a contribution by such members, and for other purposes.

District of
Columbia
Military
Retirement
Equity Act of
2003.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “District of Columbia Military Retirement Equity Act of 2003”.

SEC. 2. PERMITTING INCLUSION OF PREVIOUS MILITARY SERVICE AS CREDITABLE SERVICE FOR CERTAIN DISTRICT OF COLUMBIA RETIREES.

Subsection (c)(8) of the Policemen and Firemen’s Retirement and Disability Act (sec. 5–704(h), D.C. Official Code) is amended—

(1) by striking “(8) Notwithstanding” and inserting “(8)(A) Except as provided in subparagraph (B), notwithstanding”; and

(2) by adding at the end the following new subparagraph:

“(B)(i)(I) Except as provided in subclause (II), and subject to clause (iv), each member or former member who has performed military service before the date of the separation on which the entitlement to any annuity under this Act is based may elect to retain credit for the service by paying (in accordance with such regulations as the Mayor shall issue) to the office by which the member is employed (or, in the case of a former member, to the appropriate benefits administrator) an amount equal to 7 percent of the amount of the basic pay paid under section 204 of title 37, United States Code, to the member for each period of military service after December 1956. The amount of such payments shall be based on such evidence of basic pay for military service as the member may provide, or, if the Mayor determines sufficient evidence has not been so provided to adequately determine basic pay for military service, such payment shall be based upon estimates of such basic pay provided to the Mayor under clause (iii). Payment of such amount by an active member must be completed prior to the member’s date of retirement or October 1, 2006, whichever is later, for the member to retain credit for the service.

“(II) In any case where military service interrupts creditable service under this subsection and reemployment pursuant to chapter 43 of title 38, United States Code, occurs on or after August 1, 1990, the deposit payable under this clause may not

exceed the amount that would have been deducted and withheld under this Act from basic pay during the period of creditable service if the member had not performed the period of military service.

“(ii) Any deposit made under clause (i) more than 2 years after the later of—

“(I) October 1, 2004; or

“(II) the date on which the member making the deposit first becomes a member following the period of military service for which such deposit is due,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under paragraph (5)(B).

“(iii) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Mayor as the Mayor may determine to be necessary for the administration of this subsection.

“(iv) Effective with respect to any period of military service after November 10, 1996, the percentage of basic pay under section 204 of title 37, United States Code, payable under clause (i) shall be equal to the same percentage as would be applicable under subsection (d) of this section for that same period for service as a member subject to clause (i)(II).”.

Effective date.

SEC. 3. ADJUSTMENT IN FEDERAL BENEFIT PAYMENTS TO CERTAIN POLICE AND FIRE RETIREES TO TAKE MILITARY SERVICE ADJUSTMENT INTO ACCOUNT.

(a) IN GENERAL.—Section 11012 of the National Capital Revitalization and Self-Government Improvement Act of 1997 (sec. 1–803.02, D.C. Official Code) is amended by adding at the end the following new subsection:

“(f) TREATMENT OF MILITARY SERVICE CREDIT PURCHASED BY CERTAIN POLICE AND FIRE RETIREES.—For purposes of subsection (a), in determining the amount of a Federal benefit payment made to an officer or member, the benefit payment to which the officer or member is entitled under the District Retirement Program shall include any amounts which would have been included in the benefit payment under such Program if the amendments made by the District of Columbia Military Retirement Equity Act of 2003 had taken effect prior to the freeze date.”.

(b) CONFORMING AMENDMENT.—Section 11003(5) of such Act (sec. 1–801.02(5), D.C. Official Code) is amended by inserting “and (f)” after “section 11012(e)”.

Applicability.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to Federal benefit payments made after the date of the enactment of this Act.

Approved November 22, 2003.

LEGISLATIVE HISTORY—H.R. 3054:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 8, considered and passed House.

Nov. 11, considered and passed Senate.



Public Law 108–134
108th Congress

An Act

To reauthorize certain school lunch and child nutrition programs through March 31, 2004.

Nov. 22, 2003
[H.R. 3232]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.

Section 9(b)(7) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(7)) is amended by inserting “and through March 31, 2004” after “and 2003”.

SEC. 2. CHILD AND ADULT CARE FOOD PROGRAM.

Section 17(a)(2)(B)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(a)(2)(B)(i)) is amended by striking “September 30, 2003” and inserting “March 31, 2004”.

SEC. 3. REIMBURSEMENT TO STATES UNDER COMMODITY DISTRIBUTION PROGRAMS.

Section 15(e) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended by striking “October 1, 2003” and inserting “April 1, 2004”.

SEC. 4. FUNDING MAINTENANCE OF COMMODITY DISTRIBUTION PROGRAMS.

Section 14(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking “September 30, 2003” and inserting “March 31, 2004”.

SEC. 5. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(1) Section 13(q) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking “the fiscal year beginning” and all that follows through “October 1, 2003” and inserting “the period beginning October 1, 1977, and ending March 31, 2004”.

(2) Section 18(f)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)(2)) is amended by striking “of fiscal years 2001 through 2003” and inserting “beginning October 1, 2000, and ending March 31, 2004”.

Approved November 22, 2003.

LEGISLATIVE HISTORY—H.R. 3232:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 28, considered and passed House.

Nov. 6, considered and passed Senate.



Public Law 108–135
108th Congress

Joint Resolution

Making further continuing appropriations for the fiscal year 2004, and for other purposes.

Nov. 22, 2003
[H.J. Res. 79]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 108–84 is amended by striking the date specified in section 107(c) and inserting “January 31, 2004”.

Ante, p. 1240

SEC. 2. Section 8144(b) of the Department of Defense Appropriations Act, 2003 (Public Law 107–248), as amended by Public Law 108–84, is further amended by striking “November 21, 2003” and inserting “January 31, 2004”.

Ante, p. 1240

Approved November 22, 2003.

LEGISLATIVE HISTORY—H.J. Res. 79:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 21, considered and passed House and Senate.



Public Law 108–136
108th Congress

An Act

Nov. 24, 2003
[H.R. 1588]

To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

National Defense
Authorization
Act for Fiscal
Year 2004.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2004”.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

**DIVISION A—DEPARTMENT OF DEFENSE
AUTHORIZATIONS**

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

- Sec. 111. Stryker vehicle program.
Sec. 112. CH–47 helicopter program.

Subtitle C—Navy Programs

- Sec. 121. Multiyear procurement authority for F/A–18 aircraft program.
Sec. 122. Multiyear procurement authority for Tactical Tomahawk cruise missile program.
Sec. 123. Multiyear procurement authority for Virginia class submarine program.
Sec. 124. Multiyear procurement authority for E–2C aircraft program.
Sec. 125. Multiyear procurement authority for Phalanx Close In Weapon System program.
Sec. 126. Pilot program for flexible funding of cruiser conversions and overhauls.

Subtitle D—Air Force Programs

- Sec. 131. Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft.
- Sec. 132. Limitation on retiring C–5 aircraft.
- Sec. 133. Limitation on obligation of funds for procurement of F/A–22 aircraft.
- Sec. 134. Aircraft for performance of aerial refueling mission.
- Sec. 135. Procurement of tanker aircraft.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**Subtitle A—Authorization of Appropriations**

- Sec. 201. Authorization of appropriations.
- Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

- Sec. 211. Collaborative program for development of electromagnetic gun technology.
- Sec. 212. Leadership and duties of Department of Defense Test Resource Management Center.
- Sec. 213. Development of the Joint Tactical Radio System.
- Sec. 214. Future Combat Systems.
- Sec. 215. Extension of reporting requirement for RAH–66 Comanche aircraft program.
- Sec. 216. Studies of fleet platform architectures for the Navy.

Subtitle C—Ballistic Missile Defense

- Sec. 221. Enhanced flexibility for ballistic missile defense systems.
- Sec. 222. Fielding of ballistic missile defense capabilities.
- Sec. 223. Oversight of procurement, performance criteria, and operational test plans for ballistic missile defense programs.
- Sec. 224. Renewal of authority to assist local communities affected by ballistic missile defense system test bed.
- Sec. 225. Prohibition on use of funds for nuclear-armed interceptors in missile defense systems.
- Sec. 226. Follow-on research, development, test, and evaluation related to system improvements for missile defense programs transferred to military departments.

Subtitle D—Other Matters

- Sec. 231. Global Research Watch program in the Office of the Director of Defense Research and Engineering.
- Sec. 232. Defense Advanced Research Projects Agency biennial strategic plan.
- Sec. 233. Enhancement of authority of Secretary of Defense to support science, mathematics, engineering, and technology education.
- Sec. 234. Department of Defense program to expand high-speed, high-bandwidth capabilities for network-centric operations.
- Sec. 235. Blue forces tracking initiative.

TITLE III—OPERATION AND MAINTENANCE**Subtitle A—Authorization of Appropriations**

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Other Department of Defense programs.

Subtitle B—Environmental Provisions

- Sec. 311. Reauthorization and modification of title I of Sikes Act.
- Sec. 312. Clarification of Department of Defense response to environmental emergencies.
- Sec. 313. Repeal of authority to use environmental restoration account funds for relocation of a contaminated facility.
- Sec. 314. Authorization for Department of Defense participation in wetland mitigation banks.
- Sec. 315. Inclusion of environmental response equipment and services in Navy definitions of salvage facilities and salvage services.
- Sec. 316. Repeal of model program for base closure environmental restoration.
- Sec. 317. Requirements for restoration advisory boards and exemption from Federal Advisory Committee Act.
- Sec. 318. Military readiness and conservation of protected species.
- Sec. 319. Military readiness and marine mammal protection.
- Sec. 320. Report regarding impact of civilian community encroachment and certain legal requirements on military installations and ranges and plan to address encroachment.

- Sec. 321. Cooperative water use management related to Fort Huachuca, Arizona, and Sierra Vista subwatershed.
- Sec. 322. Task force on resolution of conflict between military training and endangered species protection at Barry M. Goldwater Range, Arizona.
- Sec. 323. Public health assessment of exposure to perchlorate.
- Sec. 324. Comptroller General review of Arctic Military Environmental Cooperation program.

Subtitle C—Workplace and Depot Issues

- Sec. 331. Exemption of certain firefighting service contracts from prohibition on contracts for performance of firefighting functions.
- Sec. 332. Technical amendment relating to closure of Sacramento Army Depot, California.
- Sec. 333. Exception to competition requirement for depot-level maintenance and repair workloads performed by depot-level activities.
- Sec. 334. Resources-based schedules for completion of public-private competitions for performance of Department of Defense functions.
- Sec. 335. Delayed implementation of revised Office of Management and Budget Circular A–76 by Department of Defense pending report.
- Sec. 336. Pilot program for best-value source selection for performance of information technology services.
- Sec. 337. High-performing organization business process reengineering pilot program.
- Sec. 338. Naval Aviation Depots multi-trades demonstration project.

Subtitle D—Other Matters

- Sec. 341. Cataloging and standardization for defense supply management.
- Sec. 342. Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract.
- Sec. 343. Permanent authority for purchase of certain municipal services at installations in Monterey County, California.
- Sec. 344. Department of Defense telecommunications benefit.
- Sec. 345. Independent assessment of material condition of the KC–135 aerial refueling fleet.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

- Sec. 401. End strengths for active forces.
- Sec. 402. Revision in permanent active duty end strength minimum levels.
- Sec. 403. Personnel strength authorization and accounting process.

Subtitle B—Reserve Forces

- Sec. 411. End strengths for Selected Reserve.
- Sec. 412. End strengths for Reserves on active duty in support of the reserves.
- Sec. 413. End strengths for military technicians (dual status).
- Sec. 414. Fiscal year 2004 limitations on non-dual status technicians.
- Sec. 415. Permanent limitations on number of non-dual status technicians.

Subtitle C—Authorizations of Appropriations

- Sec. 421. Military personnel.
- Sec. 422. Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Matters

- Sec. 501. Standardization of qualifications for appointment as service chief.
- Sec. 502. Eligibility for appointment as Chief of Army Veterinary Corps.
- Sec. 503. Repeal of required grade of defense attaché in France.
- Sec. 504. Repeal of termination provisions for certain authorities relating to management of general and flag officers in certain grades.
- Sec. 505. Retention of health professions officers to fulfill active-duty service commitments following promotion nonselection.
- Sec. 506. Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
- Sec. 507. Contingent exclusion from officer strength and distribution-in-grade limitations for officer serving as Associate Director of Central Intelligence for Military Support.
- Sec. 508. Reappointment of incumbent Chief of Naval Operations.
- Sec. 509. Secretary of Defense approval required for practice of wearing uniform insignia of higher grade known as “frocking”.

Subtitle B—Reserve Component Matters

- Sec. 511. Streamlined process for continuation of officers on the Reserve Active-Status List.
- Sec. 512. Consideration of Reserve officers for position vacancy promotions in time of war or national emergency.
- Sec. 513. Authority for delegation of required secretarial special finding for placement of certain retired members in Ready Reserve.
- Sec. 514. Authority to provide expenses of Army and Air Staff personnel and National Guard Bureau personnel attending national conventions of certain military associations.
- Sec. 515. Expanded authority for use of Ready Reserve in response to terrorism.
- Sec. 516. National Guard officers on active duty in command of National Guard units.
- Sec. 517. Presidential report on mobilization of reserve component personnel and Secretary of Defense assessment.
- Sec. 518. Authority for the use of operation and maintenance funds for promotional activities of the National Committee for Employer Support of the Guard and Reserve.

Subtitle C—ROTC and Military Service Academies

- Sec. 521. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
- Sec. 522. Increase in allocation of scholarships under Army Reserve ROTC scholarship program to students at military junior colleges.
- Sec. 523. Authority for nonscholarship senior ROTC sophomores to voluntarily contract for and receive subsistence allowance.
- Sec. 524. Appointments to military service academies from nominations made by delegates from Guam, Virgin Islands, and American Samoa.
- Sec. 525. Readmission to service academies of certain former cadets and midshipmen.
- Sec. 526. Defense task force on sexual harassment and violence at the military service academies.
- Sec. 527. Actions to address sexual harassment and violence at the service academies.
- Sec. 528. Study and report related to permanent professors at the United States Air Force Academy.
- Sec. 529. Dean of the faculty of the United States Air Force Academy.

Subtitle D—Other Military Education and Training Matters

- Sec. 531. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
- Sec. 532. Authorization for Naval Postgraduate School to provide instruction to enlisted members participating in certain programs.
- Sec. 533. Cost reimbursement requirements for personnel receiving instruction at the Air Force Institute of Technology.
- Sec. 534. Inclusion of accrued interest in amounts that may be repaid under Selected Reserve critical specialties education loan repayment program.
- Sec. 535. Funding of education assistance enlistment incentives to facilitate national service through Department of Defense Education Benefits Fund.
- Sec. 536. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
- Sec. 537. Impact aid eligibility for heavily impacted local educational agencies affected by privatization of military housing.

Subtitle E—Administrative Matters

- Sec. 541. High-tempo personnel management and allowance.
- Sec. 542. Enhanced retention of accumulated leave for high-deployment members.
- Sec. 543. Standardization of statutory authorities for exemptions from requirement for access to secondary schools by military recruiters.
- Sec. 544. Procedures for consideration of applications for award of the Purple Heart medal to veterans held as prisoners of war before April 25, 1962.
- Sec. 545. Authority for Reserve and retired regular officers to hold State and local office notwithstanding call to active duty.
- Sec. 546. Policy on public identification of casualties.
- Sec. 547. Space personnel career fields.
- Sec. 548. Department of Defense Joint Advertising, Market Research, and Studies program.
- Sec. 549. Limitation on force structure reductions in Naval and Marine Corps Reserve aviation squadrons.

Subtitle F—Military Justice Matters

- Sec. 551. Extended limitation period for prosecution of child abuse cases in court-martial.

- Sec. 552. Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel.

Subtitle G—Benefits

- Sec. 561. Additional classes of individuals eligible to participate in the Federal long-term care insurance program.
Sec. 562. Authority to transport remains of retirees and retiree dependents who die in military treatment facilities.
Sec. 563. Eligibility for dependents of certain mobilized reservists stationed overseas to attend defense dependents schools overseas.

Subtitle H—Domestic Violence

- Sec. 571. Travel and transportation for dependents relocating for reasons of personal safety.
Sec. 572. Commencement and duration of payment of transitional compensation.
Sec. 573. Exceptional eligibility for transitional compensation.
Sec. 574. Types of administrative separations triggering coverage.
Sec. 575. Comptroller General review and report.
Sec. 576. Fatality reviews.
Sec. 577. Sense of Congress.

Subtitle I—Other Matters

- Sec. 581. Recognition of military families.
Sec. 582. Permanent authority for support for certain chaplain-led military family support programs.
Sec. 583. Department of Defense-Department of Veterans Affairs Joint Executive Committee.
Sec. 584. Review of the 1991 death of Marine Corps Colonel James E. Sabow.
Sec. 585. Policy on concurrent deployment to combat zones of both military spouses of military families with minor children.
Sec. 586. Congressional notification of amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation.
Sec. 587. Study of National Guard Challenge Program.
Sec. 588. Findings and sense of Congress on reward for information leading to resolution of status of members of the Armed Forces who remain unaccounted for.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2004.
Sec. 602. Revised annual pay adjustment process.
Sec. 603. Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service.
Sec. 604. Special subsistence allowance authorities for members assigned to high-cost duty location or under other unique and unusual circumstances.
Sec. 605. Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty.
Sec. 606. Temporary increase in authorized amount of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Hazardous duty pay for duty involving ski-equipped aircraft on Antarctica or the Arctic icepack.
Sec. 616. Special pay for reserve officers holding positions of unusual responsibility and of critical nature.
Sec. 617. Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized.
Sec. 618. Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty.
Sec. 619. Temporary increase in authorized amount of hostile fire and imminent danger special pay.
Sec. 620. Retroactive payment of hostile fire or imminent danger pay for service in eastern Mediterranean Sea in Operation Iraqi Freedom.

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- Sec. 1053. Conveyance of surplus T–37 aircraft to Air Force Aviation Heritage Foundation, Incorporated.
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- Sec. 1056. Sense of Congress on deployment of airborne chemical agent monitoring systems at chemical stockpile disposal sites in the United States.

- Sec. 1057. Expansion of pre-September 11, 2001, fire grant program of United States Fire Administration.
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- Sec. 1101. Department of Defense national security personnel system.

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- Sec. 1111. Pilot program for improved civilian personnel management.
- Sec. 1112. Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures.
- Sec. 1113. Military leave for mobilized Federal civilian employees.
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- Sec. 1115. Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation.
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- Sec. 1121. Modification of the overtime pay cap.
- Sec. 1122. Common occupational and health standards for differential payments as a consequence of exposure to asbestos.
- Sec. 1123. Increase in annual student loan repayment authority.
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- Sec. 1125. Senior Executive Service and performance.
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- Sec. 1201. Medical assistance to Iraqi children injured during Operation Iraqi Freedom.
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- Sec. 1203. Report on Department of Defense security and reconstruction activities in Iraq.
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- Sec. 1205. Sense of Congress on use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq.

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- Sec. 1211. Review of export protections for military superiority resources.
- Sec. 1212. Report on Department of Defense costs relating to national security controls on satellite exports.

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- Sec. 1221. Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.
- Sec. 1222. Recognition of superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals.
- Sec. 1223. Expansion of authority to waive charges for costs of attendance at George C. Marshall European Center for Security Studies.
- Sec. 1224. Authority for check cashing and currency exchange services to be provided to foreign military members participating in certain activities with United States forces.
- Sec. 1225. Depot maintenance and repair work on certain types of trainer aircraft to be transferred to foreign countries as excess aircraft.

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- Sec. 1231. Annual report on the NATO Prague Capabilities Commitment and the NATO Response Force.

- Sec. 1232. Report on actions that could be taken regarding countries that initiate certain legal actions against United States officials or members of the Armed Forces.
- Sec. 1233. Sense of Congress on redeployment of United States forces in Europe.
- Sec. 1234. Sense of Congress concerning Navy port calls in Israel.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

- Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
- Sec. 1302. Funding allocations.
- Sec. 1303. Limitation on use of funds until certain permits obtained.
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- Sec. 1305. Requirement for on-site managers.
- Sec. 1306. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
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- Sec. 1401. Short title.

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- Sec. 1411. Definition of acquisition.
- Sec. 1412. Acquisition workforce training fund.
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- Sec. 1421. Chief Acquisition Officers.
- Sec. 1422. Chief Acquisition Officers Council.
- Sec. 1423. Statutory and regulatory review.

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- Sec. 1426. Extension of authority to carry out franchise fund programs.
- Sec. 1427. Improvements in contracting for architectural and engineering services.
- Sec. 1428. Authorization of telecommuting for Federal contractors.

Subtitle C—Acquisitions of Commercial Items

- Sec. 1431. Additional incentive for use of performance-based contracting for services.
- Sec. 1432. Authorization of additional commercial contract types.
- Sec. 1433. Clarification of commercial services definition.

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- Sec. 1441. Authority to enter into certain transactions for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.
- Sec. 1442. Public disclosure of noncompetitive contracting for the reconstruction of infrastructure in Iraq.
- Sec. 1443. Special emergency procurement authority.

TITLE XV—VETERANS' DISABILITY BENEFITS COMMISSION

- Sec. 1501. Establishment of commission.
- Sec. 1502. Duties of the commission.
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- Sec. 1504. Powers of the commission.
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- Sec. 1601. Research and development of defense biomedical countermeasures.
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**TITLE XVII—NATURALIZATION AND OTHER IMMIGRATION BENEFITS
FOR MILITARY PERSONNEL AND FAMILIES**

- Sec. 1701. Requirements for naturalization through service in the Armed Forces of the United States.
- Sec. 1702. Naturalization benefits for members of the Selected Reserve of the Ready Reserve.
- Sec. 1703. Extension of posthumous benefits to surviving spouses, children, and parents.
- Sec. 1704. Expedited process for granting posthumous citizenship to members of the Armed Forces.
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- Sec. 2001. Short title.

TITLE XXI—ARMY

- Sec. 2101. Authorized Army construction and land acquisition projects.
- Sec. 2102. Family housing.
- Sec. 2103. Improvements to military family housing units.
- Sec. 2104. Authorization of appropriations, Army.
- Sec. 2105. Termination or modification of authority to carry out certain fiscal year 2003 projects.
- Sec. 2106. Modification of authority to carry out certain fiscal year 2002 projects.
- Sec. 2107. Termination or modification of authority to carry out certain fiscal year 2001 projects.

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- Sec. 2201. Authorized Navy construction and land acquisition projects.
- Sec. 2202. Family housing.
- Sec. 2203. Improvements to military family housing units.
- Sec. 2204. Authorization of appropriations, Navy.
- Sec. 2205. Termination of authority to carry out certain fiscal year 2003 projects.
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TITLE XXIII—AIR FORCE

- Sec. 2301. Authorized Air Force construction and land acquisition projects.
- Sec. 2302. Family housing.
- Sec. 2303. Improvements to military family housing units.
- Sec. 2304. Authorization of appropriations, Air Force.
- Sec. 2305. Termination or modification of authority to carry out certain fiscal year 2003 projects.

TITLE XXIV—DEFENSE AGENCIES

- Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
- Sec. 2402. Family housing.
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- Sec. 2405. Authorization of appropriations, Defense Agencies.
- Sec. 2406. Termination of authority to carry out certain fiscal year 2003 projects.

**TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY
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- Sec. 2501. Authorized NATO construction and land acquisition projects.
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TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

- Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

- Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
- Sec. 2702. Extension of authorizations of certain fiscal year 2001 projects.
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TITLE XXVIII—GENERAL PROVISIONS**Subtitle A—Military Construction Program and Military Family Housing Changes**

- Sec. 2801. Modification of general definitions relating to military construction.
- Sec. 2802. Increase in maximum amount of authorized annual emergency construction.
- Sec. 2803. Increase in number of family housing units in Italy authorized for lease by the Navy.
- Sec. 2804. Increase in authorized maximum lease term for family housing and other facilities in certain foreign countries.
- Sec. 2805. Conveyance of property at military installations closed or realigned to support military construction.
- Sec. 2806. Inapplicability of space limitations to military unaccompanied housing units acquired or constructed under alternative authority.
- Sec. 2807. Additional material for reports on housing privatization program.
- Sec. 2808. Temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.
- Sec. 2809. Report on military construction requirements to support new homeland defense missions of the Armed Forces.

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- Sec. 2811. Enhancement of authority to acquire low-cost interests in land.
- Sec. 2812. Retention and availability of amounts realized from energy cost savings.
- Sec. 2813. Acceptance of in-kind consideration for easements.

Subtitle C—Base Closure and Realignment

- Sec. 2821. Consideration of public-access-road issues related to base closure, realignment, or placement in inactive status.
- Sec. 2822. Consideration of surge requirements in 2005 round of base realignments and closures.

Subtitle D—Land Conveyances**PART I—ARMY CONVEYANCES**

- Sec. 2831. Termination of lease and conveyance of Army Reserve facility, Conway, Arkansas.
- Sec. 2832. Land conveyance, Fort Campbell, Kentucky and Tennessee.
- Sec. 2833. Land conveyance, Fort Knox, Kentucky.
- Sec. 2834. Army National Guard Armory, Pierce City, Missouri.
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- Sec. 2841. Land conveyance, Navy property, Dixon, California.
- Sec. 2842. Land conveyance, Marine Corps Logistics Base, Albany, Georgia.
- Sec. 2843. Land exchange, Naval and Marine Corps Reserve Center, Portland, Oregon.
- Sec. 2844. Land conveyance, Naval Reserve Center, Orange, Texas.
- Sec. 2845. Land conveyance, Puget Sound Naval Shipyard, Bremerton, Washington.

PART III—AIR FORCE CONVEYANCES

- Sec. 2851. Land exchange, March Air Reserve Base, California.
- Sec. 2852. Actions to quiet title, Fallin Waters Subdivision, Eglin Air Force Base, Florida.
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- Sec. 2861. Land conveyance, Air Force and Army Exchange Service property, Dallas, Texas.
- Sec. 2862. Land conveyance, Umnak Island, Alaska.

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- Sec. 2871. Authority to accept guarantees with gifts in development of Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia.
- Sec. 2872. Redesignation of Yuma Training Range Complex as Bob Stump Training Range Complex.
- Sec. 2873. Feasibility study regarding conveyance of Louisiana Army Ammunition Plant, Doyline, Louisiana.

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- Sec. 3101. National Nuclear Security Administration.
- Sec. 3102. Defense environmental management.
- Sec. 3103. Other defense activities.
- Sec. 3104. Defense nuclear waste disposal.
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Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3111. Termination of requirement for annual updates of long-term plan for nuclear weapons stockpile life extension program.
- Sec. 3112. Department of Energy project review groups not subject to Federal Advisory Committee Act by reason of inclusion of employees of Department of Energy management and operating contractors.
- Sec. 3113. Readiness posture for resumption by the United States of underground nuclear weapons tests.
- Sec. 3114. Technical base and facilities maintenance and recapitalization activities.
- Sec. 3115. Continuation of processing, treatment, and disposition of legacy nuclear materials.
- Sec. 3116. Repeal of prohibition on research and development of low-yield nuclear weapons.
- Sec. 3117. Requirement for specific authorization of Congress for commencement of engineering development phase or subsequent phase of Robust Nuclear Earth Penetrator.

Subtitle C—Proliferation Matters

- Sec. 3121. Semiannual financial reports on defense nuclear nonproliferation programs.
- Sec. 3122. Report on reduction of excessive unobligated or unexpended balances for defense nuclear nonproliferation activities.
- Sec. 3123. Study and report relating to weapons-grade uranium and plutonium of the independent states of the former Soviet Union.
- Sec. 3124. Authority to use international nuclear materials protection and cooperation program funds outside the former Soviet Union.
- Sec. 3125. Requirement for on-site managers.

Subtitle D—Other Matters

- Sec. 3131. Performance of personnel security investigations of certain Department of Energy and Nuclear Regulatory Commission employees in sensitive programs.
- Sec. 3132. Policy of Department of Energy regarding future defense environmental management matters.
- Sec. 3133. Inclusion in 2005 stockpile stewardship plan of certain information relating to stockpile stewardship criteria.
- Sec. 3134. Progress reports on Energy Employees Occupational Illness Compensation Program.
- Sec. 3135. Report on integration activities of Department of Defense and Department of Energy with respect to Robust Nuclear Earth Penetrator.

Subtitle E—Consolidation of National Security Provisions

- Sec. 3141. Transfer and consolidation of recurring and general provisions on Department of Energy national security programs.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

- Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

- Sec. 3301. Authorized uses of National Defense Stockpile funds.
- Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

- Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Short title.

Subtitle A—Maritime Administration Reauthorization

- Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.
- Sec. 3512. Conveyance of obsolete vessels under title V, Merchant Marine Act, 1936.
- Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).
- Sec. 3514. Cargo preference.
- Sec. 3515. Maritime education and training.
- Sec. 3516. Authority to convey obsolete vessels to United States territories and foreign countries for reefing.
- Sec. 3517. Maintenance and repair reimbursement pilot program.

Subtitle B—Amendments to Title XI Loan Guarantee Program

- Sec. 3521. Equity payments by obligor for disbursement prior to termination of escrow agreement.
- Sec. 3522. Waivers of program requirements.
- Sec. 3523. Project monitoring.
- Sec. 3524. Defaults.
- Sec. 3525. Decision period.
- Sec. 3526. Loan guarantees.
- Sec. 3527. Annual report on program.
- Sec. 3528. Review of program.

Subtitle C—Maritime Security Fleet

- Sec. 3531. Establishment of Maritime Security Fleet.
- Sec. 3532. Related amendments to existing law.
- Sec. 3533. Interim rules.
- Sec. 3534. Repeals and conforming amendments.
- Sec. 3535. GAO study of adjustment of operating agreement payment criteria.
- Sec. 3536. Definitions.
- Sec. 3537. Effective dates.

Subtitle D—National Defense Tank Vessel Construction Assistance

- Sec. 3541. National defense tank vessel construction program.
- Sec. 3542. Application procedure.
- Sec. 3543. Award of assistance.
- Sec. 3544. Priority for title XI assistance.
- Sec. 3545. Definitions.
- Sec. 3546. Authorization of appropriations.

TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

- Sec. 3611. Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

- Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.
- Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.
- Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.
- Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

- Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term “congressional defense committees” means—

- (1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

- Sec. 111. Stryker vehicle program.
- Sec. 112. CH–47 helicopter program.

Subtitle C—Navy Programs

- Sec. 121. Multiyear procurement authority for F/A–18 aircraft program.
- Sec. 122. Multiyear procurement authority for Tactical Tomahawk cruise missile program.
- Sec. 123. Multiyear procurement authority for Virginia class submarine program.
- Sec. 124. Multiyear procurement authority for E–2C aircraft program.
- Sec. 125. Multiyear procurement authority for Phalanx Close In Weapon System program.
- Sec. 126. Pilot program for flexible funding of cruiser conversions and overhauls.

Subtitle D—Air Force Programs

- Sec. 131. Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft.
- Sec. 132. Limitation on retiring C–5 aircraft.
- Sec. 133. Limitation on obligation of funds for procurement of F/A–22 aircraft.
- Sec. 134. Aircraft for performance of aerial refueling mission.
- Sec. 135. Procurement of tanker aircraft.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Army as follows:

- (1) For aircraft, \$2,098,985,000.
- (2) For missiles, \$1,549,462,000.
- (3) For weapons and tracked combat vehicles, \$1,997,304,000.
- (4) For ammunition, \$1,413,305,000.
- (5) For other procurement, \$4,365,246,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Navy as follows:

- (1) For aircraft, \$9,009,948,000.
- (2) For weapons, including missiles and torpedoes, \$2,233,534,000.
- (3) For shipbuilding and conversion, \$11,729,984,000.
- (4) For other procurement, \$4,739,143,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Marine Corps in the amount of \$1,123,499,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement of ammunition for the Navy and the Marine Corps in the amount of \$924,355,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Air Force as follows:

- (1) For aircraft, \$12,035,151,000.
- (2) For ammunition, \$1,284,725,000.
- (3) For missiles, \$4,298,505,000.
- (4) For other procurement, \$11,631,859,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2004 for Defense-wide procurement in the amount of \$3,768,506,000.

Subtitle B—Army Programs

SEC. 111. STRYKER VEHICLE PROGRAM.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 101 for procurement for the Army for fiscal year 2004 that are available for the Stryker vehicle program, not more than 80 percent may be obligated until—

- (1) the Secretary of the Army has submitted to the Deputy Secretary of Defense the report specified in subsection (b);
- (2) the Secretary of Defense has submitted to the congressional defense committees the report referred to in subsection (c); and
- (3) a period of 30 days has elapsed after the date of the receipt by those committees of the report and certification under paragraph (2).

(b) SECRETARY OF THE ARMY REPORT.—The report referred to in subsection (a)(1) is the report required to be submitted by the Secretary of the Army to the Deputy Secretary of Defense not later than July 8, 2003, that identifies options for modifications to the equipment and configuration of the Army brigades designated as “Stryker brigade combat teams” to assure that those brigades, after incorporating such modifications, provide—

- (1) a higher level of combat capability and sustainability;
- (2) a capability across a broader spectrum of combat operations; and
- (3) a capability to be employed independently of higher-level command formations and support.

(c) SECRETARY OF DEFENSE REPORT.—The Secretary of Defense shall transmit to the congressional defense committees, not later than 30 days after the date of the receipt by the Deputy Secretary of Defense of the report of the Secretary of the Army referred to in subsection (b), the modification options identified by the Secretary of the Army for purposes of that report. The Secretary of Defense shall include any comments that may be applicable to the analysis of the Secretary of the Army’s report.

SEC. 112. CH-47 HELICOPTER PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Secretary of the Army shall conduct a study of the feasibility and the costs and benefits of

providing for the participation of a second source in the production of gears for the helicopter transmissions incorporated into CH-47 helicopters to be procured by the Army with funds authorized to be appropriated by this Act.

(b) **REPORT.**—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study under subsection (a). Deadline.

Subtitle C—Navy Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A-18 AIRCRAFT PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of aircraft in the F/A-18E, F/A-18F, and EA-18G configurations. The total number of aircraft procured through a multiyear contract under this section may not exceed 234.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR TACTICAL TOMAHAWK CRUISE MISSILE PROGRAM.

(a) **AUTHORITY.**—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of Tactical Tomahawk cruise missiles. The total number of missiles procured through a multiyear contract under this section shall be determined by the Secretary of the Navy, based upon the funds available, but not to exceed 900 in any year.

(b) **TACTICAL TOMAHAWK CRUISE MISSILES.**—The Secretary of the Navy may not enter into a contract authorized by subsection (a) until the Secretary—

(1) determines on the basis of operational testing that the Tactical Tomahawk Cruise Missile is effective for fleet use; and

(2) submits notice of such determination to the congressional defense committees.

SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR VIRGINIA CLASS SUBMARINE PROGRAM.

(a) **AUTHORITY.**—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of Virginia-class submarines.

(b) **LIMITATION.**—The Secretary of the Navy may not enter into a contract authorized by subsection (a) until—

(1) the Secretary submits to the congressional defense committees a certification that the Secretary has made each of the findings with respect to such contract specified in subsection (a) of section 2306b of title 10, United States Code; and

(2) a period of 30 days has elapsed after the date of the transmission of such certification.

(c) **APPLICABILITY OF SHIPBUILDER TEAMING LAW.**—Paragraphs (2)(A), (3), and (4) of section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111

Stat. 1648) shall apply in the exercise of authority to enter into a multiyear contract under subsection (a).

SEC. 124. MULTIYEAR PROCUREMENT AUTHORITY FOR E-2C AIRCRAFT PROGRAM.

(a) **AIRCRAFT.**—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of E-2C and TE-2C aircraft.

(b) **ENGINES.**—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of engines for aircraft in the E-2C or TE-2C configuration.

(c) **LIMITATION ON TERM OF CONTRACTS.**—Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this section may not be for a period in excess of four program years.

SEC. 125. MULTIYEAR PROCUREMENT AUTHORITY FOR PHALANX CLOSE IN WEAPON SYSTEM PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement for the Phalanx Close In Weapon System program, Block 1B.

10 USC 7291
note.

SEC. 126. PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS.

(a) **ESTABLISHMENT.**—The Secretary of the Navy may carry out a pilot program of flexible funding of conversions and overhauls of cruisers of the Navy in accordance with this section.

(b) **AUTHORITY.**—Under the pilot program, the Secretary may, subject to subsection (d), transfer amounts described in subsection (c) to the appropriation for the Navy for procurement for shipbuilding and conversion for any fiscal year to continue to provide funds for any conversion or overhaul of a cruiser of the Navy for which funds were initially provided from the appropriation to which transferred.

(c) **FUNDS AVAILABLE FOR TRANSFER.**—The amounts available for transfer under this section are amounts appropriated to the Navy for any fiscal year after fiscal year 2003 and before fiscal year 2013 for the following purposes:

(1) For procurement, as follows:

(A) For shipbuilding and conversion.

(B) For weapons procurement.

(C) For other procurement.

(2) For operation and maintenance.

(d) **LIMITATIONS.**—(1) A transfer may be made with respect to a cruiser under this section only to meet either (or both) of the following requirements:

(A) An increase in the size of the workload for conversion or overhaul to meet existing requirements for the cruiser.

(B) A new conversion or overhaul requirement resulting from a revision of the original baseline conversion or overhaul program for the cruiser.

(2) A transfer may not be made under this section before the date that is 30 days after the date on which the Secretary

of the Navy transmits to the congressional defense committees a written notification of the intended transfer. The notification shall include the following matters:

(A) The purpose of the transfer.

(B) The amounts to be transferred.

(C) Each account from which the funds are to be transferred.

(D) Each program, project, or activity from which the funds are to be transferred.

(E) Each account to which the funds are to be transferred.

(F) A discussion of the implications of the transfer for the total cost of the cruiser conversion or overhaul program for which the transfer is to be made.

(e) **MERGER OF FUNDS.**—Amounts transferred to an appropriation with respect to the conversion or overhaul of a cruiser under this section shall be credited to and merged with other funds in the appropriation to which transferred and shall be available for the conversion or overhaul of such cruiser for the same period as the appropriation to which transferred.

(f) **RELATIONSHIP TO OTHER TRANSFER AUTHORITY.**—The authority to transfer funds under this section is in addition to any other authority provided by law to transfer appropriated funds and is not subject to any restriction, limitation, or procedure that is applicable to the exercise of any such other authority.

(g) **FINAL REPORT.**—Not later than October 1, 2011, the Secretary of the Navy shall submit to the congressional defense committees a report containing the Secretary's evaluation of the efficacy of the authority provided under this section.

Deadline.

(h) **TERMINATION OF PROGRAM.**—No transfer may be made under this section after September 30, 2012.

Subtitle D—Air Force Programs

SEC. 131. ELIMINATION OF QUANTITY LIMITATIONS ON MULTIYEAR PROCUREMENT AUTHORITY FOR C-130J AIRCRAFT.

Section 131(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2475) is amended by striking “up to 40 C–130J aircraft in the CC–130J configuration and up to 24 C–130J aircraft in the KC–130J configuration” and inserting “C–130J aircraft in the CC–130J and KC–130J configurations”.

SEC. 132. LIMITATION ON RETIRING C-5 AIRCRAFT.

(a) **LIMITATION.**—The Secretary of the Air Force may not proceed with a decision to retire C–5A aircraft from the active inventory of the Air Force in any number that would reduce the total number of such aircraft in the active inventory below 112 until—

(1) the Air Force has modified a C–5A aircraft to the configuration referred to as the Reliability Enhancement and Reengining Program (RERP) configuration, as planned under the C–5 System Development and Demonstration program as of May 1, 2003; and

(2) the Director of Operational Test and Evaluation of the Department of Defense—

(A) conducts an operational evaluation of that aircraft, as so modified; and

(B) provides to the Secretary of Defense and the congressional defense committees an operational assessment.

(b) **OPERATIONAL EVALUATION.**—An operational evaluation for purposes of paragraph (2)(A) of subsection (a) is an evaluation, conducted during operational testing and evaluation of the aircraft, as so modified, of the performance of the aircraft with respect to reliability, maintainability, and availability and with respect to critical operational issues.

(c) **OPERATIONAL ASSESSMENT.**—An operational assessment for purposes of paragraph (2)(B) of subsection (a) is an operational assessment of the program to modify C-5A aircraft to the configuration referred to in subsection (a)(1) regarding both overall suitability and deficiencies of the program to improve performance of the C-5A aircraft relative to requirements and specifications for reliability, maintainability, and availability of that aircraft as in effect on May 1, 2003.

SEC. 133. LIMITATION ON OBLIGATION OF FUNDS FOR PROCUREMENT OF F/A-22 AIRCRAFT.

(a) **LIMITATION.**—Of the amount appropriated for fiscal year 2004 for procurement of F/A-22 aircraft, \$136,000,000 may not be obligated until the Under Secretary of Defense for Acquisition, Technology, and Logistics submits to the congressional defense committees the Under Secretary's certification that—

(1) the five aircraft designated to participate in the initial operational test and evaluation program for the F/A-22 aircraft, plus the avionics software test aircraft, have each been equipped with the avionics software operational flight program that is configured for initial operational test and evaluation; and

(2) before the commencement of that initial operational test and evaluation program, the six aircraft specified in paragraph (1) demonstrate, on average, a mean time between covered avionics anomalies of at least five hours.

(c) **COVERED AVIONICS ANOMALIES.**—For purposes of subsection (a), the term “covered avionics anomalies” means any of the following:

- (1) A software event referred to as a Type 1 failure.
- (2) A software event referred to as a Type 2 failure.
- (3) A hardware event referred to as a Type 5 failure.

(c) **CONTINGENCY WAIVER AUTHORITY.**—If the Under Secretary notifies the Secretary of Defense that the Under Secretary is unable to make the certification described in subsection (a), the Secretary may waive the limitation under that subsection. Upon making such a waiver—

(1) the Secretary of Defense shall notify the congressional defense committees of the waiver and of the reasons therefor; and

(2) the funds described in subsection (a) may then be obligated, by reason of such waiver, after the end of the 30-day period beginning on the date on which the Secretary's notification is received by those committees.

SEC. 134. AIRCRAFT FOR PERFORMANCE OF AERIAL REFUELING MISSION.

(a) **RESTRICTION ON RETIREMENT OF KC-135E AIRCRAFT.**—The Secretary of the Air Force shall ensure that the number of KC-

Notification.

135E aircraft of the Air Force that are retired in fiscal year 2004, if any, does not exceed 12 such aircraft.

(b) **REQUIRED ANALYSIS.**—Not later than March 1, 2004, the Secretary of the Air Force shall submit to the congressional defense committees an analysis of alternatives for meeting the aerial refueling requirements that the Air Force has the mission to meet. The Secretary shall provide for the analysis to be performed by a federally funded research and development center or another entity independent of the Department of Defense. Deadline.

SEC. 135. PROCUREMENT OF TANKER AIRCRAFT.

10 USC 2401a
note.

(a) **LEASED AIRCRAFT.**—The Secretary of the Air Force may lease no more than 20 tanker aircraft under the multiyear aircraft lease pilot program referred to in subsection (d).

(b) **MULTIYEAR PROCUREMENT AUTHORITY.**—(1) Beginning with the fiscal year 2004 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the purchase of tanker aircraft necessary to meet the requirements of the Air Force for which leasing of tanker aircraft is provided for under the multiyear aircraft lease pilot program but for which the number of tanker aircraft leased under the authority of subsection (a) is insufficient.

(2) The total number of tanker aircraft purchased through a multiyear contract under this subsection may not exceed 80.

(3) Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this subsection may be for any period not in excess of 10 program years.

(4) A multiyear contract under this subsection may be initiated or continued for any fiscal year for which sufficient funds are available to pay the costs of such contract for that fiscal year, without regard to whether funds are available to pay the costs of such contract for any subsequent fiscal year. Such contract shall provide, however, that performance under the contract during the subsequent year or years of the contract is contingent upon the appropriation of funds and shall also provide for a cancellation payment to be made to the contractor if such appropriations are not made.

(c) **STUDY OF LONG-TERM TANKER AIRCRAFT MAINTENANCE AND TRAINING REQUIREMENTS.**—(1) The Secretary of Defense shall carry out a study to identify alternative means for meeting the long-term requirements of the Air Force for—

(A) the maintenance of tanker aircraft leased under the multiyear aircraft lease pilot program or purchased under subsection (b); and

(B) training in the operation of tanker aircraft leased under the multiyear aircraft lease pilot program or purchased under subsection (b).

(2) Not later than April 1, 2004, the Secretary of Defense shall submit a report on the results of the study to the congressional defense committees. Deadline.
Reports.

(d) **MULTIYEAR AIRCRAFT LEASE PILOT PROGRAM DEFINED.**—In this section, the term “multiyear aircraft lease pilot program” means the aerial refueling aircraft program authorized under section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284).

(e) **SENSE OF CONGRESS.**—It is the sense of Congress that, in budgeting for a program to acquire new tanker aircraft for

the Air Force, the President should ensure that sufficient budgetary resources are provided to the Department of Defense to fully execute the program and to further ensure that all other critical defense programs are fully and properly funded.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

- Sec. 201. Authorization of appropriations.
- Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

- Sec. 211. Collaborative program for development of electromagnetic gun technology.
- Sec. 212. Leadership and duties of Department of Defense Test Resource Management Center.
- Sec. 213. Development of the Joint Tactical Radio System.
- Sec. 214. Future Combat Systems.
- Sec. 215. Extension of reporting requirement for RAH–66 Comanche aircraft program.
- Sec. 216. Studies of fleet platform architectures for the Navy.

Subtitle C—Ballistic Missile Defense

- Sec. 221. Enhanced flexibility for ballistic missile defense systems.
- Sec. 222. Fielding of ballistic missile defense capabilities.
- Sec. 223. Oversight of procurement, performance criteria, and operational test plans for ballistic missile defense programs.
- Sec. 224. Renewal of authority to assist local communities affected by ballistic missile defense system test bed.
- Sec. 225. Prohibition on use of funds for nuclear-armed interceptors in missile defense systems.
- Sec. 226. Follow-on research, development, test, and evaluation related to system improvements for missile defense programs transferred to military departments.

Subtitle D—Other Matters

- Sec. 231. Global Research Watch program in the Office of the Director of Defense Research and Engineering.
- Sec. 232. Defense Advanced Research Projects Agency biennial strategic plan.
- Sec. 233. Enhancement of authority of Secretary of Defense to support science, mathematics, engineering, and technology education.
- Sec. 234. Department of Defense program to expand high-speed, high-bandwidth capabilities for network-centric operations.
- Sec. 235. Blue forces tracking initiative.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Department of Defense for research, development, test, and evaluation as follows:

- (1) For the Army, \$9,544,833,000.
- (2) For the Navy, \$14,845,503,000.
- (3) For the Air Force, \$20,555,667,000.
- (4) For Defense-wide activities, \$18,438,718,000, of which \$286,661,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2004.—Of the amounts authorized to be appropriated by section 201, \$11,029,557,000 shall be available for the

Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term “basic research, applied research, and advanced technology development” means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. COLLABORATIVE PROGRAM FOR DEVELOPMENT OF ELECTROMAGNETIC GUN TECHNOLOGY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish and carry out a collaborative program for evaluation and demonstration of advanced technologies and concepts for advanced gun systems that use electromagnetic propulsion for direct and indirect fire applications.

(b) DESCRIPTION OF PROGRAM.—The program under subsection (a) shall be carried out collaboratively pursuant to a memorandum of agreement to be entered into among the Director of Defense Research and Engineering, the Secretary of the Army, the Secretary of the Navy, the Director of the Defense Advanced Research Projects Agency, and other appropriate officials of the Department of Defense, as determined by the Secretary. The program shall include the following activities:

(1) Identification of technical objectives, quantified technical barriers, and enabling technologies associated with development of the objective electromagnetic gun systems envisioned to meet the needs of each of the Armed Forces and, in so doing, identification of opportunities for development of components or subsystems common to those envisioned gun systems.

(2) Preparation of a plan and schedule for development of electromagnetic gun systems for military applications, which—

(A) includes the programs currently planned within the Department of Defense;

(B) describes how enabling technologies common to such programs are developed and utilized; and

(C) provides estimated dates for decision points, prototype demonstrations, and transitions of technologies to acquisition programs.

(3) Identification of a strategy for the participation of industry in the program.

(c) MATTERS INCLUDED.—The advanced technologies and concepts included under the program may include, but are not limited to, the following:

(1) Advanced electrical power, energy storage, and switching systems.

(2) Electromagnetic launcher materials and construction techniques for long barrel life.

(3) Guidance and control systems for electromagnetically launched projectiles.

(4) Advanced projectiles and other munitions for electromagnetic gun systems.

(5) Hypervelocity terminal effects.

(d) **TRANSITION OF TECHNOLOGIES.**—The Secretary of Defense shall encourage the transition of technologies developed under the program under subsection (a) into appropriate acquisition programs of the military departments.

Deadline.
Reports.

(e) **REPORT.**—Not later than March 31, 2004, the Director of Defense Research and Engineering, in collaboration with the other officials who entered into the memorandum of agreement under subsection (b), shall submit a report to the congressional defense committees on the implementation of the program under subsection (a). The report shall include the following:

(1) A description of the memorandum of agreement entered into under subsection (b).

(2) The plan and schedule required by subsection (b)(2).

(3) A description of the goals and objectives of the program.

(4) Identification of funding required for fiscal years 2004 and 2005 and for the future-years defense program to carry out the program.

(5) A description of a plan for industry participation in the program.

SEC. 212. LEADERSHIP AND DUTIES OF DEPARTMENT OF DEFENSE TEST RESOURCE MANAGEMENT CENTER.

(a) **AUTHORITY TO SELECT CIVILIAN EMPLOYEE AS DIRECTOR.**—Subsection (b)(1) of section 196 of title 10, United States Code, is amended—

(1) by striking “on active duty. The Director” and inserting “on active duty or from among senior civilian officers and employees of the Department of Defense. A commissioned officer serving as the Director”; and

(2) by adding at the end the following: “A civilian officer or employee serving as the Director, while so serving, has a pay level equivalent in grade to lieutenant general.”.

(b) **EXPANSION OF DUTIES OF DIRECTOR.**—(1) Subsection (c)(1)(B) of such section is amended by inserting after “Department of Defense” the following: “, other than budgets and expenditures for activities described in section 139(i) of this title”.

(2) Subsection (e)(1) of such section is amended—

(A) by striking “, the Director of Operational Test and Evaluation,”; and

(B) by striking “, Director’s, or head’s” and inserting “or Defense Agency head’s”.

SEC. 213. DEVELOPMENT OF THE JOINT TACTICAL RADIO SYSTEM.

(a) **PLAN FOR MANAGEMENT OF DEVELOPMENT PROGRAM.**—The Secretary of Defense shall develop a plan for implementation of management of the development program for the Joint Tactical Radio System under a single joint program office. As part of such plan, the Secretary shall designate an office for such purpose. The Secretary shall include in the plan measures to ensure that—

(1) the Joint Tactical Radio Program has a program management structure that provides strong and effective joint management;

(2) the head of the joint program office has sufficient control and authority to properly execute that development program; and

(3) effective processes are established to resolve disputes between military departments with respect to that program.

(b) PROGRAM DEVELOPMENT.—The Secretary shall provide that, subject to the authority, direction, and control of the Secretary, the head of the joint program office designated under subsection (a) shall—

(1) establish and control the systems engineering and the performance and design specifications for the Joint Tactical Radio System;

(2) establish and control the standards for development of software and equipment for that system; and

(3) establish and control the standards for operation of that system.

(c) PROGRAM REQUIREMENTS.—The Secretary shall ensure—

(1) that there is developed and implemented a single, unified concept of operations for all users of the Joint Tactical Radio System; and

(2) that the responsibility for the coordination of the operational requirements for that system is vested in the Chairman of the Joint Chiefs of Staff, with the participation of the Joint Tactical Radio System program office.

(d) REPORT ON PLAN.—The Secretary shall submit the plan required by subsection (a) to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 2004. Deadline.

(e) IMPLEMENTATION DEADLINE.—The Secretary shall implement the plan required by subsection (a) not later than December 1, 2004.

SEC. 214. FUTURE COMBAT SYSTEMS.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 201(1) for development and demonstration of systems for the Future Combat Systems program, \$170,000,000 may not be obligated or expended until 30 days after the Secretary of the Army submits to the congressional defense committees a report on such program. The report shall include the following: Reports.

(1) The findings and conclusions of—

(A) the review of the Future Combat Systems program carried out by the independent panel at the direction of the Secretary of Defense; and

(B) the milestone B review of the Future Combat Systems program carried out by the Defense Acquisition Board.

(2) For each of the three projects requested under program element 64645A, a breakdown of the costs of that project for fiscal year 2004 at a level of detail sufficient to justify the amount requested for that project in the budget submitted by the President.

(b) SEPARATE PROGRAM ELEMENTS.—For fiscal years beginning with 2004, the Secretary of Defense shall ensure that the following matters (referred to as projects under program element 64645A in the budget justification materials submitted in support of the President's budget for fiscal year 2004) are each planned, programmed, and budgeted for as a separate, dedicated program element:

(1) The Future Combat Systems project.

(2) The Networked Fires System Technology project.

(3) The Objective Force Indirect Fires project.

(c) ANNUAL REPORT.—At the same time that the President submits the budget for a fiscal year to Congress under section 1105(a) of title 31, United States Code, the Secretary of the Army shall submit to the congressional defense committees a report on the programs and projects comprising the Future Combat Systems program. The report shall include—

(1) for each such program or project, a breakdown of the costs of that program or project for that fiscal year at a level of detail sufficient to justify the amount requested for that program or project in that budget; and

(2) any updated analysis of alternatives for the program.

SEC. 215. EXTENSION OF REPORTING REQUIREMENT FOR RAH-66 COMANCHE AIRCRAFT PROGRAM.

Section 211 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314; 116 Stat. 2479) is amended in subsection (a) by inserting “and fiscal year 2004” after “fiscal year 2003”.

10 USC 113 note.

SEC. 216. STUDIES OF FLEET PLATFORM ARCHITECTURES FOR THE NAVY.

(a) INDEPENDENT STUDIES.—(1) The Secretary of Defense shall provide for the performance of two independent studies of alternative future fleet platform architectures for the Navy.

(2) The Secretary shall forward the results of each study to the congressional defense committees not later than January 15, 2005.

(3) Each such study shall be submitted both in unclassified, and to the extent necessary, in classified versions.

(b) ENTITIES TO PERFORM STUDIES.—The Secretary of Defense shall provide for the studies under subsection (a) to be performed as follows:

(1) One study shall be performed by a federally funded research and development center.

(2) The other study shall be performed by the Office of Force Transformation within the Office of the Secretary of Defense and shall include participants from (A) the Office of Net Assessment within the Office of the Secretary of Defense, (B) the Department of the Navy, and (C) the Joint Staff.

(c) PERFORMANCE OF STUDIES.—(1) The Secretary of Defense shall require the two studies under this section to be conducted independently of each other.

(2) In performing a study under this section, the organization performing the study, while being aware of the current and projected fleet platform architectures, shall not be limited by the current or projected fleet platform architecture and shall consider the following:

(A) The National Security Strategy of the United States.

(B) Potential future threats to the United States and to United States naval forces.

(C) The traditional roles and missions of United States naval forces.

(D) Alternative roles and missions for United States naval forces.

(E) Other government and non-government analyses that would contribute to the study through variations in study assumptions or potential scenarios.

(F) The role of evolving technology on future naval forces.

(G) Opportunities for reduced manning and unmanned ships and vehicles in future naval forces.

(d) STUDY RESULTS.—The results of each study under this section shall—

(1) present the alternative fleet platform architectures considered, with assumptions and possible scenarios identified for each;

(2) provide for presentation of minority views of study participants; and

(3) for the recommended architecture, provide—

(A) the numbers, kinds, and sizes of vessels, the numbers and types of associated manned and unmanned vehicles, and the basic capabilities of each of those platforms; and

(B) other information needed to understand that architecture in basic form and the supporting analysis.

Subtitle C—Ballistic Missile Defense

SEC. 221. ENHANCED FLEXIBILITY FOR BALLISTIC MISSILE DEFENSE SYSTEMS.

(a) FLEXIBILITY FOR SPECIFICATION OF PROGRAM ELEMENTS.—Subsection (a) of section 223 of title 10, United States Code, is amended—

(1) by inserting “BY PRESIDENT” in the subsection heading after “SPECIFIED”;

(2) by striking “program elements governing functional areas as follows:” and inserting “such program elements as the President may specify.”; and

(3) by striking paragraphs (1) through (6).

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of such section is amended by striking “for each program element specified in subsection (a)” and inserting “for a fiscal year for any program element specified for that fiscal year pursuant to subsection (a)”.

(2) Subsection (c)(3) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking “each functional area” and all that follows through “subsection (b),” and inserting “each then-current program element for ballistic missile defense systems in effect pursuant to subsection (a) or (b)”.

(c) AMENDMENTS RELATING TO CHANGES IN ACQUISITION TERMINOLOGY.—(1) Section 223(b)(2) of title 10, United States Code, is amended by striking “means the development phase whose” and inserting “means the period in the course of an acquisition program during which the”.

(2) Subsection (d)(1) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking “, as added by subsection (b)”.

SEC. 222. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Funds authorized to be appropriated under section 201(4) for the Missile Defense Agency may be used for the development and fielding of an initial set of ballistic missile defense capabilities.

SEC. 223. OVERSIGHT OF PROCUREMENT, PERFORMANCE CRITERIA, AND OPERATIONAL TEST PLANS FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) **PROCUREMENT.**—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 223 the following new section:

“§ 223a. Ballistic missile defense programs: procurement

“(a) **BUDGET JUSTIFICATION MATERIALS.**—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary of Defense shall specify, for each ballistic missile defense system element for which the Missile Defense Agency is engaged in planning for production and initial fielding, the following information:

“(1) The production rate capabilities of the production facilities planned to be used for production of that element.

“(2) The potential date of availability of that element for initial fielding.

“(3) The estimated date on which the administration of the acquisition of that element is to be transferred from the Director of the Missile Defense Agency to the Secretary of a military department.

“(b) **FUTURE-YEARS DEFENSE PROGRAM.**—The Secretary of Defense shall include in the future-years defense program submitted to Congress each year under section 221 of this title an estimate of the amount necessary for procurement for each ballistic missile defense system element, together with a discussion of the underlying factors and reasoning justifying the estimate.

“(c) **PERFORMANCE CRITERIA.**—The Director of the Missile Defense Agency shall include in the performance criteria prescribed for planned development phases of the ballistic missile defense system and its elements a description of the intended effectiveness of each such phase against foreign adversary capabilities.

“(d) **TESTING PROGRESS.**—The Director of Operational Test and Evaluation shall make available for review by the congressional defense committees the developmental and operational test plans established to assess the effectiveness of the ballistic missile defense system and its elements with respect to the performance criteria described in subsection (c).”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 223 the following new item:

“223a. Ballistic missile defense programs: procurement.”.

10 USC 223a
note.

(b) **IMPLEMENTATION OF REQUIREMENT FOR AVAILABILITY OF TEST PLANS.**—Subsection (d) of section 223a of title 10, United States Code, as added by subsection (a), shall be implemented not later than March 1, 2004.

SEC. 224. RENEWAL OF AUTHORITY TO ASSIST LOCAL COMMUNITIES AFFECTED BY BALLISTIC MISSILE DEFENSE SYSTEM TEST BED.

Section 235(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1041) is amended—

(1) in paragraph (1), by inserting “or 2004” after “for fiscal year 2002”; and

(2) by adding at the end the following new paragraph:

“(3) Not later than 60 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary of Defense shall submit to the congressional defense committees a report on the community assistance projects under this subsection that are to be supported using funds referred to in paragraph (1) for fiscal year 2004. The report shall include, for each such project, a description of the project and an estimate of the total cost of the project.”.

Deadline.
Reports.

SEC. 225. PROHIBITION ON USE OF FUNDS FOR NUCLEAR-ARMED INTERCEPTORS IN MISSILE DEFENSE SYSTEMS.

No funds authorized to be appropriated for the Department of Defense by this Act may be obligated or expended for research, development, test, and evaluation, procurement, or deployment of nuclear-armed interceptors in a missile defense system.

SEC. 226. FOLLOW-ON RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATED TO SYSTEM IMPROVEMENTS FOR MISSILE DEFENSE PROGRAMS TRANSFERRED TO MILITARY DEPARTMENTS.

(a) REQUIREMENT FOR DELINEATION OF RESPONSIBILITY FOR FOLLOW-ON RDT&E.—Subsection (e) of section 224 of title 10, United States Code, is amended—

(1) by striking “for each” and inserting “before a”;

(2) by inserting “is” before “transferred”;

(3) by striking “responsibility” and inserting “roles and responsibilities”; and

(4) by striking “remains with the Director” and inserting “are clearly delineated”.

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking “a Department of Defense missile defense program described in subsection (b)” and inserting “the integration of a ballistic missile defense element into the overall ballistic missile defense architecture”.

Subtitle D—Other Matters

SEC. 231. GLOBAL RESEARCH WATCH PROGRAM IN THE OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING.

(a) PROGRAM REQUIRED.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2364 the following new section:

“§ 2365. Global Research Watch Program

“(a) PROGRAM.—The Director of Defense Research and Engineering shall carry out a Global Research Watch program in accordance with this section.

“(b) PROGRAM GOALS.—The goals of the program are as follows:

“(1) To monitor and analyze the basic and applied research activities and capabilities of foreign nations in areas of military interest, including allies and competitors.

“(2) To provide standards for comparison and comparative analysis of research capabilities of foreign nations in relation to the research capabilities of the United States.

“(3) To assist Congress and Department of Defense officials in making investment decisions for research in technical areas where the United States may not be the global leader.

“(4) To identify areas where significant opportunities for cooperative research may exist.

“(5) To coordinate and promote the international cooperative research and analysis activities of each of the armed forces and Defense Agencies.

“(6) To establish and maintain an electronic database on international research capabilities, comparative assessments of capabilities, cooperative research opportunities, and ongoing cooperative programs.

“(c) FOCUS OF PROGRAM.—The program shall be focused on research and technologies at a technical maturity level equivalent to Department of Defense basic and applied research programs.

“(d) COORDINATION.—(1) The Director shall coordinate the program with the international cooperation and analysis activities of the military departments and Defense Agencies.

“(2) The Secretaries of the military departments and the directors of the Defense Agencies shall provide the Director of Defense Research and Engineering such assistance as the Director may require for purposes of the program.

“(e) CLASSIFICATION OF DATABASE INFORMATION.—Information in electronic databases of the Global Research Watch program shall be maintained in unclassified form and, as determined necessary by the Director, in classified form in such databases.

“(f) TERMINATION.—The requirement to carry out the program under this section shall terminate on September 30, 2006.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 2364 the following new item:

“2365. Global Research Watch Program.”.

SEC. 232. DEFENSE ADVANCED RESEARCH PROJECTS AGENCY BIENNIAL STRATEGIC PLAN.

(a) REQUIREMENT FOR PLAN.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2351 the following new section:

“§ 2352. Defense Advanced Research Projects Agency: biennial strategic plan

“(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (c), the Director of the Defense Advanced Research Projects Agency shall prepare a strategic plan for the activities of that agency.

“(b) CONTENTS.—The strategic plan required by subsection (a) shall include the following matters:

“(1) The long-term strategic goals of that agency.

“(2) Identification of the research programs of that agency that support—

“(A) achievement of those strategic goals; and

“(B) exploitation of opportunities that hold the potential for yielding significant military benefits.

“(3) The connection of the activities and programs of that agency to activities and missions of the armed forces.

“(4) A technology transition strategy for the programs of that agency.

“(5) A description of the policies of that agency on the management, organization, and personnel of that agency.

“(c) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2351 the following new item:

“2352. Defense Advanced Research Projects Agency: biennial strategic plan.”

SEC. 233. ENHANCEMENT OF AUTHORITY OF SECRETARY OF DEFENSE TO SUPPORT SCIENCE, MATHEMATICS, ENGINEERING, AND TECHNOLOGY EDUCATION.

Section 2192 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

“(b)(1) In furtherance of the authority of the Secretary of Defense under any provision of this chapter or any other provision of law to support educational programs in science, mathematics, engineering, and technology, the Secretary of Defense may, unless otherwise specified in such provision—

“(A) enter into contracts and cooperative agreements with eligible entities;

“(B) make grants of financial assistance to eligible entities;

“(C) provide cash awards and other items to eligible entities;

“(D) accept voluntary services from eligible entities; and

“(E) support national competition judging, other educational event activities, and associated award ceremonies in connection with these educational programs.

“(2) In this subsection:

“(A) The term ‘eligible entity’ includes a department or agency of the Federal Government, a State, a political subdivision of a State, an individual, and a not-for-profit or other organization in the private sector.

“(B) The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.”

SEC. 234. DEPARTMENT OF DEFENSE PROGRAM TO EXPAND HIGH-SPEED, HIGH-BANDWIDTH CAPABILITIES FOR NETWORK-CENTRIC OPERATIONS.

10 USC 2358
note.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program of research and development to promote the development of high-speed, high-bandwidth communications capabilities for support of network-centric operations by the Armed Forces.

(b) PURPOSES.—The purposes of the program required by subsection (a) are as follows:

(1) To accelerate the development and fielding by the Armed Forces of network-centric operational capabilities (including expanded use of unmanned vehicles, satellite communications, and sensors) through the promotion of research and

development, and the focused coordination of programs, to achieve high-speed, high-bandwidth connectivity to military assets.

(2) To provide for the development of equipment and technologies for military high-speed, high-bandwidth communications capabilities for support of network-centric operations.

(c) DESCRIPTION OF PROGRAM.—In carrying out the program of research and development required by subsection (a), the Secretary shall—

(1) identify areas of advanced wireless communications in which research and development, or the use of emerging technologies, has significant potential to improve the performance, efficiency, cost, and flexibility of advanced communications systems for support of network-centric operations;

(2) develop a coordinated plan for research and development on—

(A) improved spectrum access through spectrum-efficient communications for support of network-centric operations;

(B) high-speed, high-bandwidth communications;

(C) networks, including complex ad hoc adaptive network structures;

(D) communications devices, including efficient receivers and transmitters;

(E) computer software and wireless communication applications, including robust security and encryption; and

(F) any other matters that the Secretary considers appropriate for the purposes described in subsection (b);

(3) ensure joint research and development, and promote joint systems acquisition and deployment, among the military departments and defense agencies, including the development of common cross-service technology requirements and doctrine, so as to enhance interoperability among the military services and defense agencies;

(4) conduct joint experimentation among the Armed Forces, and coordinate with the Joint Forces Command, on experimentation to support the development of network-centric warfare capabilities from the operational to the small unit level in the Armed Forces;

(5) consult with other Federal entities and with private industry to develop cooperative research and development efforts, to the extent that such efforts are practicable.

(d) REPORT.—(1) The Secretary shall submit to the congressional defense committees, together with the budget justification materials submitted to Congress in support of the Department of Defense budget for fiscal year 2006 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a report on the activities carried out under this section through the date on which the report is submitted.

(2) The report under paragraph (1) shall include the following:

(A) A description of the research and development activities carried out under subsection (a), including the particular activities carried out under the plan required by subsection (c)(2).

(B) Current and proposed funding for the particular activities carried out under that plan, as set forth in each of subparagraphs (A) through (F) of subsection (c)(2).

(C) A description of the joint research and development activities required by subsection (c)(3).

(D) A description of the joint experimentation activities required by subsection (c)(4).

(E) An analysis of the effects on recent military operations of limitations on communications bandwidth and access to radio frequency spectrum.

(F) An assessment of the effect of additional resources on the ability to achieve the purposes described in subsection (b).

(G) Such recommendations for additional activities under this section as the Secretary considers appropriate to meet the purposes described in subsection (b).

SEC. 235. BLUE FORCES TRACKING INITIATIVE.

(a) **GOAL.**—It shall be a goal of the Department of Defense to coordinate fully the various efforts of the Chairman of the Joint Chiefs of Staff, the commanders of the combatant commands, and the Secretaries of the military departments to develop an effective system for tracking of United States and other friendly forces (known as “blue forces”) during combat operations.

(b) **JOINT BLUE FORCES TRACKING EXPERIMENT.**—(1) The Secretary of Defense, acting through the commander of the United States Joint Forces Command, shall carry out a joint experiment during fiscal year 2004 to demonstrate and evaluate available joint blue forces tracking technologies.

(2) The objectives of the experiment under paragraph (1) are as follows:

(A) To explore various options for tracking United States and other friendly forces during combat operations.

(B) To determine an optimal, achievable, and upgradable solution for the development, acquisition, and fielding of a system for tracking all United States military forces that is coordinated and interoperable and also accommodates the participation of military forces of allied nations with United States forces in combat operations.

(c) **REPORT.**—Not later than 60 days after the conclusion of the experiment under subsection (b), but not later than December 1, 2004, the Secretary shall submit to the congressional defense committees a report on the results of the experiment, together with a comprehensive plan for the development, acquisition, and fielding of a functional, near real-time blue forces tracking system. Deadline.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.

Sec. 302. Working capital funds.

Sec. 303. Other Department of Defense programs.

Subtitle B—Environmental Provisions

Sec. 311. Reauthorization and modification of title I of Sikes Act.

Sec. 312. Clarification of Department of Defense response to environmental emergencies.

Sec. 313. Repeal of authority to use environmental restoration account funds for relocation of a contaminated facility.

Sec. 314. Authorization for Department of Defense participation in wetland mitigation banks.

- Sec. 315. Inclusion of environmental response equipment and services in Navy definitions of salvage facilities and salvage services.
- Sec. 316. Repeal of model program for base closure environmental restoration.
- Sec. 317. Requirements for restoration advisory boards and exemption from Federal Advisory Committee Act.
- Sec. 318. Military readiness and conservation of protected species.
- Sec. 319. Military readiness and marine mammal protection.
- Sec. 320. Report regarding impact of civilian community encroachment and certain legal requirements on military installations and ranges and plan to address encroachment.
- Sec. 321. Cooperative water use management related to Fort Huachuca, Arizona, and Sierra Vista subwatershed.
- Sec. 322. Task force on resolution of conflict between military training and endangered species protection at Barry M. Goldwater Range, Arizona.
- Sec. 323. Public health assessment of exposure to perchlorate.
- Sec. 324. Comptroller General review of Arctic Military Environmental Cooperation program.

Subtitle C—Workplace and Depot Issues

- Sec. 331. Exemption of certain firefighting service contracts from prohibition on contracts for performance of firefighting functions.
- Sec. 332. Technical amendment relating to closure of Sacramento Army Depot, California.
- Sec. 333. Exception to competition requirement for depot-level maintenance and repair workloads performed by depot-level activities.
- Sec. 334. Resources-based schedules for completion of public-private competitions for performance of Department of Defense functions.
- Sec. 335. Delayed implementation of revised Office of Management and Budget Circular A–76 by Department of Defense pending report.
- Sec. 336. Pilot program for best-value source selection for performance of information technology services.
- Sec. 337. High-performing organization business process reengineering pilot program.
- Sec. 338. Naval Aviation Depots multi-trades demonstration project.

Subtitle D—Other Matters

- Sec. 341. Cataloging and standardization for defense supply management.
- Sec. 342. Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract.
- Sec. 343. Permanent authority for purchase of certain municipal services at installations in Monterey County, California.
- Sec. 344. Department of Defense telecommunications benefit.
- Sec. 345. Independent assessment of material condition of the KC–135 aerial refueling fleet.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

- (1) For the Army, \$24,627,037,000.
- (2) For the Navy, \$27,975,559,000.
- (3) For the Marine Corps, \$3,426,056,000.
- (4) For the Air Force, \$26,089,670,000.
- (5) For Defense-wide activities, \$16,243,157,000.
- (6) For the Army Reserve, \$1,966,009,000.
- (7) For the Naval Reserve, \$1,171,921,000.
- (8) For the Marine Corps Reserve, \$173,952,000.
- (9) For the Air Force Reserve, \$2,179,188,000.
- (10) For the Army National Guard, \$4,256,331,000.
- (11) For the Air National Guard, \$4,406,146,000.

(12) For the United States Court of Appeals for the Armed Forces, \$10,333,000.

(13) For Environmental Restoration, Army, \$396,018,000.

(14) For Environmental Restoration, Navy, \$256,153,000.

(15) For Environmental Restoration, Air Force, \$384,307,000.

(16) For Environmental Restoration, Defense-wide, \$24,081,000.

(17) For Environmental Restoration, Formerly Used Defense Sites, \$252,619,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, \$59,000,000.

(19) For Cooperative Threat Reduction programs, \$450,800,000.

(20) Overseas Contingencies Program, \$5,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, \$632,261,000.

(2) For the National Defense Sealift Fund, \$1,062,762,000.

(3) For the Defense Commissary Agency Working Capital Fund, \$1,089,246,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) **DEFENSE HEALTH PROGRAM.**—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Defense Health Program, \$15,401,509,000, of which—

(1) \$15,007,887,000 is for Operation and Maintenance;

(2) \$65,796,000 is for Research, Development, Test, and Evaluation; and

(3) \$327,826,000 is for Procurement.

(b) **CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.**—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, \$1,530,261,000, of which—

(A) \$1,199,168,000 is for Operation and Maintenance;

(B) \$251,881,000 is for Research, Development, Test, and Evaluation; and

(C) \$79,212,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

(A) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(B) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

(c) **DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.**—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, \$817,371,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, \$162,449,000, of which—

- (1) \$160,049,000 is for Operation and Maintenance;
- (2) \$2,100,000 is for Research, Development, Test, and Evaluation; and
- (3) \$300,000 is for Procurement.

Subtitle B—Environmental Provisions

SEC. 311. REAUTHORIZATION AND MODIFICATION OF TITLE I OF SIKES ACT.

(a) REAUTHORIZATION.—Section 108 of the Sikes Act (16 U.S.C. 670f) is amended by striking “fiscal years 1998 through 2003” each place it appears and inserting “fiscal years 2004 through 2008”.

(b) SENSE OF CONGRESS REGARDING SECTION 107.—(1) Congress finds the following:

(A) The Department of Defense maintains over 25,000,000 acres of valuable fish and wildlife habitat on approximately 400 military installations nationwide.

(B) These lands contain a wealth of plant and animal life, vital wetlands for migratory birds, and nearly 300 federally listed threatened species and endangered species.

(C) Increasingly, land surrounding military bases are being developed with residential and commercial infrastructure that fragments fish and wildlife habitat and decreases its ability to support a diversity of species.

(D) Comprehensive conservation plans, such as integrated natural resource management plans under the Sikes Act (16 U.S.C. 670 et seq.), can ensure that these ecosystem values can be protected and enhanced while allowing these lands to meet the needs of military operations.

(E) Section 107 of the Sikes Act (16 U.S.C. 670e–2) requires sufficient numbers of professionally trained natural resources management personnel and natural resources law enforcement personnel to be available and assigned responsibility to perform tasks necessary to carry out title I of the Sikes Act, including the preparation and implementation of integrated natural resource management plans.

(F) Managerial and policymaking functions performed by Department of Defense on-site professionally trained natural resource management personnel on military installations are appropriate governmental functions.

(G) Professionally trained civilian biologists in permanent Federal Government career managerial positions are essential to oversee fish and wildlife and natural resource conservation programs and are essential to the conservation of wildlife species on military land.

(2) It is the sense of Congress that the Secretary of Defense should take whatever steps are necessary to ensure that section 107 of the Sikes Act (16 U.S.C. 670e–2) is fully implemented consistent with the findings made in paragraph (1).

(c) PILOT PROGRAM.—(1) Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

“(g) PILOT PROGRAM FOR INVASIVE SPECIES MANAGEMENT FOR MILITARY INSTALLATIONS IN GUAM.—

“(1) INCLUSION OF INVASIVE SPECIES MANAGEMENT.—During fiscal years 2004 through 2008, the Secretary of Defense shall, to the extent practicable and conducive to military readiness, incorporate in integrated natural resources management plans for military installations in Guam the management, control, and eradication of invasive species—

“(A) that are not native to the ecosystem of the military installation; and

“(B) the introduction of which cause or may cause harm to military readiness, the environment, or human health and safety.

“(2) CONSULTATION.—The Secretary of Defense shall carry out this subsection in consultation with the Secretary of the Interior.”.

(2) Section 101(g) of the Sikes Act, as added by paragraph (1), shall apply—

Applicability.
10 USC 670a
note.

(A) to any integrated natural resources management plan prepared for a military installation in Guam under section 101(a)(1) of such Act on or after the date of the enactment of this Act; and

(B) effective March 1, 2004, to any integrated natural resources management plan prepared for a military installation in Guam under such section before the date of the enactment of this Act.

Effective date.

SEC. 312. CLARIFICATION OF DEPARTMENT OF DEFENSE RESPONSE TO ENVIRONMENTAL EMERGENCIES.

(a) TRANSPORTATION OF HUMANITARIAN RELIEF SUPPLIES TO RESPOND TO ENVIRONMENTAL EMERGENCIES.—Section 402 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

“(d)(1) The Secretary of Defense may use the authority provided by subsection (a) to transport supplies intended for use to respond to, or mitigate the effects of, an event or condition, such as an oil spill, that threatens serious harm to the environment, but only if other sources to provide such transportation are not readily available.

“(2) Notwithstanding subsection (a), the Secretary of Defense may require reimbursement for costs incurred by the Department of Defense to transport supplies under this subsection.”.

(b) CONDITIONS ON PROVISION OF TRANSPORTATION.—Subsection (b) of such section is amended—

(1) in paragraph (1)(C), by inserting “or entity” after “people”;

(2) in paragraph (1)(E), by inserting “or use” after “distribution”; and

(3) in paragraph (3), by striking “donor to ensure that supplies to be transported under this section” and inserting “entity requesting the transport of supplies under this section to ensure that the supplies”.

(c) **PROVISION OF DISASTER ASSISTANCE.**—Section 404 of such title is amended—

(1) in subsection (a), by inserting “or serious harm to the environment” after “loss of lives”;

(2) in subsection (c)(2), by inserting “or the environment” after “human lives”; and

(3) by adding at the end the following new subsection:

“(e) **LIMITATION ON TRANSPORTATION ASSISTANCE.**—Transportation services authorized under subsection (b) may be provided in response to a manmade or natural disaster to prevent serious harm to the environment, when human lives are not at risk, only if other sources to provide such transportation are not readily available.”.

(d) **PROVISION OF HUMANITARIAN ASSISTANCE.**—Section 2561(a) of such title is amended—

(1) by inserting “(1)” before “To the extent”; and

(2) by adding at the end the following new paragraph:

“(2) The Secretary of Defense may use the authority provided by paragraph (1) to transport supplies intended for use to respond to, or mitigate the effects of, an event or condition, such as an oil spill, that threatens serious harm to the environment, but only if other sources to provide such transportation are not readily available. The Secretary may require reimbursement for costs incurred by the Department of Defense to transport supplies under this paragraph.”.

SEC. 313. REPEAL OF AUTHORITY TO USE ENVIRONMENTAL RESTORATION ACCOUNT FUNDS FOR RELOCATION OF A CONTAMINATED FACILITY.

(a) **REPEAL.**—Effective October 1, 2003, section 2703(c) of title 10, United States Code, is amended—

(1) in paragraph (1) by striking “only—” and all that follows through the period at the end and inserting “only to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law.”;

(2) by striking paragraphs (2) and (3); and

(3) by redesignating paragraph (4) as paragraph (2) and striking the second sentence of such paragraph.

(b) **EFFECT OF REPEAL ON EXISTING AGREEMENTS.**—An agreement in effect on September 30, 2003, under section 2703(c)(1)(B) of title 10, United States Code, as in effect on that date, to pay for the costs of permanently relocating a facility because of a release or threatened release of hazardous substances, pollutants, or contaminants shall remain in effect after that date, subject to the terms of the agreement, and costs may be paid in accordance with the terms of the agreement, notwithstanding the amendments made by subsection (a).

SEC. 314. AUTHORIZATION FOR DEPARTMENT OF DEFENSE PARTICIPATION IN WETLAND MITIGATION BANKS.

(a) **DOD PARTICIPATION.**—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2694a the following new section:

“§ 2694b. Participation in wetland mitigation banks

“(a) **AUTHORITY TO PARTICIPATE.**—The Secretary of a military department, and the Secretary of Defense with respect to matters

Effective date.
10 USC 2703
note.

10 USC 2703
note.

concerning a Defense Agency, when engaged in an authorized activity that may or will result in the destruction of, or an adverse impact to, a wetland, may make payments to a wetland mitigation banking program or ‘in-lieu-fee’ mitigation sponsor approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605; November 28, 1995) or the Federal Guidance on the Use of In-Lieu-Fee Arrangements for Compensatory Mitigation Under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act (65 Fed. Reg. 66913; November 7, 2000), or any successor administrative guidance or regulation.

“(b) ALTERNATIVE TO CREATION OF WETLAND.—Participation in a wetland mitigation banking program or consolidated user site under subsection (a) shall be in lieu of mitigating wetland impacts through the creation of a wetland on Federal property.

“(c) TREATMENT OF PAYMENTS.—Payments made under subsection (a) to a wetland mitigation banking program or consolidated user site may be treated as eligible project costs for military construction.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2694a the following new item:

“2694b. Participation in wetland mitigation banks.”.

(b) MITIGATION AND MITIGATION BANKING REGULATIONS.—(1) To ensure opportunities for Federal agency participation in mitigation banking, the Secretary of the Army, acting through the Chief of Engineers, shall issue regulations establishing performance standards and criteria for the use, consistent with section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344), of on-site, off-site, and in-lieu fee mitigation and mitigation banking as compensation for lost wetlands functions in permits issued by the Secretary of the Army under such section. To the maximum extent practicable, the regulatory standards and criteria shall maximize available credits and opportunities for mitigation, provide flexibility for regional variations in wetland conditions, functions and values, and apply equivalent standards and criteria to each type of compensatory mitigation.

33 USC 1344
note.

(2) Final regulations shall be issued not later than two years after the date of the enactment of this Act.

Deadline.

SEC. 315. INCLUSION OF ENVIRONMENTAL RESPONSE EQUIPMENT AND SERVICES IN NAVY DEFINITIONS OF SALVAGE FACILITIES AND SALVAGE SERVICES.

(a) SALVAGE FACILITIES.—Section 7361 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(e) SALVAGE FACILITIES DEFINED.—In this section, the term ‘salvage facilities’ includes equipment and gear utilized to prevent, abate, or minimize damage to the environment.”.

(b) SETTLEMENT OF CLAIMS FOR SALVAGE SERVICES.—Section 7363 of such title is amended—

(1) by inserting “(a) AUTHORITY TO SETTLE CLAIM.—” before “The Secretary”; and

(2) by adding at the end the following new subsection:

“(b) SALVAGE SERVICES DEFINED.—In this section, the term ‘salvage services’ includes services performed in connection with

a marine salvage operation that are intended to prevent, abate, or minimize damage to the environment.”.

SEC. 316. REPEAL OF MODEL PROGRAM FOR BASE CLOSURE ENVIRONMENTAL RESTORATION.

Section 2926 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2687 note) is repealed.

10 USC 2705
note.

SEC. 317. REQUIREMENTS FOR RESTORATION ADVISORY BOARDS AND EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

(a) **MEMBERSHIP AND MEETING REQUIREMENTS FOR RESTORATION ADVISORY BOARDS.**—The Secretary of Defense shall amend the regulations required by section 2705(d)(2) of title 10, United States Code, relating to the establishment, characteristics, composition, and funding of restoration advisory boards to ensure that each restoration advisory board complies with the following requirements:

(1) Each restoration advisory board shall be fairly balanced in its membership in terms of the points of view represented and the functions to be performed.

(2) Unless a closed or partially closed meeting is determined to be proper in accordance with one or more of the exceptions listed in section 552b(c) of title 5, United States Code, each meeting of a restoration advisory board shall be—

(A) held at a reasonable time and in a manner or place reasonably accessible to the public, including individuals with disabilities; and

(B) open to the public.

(3) Timely notice of each meeting of a restoration advisory board shall be published in a local newspaper of general circulation.

(4) Interested persons may appear before or file statements with a restoration advisory board, subject to such reasonable restrictions as the Secretary may prescribe.

(5) Subject to section 552 of title 5, United States Code, the records, reports, minutes, appendixes, working papers, drafts, studies, agenda, or other documents that were made available to, prepared for, or prepared by each restoration advisory board shall be available for public inspection and copying at a single, publicly accessible location, such as a public library or an appropriate office of the military installation for which the restoration advisory board is established, at least until the restoration advisory board is terminated.

(6) Detailed minutes of each meeting of each restoration advisory board shall be kept and shall contain a record of the persons present, a complete and accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the restoration advisory board. The accuracy of the minutes of a restoration advisory board shall be certified by the chairperson of the board.

(b) **FACA EXEMPTION.**—Section 2705(d)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

“(C) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to a restoration advisory board established under this subsection.”.

Notice.
Publication.

SEC. 318. MILITARY READINESS AND CONSERVATION OF PROTECTED SPECIES.

(a) **LIMITATION ON DESIGNATION OF CRITICAL HABITAT.**—Section 4(a)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(3)) is amended—

- (1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;
- (2) by inserting “(A)” after “(3)”; and
- (3) by adding at the end the following:

“(B)(i) The Secretary shall not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense, or designated for its use, that are subject to an integrated natural resources management plan prepared under section 101 of the Sikes Act (16 U.S.C. 670a), if the Secretary determines in writing that such plan provides a benefit to the species for which critical habitat is proposed for designation.

“(ii) Nothing in this paragraph affects the requirement to consult under section 7(a)(2) with respect to an agency action (as that term is defined in that section).

“(iii) Nothing in this paragraph affects the obligation of the Department of Defense to comply with section 9, including the prohibition preventing extinction and taking of endangered species and threatened species.”.

(b) **CONSIDERATION OF EFFECTS OF DESIGNATION OF CRITICAL HABITAT.**—Section 4(b)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(2)) is amended by inserting “the impact on national security,” after “the economic impact,”.

SEC. 319. MILITARY READINESS AND MARINE MAMMAL PROTECTION.

(a) **DEFINITION OF HARASSMENT FOR MILITARY READINESS ACTIVITIES.**—Section 3(18) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(18)) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

“(B) In the case of a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) or a scientific research activity conducted by or on behalf of the Federal Government consistent with section 104(c)(3), the term ‘harassment’ means—

“(i) any act that injures or has the significant potential to injure a marine mammal or marine mammal stock in the wild; or

“(ii) any act that disturbs or is likely to disturb a marine mammal or marine mammal stock in the wild by causing disruption of natural behavioral patterns, including, but not limited to, migration, surfacing, nursing, breeding, feeding, or sheltering, to a point where such behavioral patterns are abandoned or significantly altered.

“(C) The term ‘Level A harassment’ means harassment described in subparagraph (A)(i) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(i).

“(D) The term ‘Level B harassment’ means harassment described in subparagraph (A)(ii) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(ii).”.

(b) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by inserting after subsection (e) the following:

“(f) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—(1) The Secretary of Defense, after conferring with the Secretary of Commerce, the Secretary of the Interior, or both, as appropriate, may exempt any action or category of actions undertaken by the Department of Defense or its components from compliance with any requirement of this Act, if the Secretary determines that it is necessary for national defense.

“(2) An exemption granted under this subsection—

“(A) subject to subparagraph (B), shall be effective for a period specified by the Secretary of Defense; and

“(B) shall not be effective for more than 2 years.

Deadline.

“(3)(A) The Secretary of Defense may issue additional exemptions under this subsection for the same action or category of actions, after—

“(i) conferring with the Secretary of Commerce, the Secretary of the Interior, or both as appropriate; and

“(ii) making a new determination that the additional exemption is necessary for national defense.

Deadline.

“(B) Each additional exemption under this paragraph shall be effective for a period specified by the Secretary of Defense, of not more than 2 years.

Deadline.

“(4) Not later than 30 days after issuing an exemption under paragraph (1) or an additional exemption under paragraph (3), the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate notice describing the exemption and the reasons therefor. The notice may be provided in classified form if the Secretary of Defense determines that use of the classified form is necessary for reasons of national security.”.

(c) INCIDENTAL TAKINGS OF MARINE MAMMALS IN MILITARY READINESS ACTIVITIES.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)) is amended—

(1) in subparagraph (A)—

(A) by redesignating clauses (i) and (ii) and subclauses (I) and (II) as subclauses (I) and (II) and items (aa) and (bb), respectively;

(B) by inserting “(i)” after “(5)(A)”; and

(C) by adding at the end the following new clauses:

“(ii) For a military readiness activity (as defined in section 315(f) of Public Law 107-314; 16 U.S.C. 703 note), a determination of ‘least practicable adverse impact on such species or stock’ under clause (i)(II)(aa) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

Federal Register,
publication.

“(iii) Notwithstanding clause (i), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107-314; 16 U.S.C. 703 note), the Secretary shall publish the notice required by such clause only in the Federal Register.”;

(2) in subparagraph (D), by adding at the end the following new clauses:

“(vi) For a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), a determination of ‘least practicable adverse impact on such species or stock’ under clause (i)(I) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

“(vii) Notwithstanding clause (iii), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), the Secretary shall publish the notice required by such clause only in the Federal Register.”; and

Federal Register,
publication.

(3) by adding at the end the following new subparagraph:

“(F) Notwithstanding the provisions of this subsection, any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) shall not be subject to the following requirements:

“(i) In subparagraph (A), ‘within a specified geographical region’ and ‘within that region of small numbers’.

“(ii) In subparagraph (B), ‘within a specified geographical region’ and ‘within one or more regions’.

“(iii) In subparagraph (D), ‘within a specific geographic region’, ‘of small numbers’, and ‘within that region’.”.

SEC. 320. REPORT REGARDING IMPACT OF CIVILIAN COMMUNITY ENCROACHMENT AND CERTAIN LEGAL REQUIREMENTS ON MILITARY INSTALLATIONS AND RANGES AND PLAN TO ADDRESS ENCROACHMENT.

10 USC 113 note.

(a) **STUDY REQUIRED.**—The Secretary of Defense shall conduct a study on the impact, if any, of the following types of encroachment issues affecting military installations and operational ranges:

(1) Civilian community encroachment on those military installations and ranges whose operational training activities, research, development, test, and evaluation activities, or other operational, test and evaluation, maintenance, storage, disposal, or other support functions require, or in the future reasonably may require, safety or operational buffer areas. The requirement for such a buffer area may be due to a variety of factors, including air operations, ordnance operations and storage, or other activities that generate or might generate noise, electromagnetic interference, ordnance arcs, or environmental impacts that require or may require safety or operational buffer areas.

(2) Compliance by the Department of Defense with State Implementation Plans for Air Quality under section 110 of the Clean Air Act (42 U.S.C. 7410).

(3) Compliance by the Department of Defense with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) **MATTERS TO BE INCLUDED WITH RESPECT TO CIVILIAN COMMUNITY ENCROACHMENTS.**—With respect to paragraph (1) of subsection (a), the study shall include the following:

(1) A list of all military installations described in subsection (a)(1) at which civilian community encroachment is occurring.

(2) A description and analysis of the types and degree of such civilian community encroachment at each military installation included on the list.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such civilian community encroachment on operational training activities, research, development, test, and evaluation activities, and other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions performed by military installations included on the list. The analysis shall include the following:

(A) A review of training and test ranges at military installations, including laboratories and technical centers of the military departments, included on the list.

(B) A description and explanation of the trends of such encroachment, as well as consideration of potential future readiness problems resulting from unabated encroachment.

(4) An estimate of the costs associated with current and anticipated partnerships between the Department of Defense and non-Federal entities to create buffer zones to preclude further development around military installations included on the list, and the costs associated with the conveyance of surplus property around such military installations for purposes of creating buffer zones.

(5) Options and recommendations for possible legislative or budgetary changes necessary to mitigate current and anticipated future civilian community encroachment problems.

(c) MATTERS TO BE INCLUDED WITH RESPECT TO COMPLIANCE WITH SPECIFIED LAWS.—With respect to paragraphs (2) and (3) of subsection (a), the study shall include the following:

(1) A list of all military installations and other locations at which the Armed Forces are encountering problems related to compliance with the laws specified in such paragraphs.

(2) A description and analysis of the types and degree of compliance problems encountered.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such compliance problems on the following functions performed at military installations:

(A) Operational training activities.

(B) Research, development, test, and evaluation activities.

(C) Other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions.

(4) A description and explanation of the trends of such compliance problems, as well as consideration of potential future readiness problems resulting from such compliance problems.

(d) PLAN TO RESPOND TO ENCROACHMENT ISSUES.—On the basis of the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c), the Secretary of Defense shall prepare a plan to respond to the encroachment issues described in subsection (a) affecting military installations and operational ranges.

(e) **REPORTING REQUIREMENTS.**—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the following reports regarding the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c):

(1) Not later than January 31, 2004, an interim report describing the progress made in conducting the study and containing the information collected under the study as of that date. Deadline.

(2) Not later than January 31, 2006, a report containing the results of the study and the encroachment response plan required by subsection (d). Deadline.

(3) Not later than January 31, 2007, and each January 31 thereafter through January 31, 2010, a report describing the progress made in implementing the encroachment response plan. Deadlines.

SEC. 321. COOPERATIVE WATER USE MANAGEMENT RELATED TO FORT HUACHUCA, ARIZONA, AND SIERRA VISTA SUBWATERSHED.

(a) **LIMITATION ON FEDERAL RESPONSIBILITY FOR CIVILIAN WATER CONSUMPTION IMPACTS.**—

(1) **LIMITATION.**—For purposes of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), concerning any present and future Federal agency action at Fort Huachuca, Arizona, water consumption by State, local, and private entities off of the installation that is not a direct or indirect effect of the agency action or an effect of other activities that are interrelated or interdependent with that agency action, shall not be considered in determining whether such agency action is likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of designated critical habitat.

(2) **VOLUNTARY REGIONAL CONSERVATION EFFORTS.**—Nothing in this subsection shall prohibit Federal agencies operating at Fort Huachuca from voluntarily undertaking efforts to mitigate water consumption.

(3) **DEFINITION OF WATER CONSUMPTION.**—In this subsection, the term “water consumption” means all water use off of the installation from any source.

(4) **EFFECTIVE DATE.**—This subsection applies only to Federal agency actions regarding which the Federal agency involved determines that consultation, or reinitiation of consultation, under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is required with regard to an agency action at Fort Huachuca on or after the date of the enactment of this Act.

(b) **RECOGNITION OF UPPER SAN PEDRO PARTNERSHIP.**—Congress hereby recognizes the Upper San Pedro Partnership, Arizona, a partnership of Fort Huachuca, Arizona, other Federal, State, and local governmental and nongovernmental entities, and its efforts to establish a collaborative water use management program in the Sierra Vista Subwatershed, Arizona, to achieve the sustainable yield of the regional aquifer, so as to protect the Upper San Pedro River, Arizona, and the San Pedro Riparian National Conservation Area, Arizona. Arizona.

(c) REPORT ON WATER USE MANAGEMENT AND CONSERVATION OF REGIONAL AQUIFER.—

Deadline.

(1) IN GENERAL.—The Secretary of the Interior shall prepare, in consultation with the Secretary of Agriculture and the Secretary of Defense and in cooperation with the other members of the Partnership, a report on the water use management and conservation measures that have been implemented and are needed to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011. The Secretary of the Interior shall submit the report to Congress not later than December 31, 2004.

(2) PURPOSE.—The purpose of the report is to set forth measurable annual goals for the reduction of the overdrafts of the groundwater of the regional aquifer, to identify specific water use management and conservation measures to facilitate the achievement of such goals, and to identify impediments in current Federal, State, and local laws that hinder efforts on the part of the Partnership to mitigate water usage in order to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011.

(3) REPORT ELEMENTS.—The report shall use data from existing and ongoing studies and include the following elements:

(A) The net quantity of water withdrawn from and recharged to the regional aquifer in the one-year period preceding the date of the submission of the report.

(B) The quantity of the overdraft of the regional aquifer to be reduced by the end of each of fiscal years 2005 through 2011 to achieve sustainable yield.

(C) With respect to the reduction of overdraft for each fiscal year as specified under subparagraph (B), an allocation of responsibility for the achievement of such reduction among the water-use controlling members of the Partnership who have the authority to implement measures to achieve such reduction.

(D) The water use management and conservation measures to be undertaken by each water-use controlling member of the Partnership to contribute to the reduction of the overdraft for each fiscal year as specified under subparagraph (B), and to meet the responsibility of each such member for each such reduction as allocated under subparagraph (C), including—

(i) a description of each measure;

(ii) the cost of each measure;

(iii) a schedule for the implementation of each measure;

(iv) a projection by fiscal year of the amount of the contribution of each measure to the reduction of the overdraft; and

(v) a list of existing laws that impede full implementation of any measure.

(E) The monitoring and verification activities to be undertaken by the Partnership to measure the reduction of the overdraft for each fiscal year and the contribution of each member of the Partnership to the reduction of the overdraft.

(d) ANNUAL REPORT ON PROGRESS TOWARD SUSTAINABLE YIELD.—

(1) IN GENERAL.—Not later than October 31, 2005, and each October 31 thereafter through 2011, the Secretary of the Interior shall submit, on behalf of the Partnership, to Congress a report on the progress of the Partnership during the preceding fiscal year toward achieving and maintaining the sustainable yield of the regional aquifer by and after September 30, 2011.

Deadlines.

(2) REPORT ELEMENTS.—Each report shall include the following:

(A) The quantity of the overdraft of the regional aquifer reduced during the reporting period, and whether such reduction met the goal specified for such fiscal year under subsection (c)(3)(B).

(B) The water use management and conservation measures undertaken by each water-use controlling member of the Partnership in the fiscal year covered by such report, including the extent of the contribution of such measures to the reduction of the overdraft for such fiscal year.

(C) The legislative accomplishments made during the fiscal year covered by such report in removing legal impediments that hinder the mitigation of water use by members of the Partnership.

(e) VERIFICATION INFORMATION.—Information used to verify overdraft reductions of the regional aquifer shall include at a minimum the following:

(1) The annual report of the Arizona Corporation Commission on annual groundwater pumpage of the private water companies in the Sierra Vista Subwatershed.

(2) The San Pedro base flow monitoring record of the Charleston flow gauge of the United States Geological Survey.

(3) Current surveys of the groundwater levels in area wells as reported by the Arizona Department of Water Resources and by Federal agencies.

(f) SENSE OF CONGRESS.—It is the sense of Congress that any future appropriations to the Partnership should take into account whether the Partnership has met its annual goals for overdraft reduction.

(g) DEFINITIONS.—In this section:

(1) The term “Partnership” means the Upper San Pedro Partnership, Arizona.

(2) The term “regional aquifer” means the Sierra Vista Subwatershed regional aquifer, Arizona.

(3) The term “water-use controlling member” has the meaning given that term by the Partnership.

SEC. 322. TASK FORCE ON RESOLUTION OF CONFLICT BETWEEN MILITARY TRAINING AND ENDANGERED SPECIES PROTECTION AT BARRY M. GOLDWATER RANGE, ARIZONA.

(a) TASK FORCE.—The Secretary of Defense shall establish a task force to determine and assess various means of resolving the conflict between the dual objectives at Barry M. Goldwater Range, Arizona, of the full utilization of live ordnance delivery areas for military training and the protection of endangered species that are present at Barry M. Goldwater Range.

Establishment.

(b) COMPOSITION.—The task force shall be composed of the following members:

(1) The Air Force range officer, who shall serve as chairperson of the task force.

(2) The range officer at Barry M. Goldwater Range.

(3) The commander of Luke Air Force Base, Arizona.

(4) The commander of Marine Corps Air Station, Yuma, Arizona.

(5) The Director of the United States Fish and Wildlife Service.

(6) The manager of the Cabeza Prieta National Wildlife Refuge, Arizona.

(7) A representative of the Department of Game and Fish of the State of Arizona, selected by the Secretary in consultation with the Governor of the State of Arizona.

(8) A representative of a wildlife interest group in the State of Arizona, selected by the Secretary in consultation with wildlife interest groups in the State of Arizona.

(9) A representative of an environmental interest group (other than a wildlife interest group) in the State of Arizona, as selected by the Secretary in consultation with environmental interest groups in the State of Arizona.

(c) DUTIES.—The task force shall—

(1) assess the effects of the presence of endangered species on military training activities in the live ordnance delivery areas at Barry M. Goldwater Range and in any other areas of the range that are adversely effected by the presence of endangered species;

(2) determine various means of addressing any significant adverse effects on military training activities on Barry M. Goldwater Range that are identified pursuant to paragraph (1); and

(3) determine the benefits and costs associated with the implementation of each means identified under paragraph (2).

(d) USE OF EXPERTS.—The chairperson of the task force may secure for the task force the services of such experts with respect to the duties of the task force as the chairperson considers advisable to carry out such duties.

(e) REPORT.—Not later than February 28, 2005, the task force shall submit to Congress a report containing—

(1) a description of the assessments and determinations made under subsection (c);

(2) such recommendations for legislative and administrative action as the task force considers appropriate; and

(3) an evaluation of the utility of task force proceedings as a means of resolving conflicts between military training objectives and protection of endangered species at other military training and testing ranges.

42 USC 300j–18
note.

SEC. 323. PUBLIC HEALTH ASSESSMENT OF EXPOSURE TO PERCHLORATE.

(a) EPIDEMIOLOGICAL STUDY OF EXPOSURE TO PERCHLORATE.—The Secretary of Defense shall provide for an independent epidemiological study of exposure to perchlorate in drinking water. The entity conducting the study shall—

(1) assess the incidence of thyroid disease and measurable effects of thyroid function in relation to exposure to perchlorate;

(2) ensure that the study is of sufficient scope and scale to permit the making of meaningful conclusions of the measurable public health threat associated with exposure to perchlorate, especially the threat to sensitive subpopulations; and

(3) examine thyroid function, including measurements of urinary iodine and thyroid hormone levels, in a sufficient number of pregnant women, neonates, and infants exposed to perchlorate in drinking water and match measurements of perchlorate levels in the drinking water of each study participant in order to permit the development of meaningful conclusions on the public health threat to individuals exposed to perchlorate.

(b) REVIEW OF EFFECTS OF PERCHLORATE ON ENDOCRINE SYSTEM.—The Secretary shall provide for an independent review of the effects of perchlorate on the human endocrine system. The entity conducting the review shall assess—

(1) available data on human exposure to perchlorate, including clinical data and data on exposure of sensitive subpopulations, and the levels at which health effects were observed; and

(2) available data on other substances that have endocrine effects similar to perchlorate to which the public is frequently exposed.

(c) PERFORMANCE OF STUDY AND REVIEW.—(1) The Secretary shall provide for the performance of the study under subsection (a) through the Centers for Disease Control and Prevention, the National Institutes of Health, or another Federal entity with experience in environmental toxicology selected by the Secretary.

(2) The Secretary shall provide for the performance of the review under subsection (b) through the Centers for Disease Control and Prevention, the National Institutes of Health, or another appropriate Federal research entity with experience in human endocrinology selected by the Secretary. The Secretary shall ensure that the panel conducting the review is composed of individuals with expertise in human endocrinology.

(d) REPORTING REQUIREMENTS.—Not later than June 1, 2005, the Federal entities conducting the study and review under this section shall submit to the Secretary reports containing the results of the study and review. Deadline.

SEC. 324. COMPTROLLER GENERAL REVIEW OF ARCTIC MILITARY ENVIRONMENTAL COOPERATION PROGRAM.

(a) REQUIREMENT FOR REVIEW.—The Comptroller General shall conduct a review of the Arctic Military Environmental Cooperation program, including—

(1) the current and proposed technology development and demonstration role of the program in United States non-proliferation efforts; and

(2) the relationship of the program to the Cooperative Threat Reduction Program specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) ELEMENTS OF REVIEW.—The review shall include an assessment of the following:

(1) Whether the conditions in the Western Pacific region require an expansion of the Arctic Military Environmental Cooperation program to include that region.

(2) The extent to which foreign countries, including Russia, make financial contributions to the program.

(3) The extent to which the Cooperative Threat Reduction Program and the G–8 Global Partnership Against the Spread

of Weapons and Materials of Mass Destruction Initiative use the program.

(4) Whether the program is important to the disarmament and nonproliferation functions of the Cooperative Threat Reduction Program.

(5) Future-year funding and program plans of the Department of Defense for the program.

Deadline.

(c) REPORT ON REVIEW.—Not later than May 1, 2004, the Comptroller General shall submit to Congress a report containing the results of the review.

Subtitle C—Workplace and Depot Issues

SEC. 331. EXEMPTION OF CERTAIN FIREFIGHTING SERVICE CONTRACTS FROM PROHIBITION ON CONTRACTS FOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

(a) ADDITIONAL EXEMPTION.—Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(4) A contract for the performance of firefighting functions if the contract is—

“(A) for a period of one year or less; and

“(B) covers only the performance of firefighting functions that, in the absence of the contract, would have to be performed by members of the armed forces who are not readily available to perform such functions by reason of a deployment.”.

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking “apply—” and inserting “apply to the following contracts:”;

(2) by striking “to a” at the beginning of paragraphs (1), (2), and (3) and inserting “A”;

(3) by striking the semicolon at the end of paragraph (1) and inserting a period; and

(4) by striking “; or” at the end of paragraph (2) and inserting a period.

SEC. 332. TECHNICAL AMENDMENT RELATING TO CLOSURE OF SACRAMENTO ARMY DEPOT, CALIFORNIA.

Section 2466 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 333. EXCEPTION TO COMPETITION REQUIREMENT FOR DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS PERFORMED BY DEPOT-LEVEL ACTIVITIES.

Section 2469 of title 10, United States Code, is amended—

(1) in subsection (b), by striking “Subsection” and inserting “Except as provided in subsection (c), subsection”;

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following new subsection (c):

“(c) EXCEPTION FOR PUBLIC-PRIVATE PARTNERSHIPS.—The requirements of subsection (a) may be waived in the case of a depot-level maintenance and repair workload that is performed at a Center of Industrial and Technical Excellence designated under

subsection (a) of section 2474 of this title by a public-private partnership entered into under subsection (b) of such section consisting of a depot-level activity and a private entity.”.

SEC. 334. RESOURCES-BASED SCHEDULES FOR COMPLETION OF PUBLIC-PRIVATE COMPETITIONS FOR PERFORMANCE OF DEPARTMENT OF DEFENSE FUNCTIONS. 10 USC 2304.

(a) APPLICATION OF TIMEFRAMES.—Any interim or final deadline or other schedule-related milestone for the completion of a Department of Defense public-private competition shall be established solely on the basis of considered research and sound analysis regarding the availability of sufficient personnel, training, and technical resources to the Department of Defense to carry out such competition in a timely manner.

(b) EXTENSION OF TIMEFRAMES.—(1) The Department of Defense official responsible for managing a Department of Defense public-private competition shall extend any interim or final deadline or other schedule-related milestone established (consistent with subsection (a)) for the completion of the competition if the official determines that the personnel, training, or technical resources available to the Department of Defense to carry out the competition in a timely manner are insufficient.

(2) A determination under this subsection shall be made pursuant to procedures prescribed by the Secretary of Defense.

SEC. 335. DELAYED IMPLEMENTATION OF REVISED OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-76 BY DEPARTMENT OF DEFENSE PENDING REPORT. 10 USC 2461 note.

(a) LIMITATION PENDING REPORT.—No studies or competitions may be conducted under the policies and procedures contained in the revised Office of Management and Budget Circular A-76 dated May 29, 2003 (68 Fed. Reg. 32134), relating to the possible contracting out of commercial activities being performed, as of such date, by employees of the Department of Defense, until the end of the 45-day period beginning on the date on which the Secretary of Defense submits to Congress a report on the effects of the revisions.

(b) CONTENT OF REPORT.—The report required by subsection (a) shall contain, at a minimum, specific information regarding the following:

(1) The extent to which the revised circular will ensure that employees of the Department of Defense have the opportunity to compete to retain their jobs.

(2) The extent to which the revised circular will provide appeal and protest rights to employees of the Department of Defense.

(3) Identify safeguards in the revised circular to ensure that all public-private competitions are fair, appropriate, and comply with requirements of full and open competition.

(4) The plans of the Department to ensure an appropriate phase-in period for the revised circular, as recommended by the Commercial Activities Panel of the Government Accounting Office in its April 2002 report to Congress, including recommendations for any legislative changes that may be required to ensure a smooth and efficient phase-in period.

(5) The plans of the Department to provide training to employees of the Department of Defense regarding the revised circular, including how the training will be funded, how

employees will be selected to receive the training, and the number of employees likely to receive the training.

(6) The plans of the Department to collect and analyze data on the costs and quality of work contracted out or retained in-house as a result of a sourcing process conducted under the revised circular.

10 USC 2461
note.

SEC. 336. PILOT PROGRAM FOR BEST-VALUE SOURCE SELECTION FOR PERFORMANCE OF INFORMATION TECHNOLOGY SERVICES.

(a) **AUTHORITY TO USE BEST-VALUE CRITERION.**—The Secretary of Defense may carry out a pilot program for the procurement of information technology services for the Department of Defense that uses a best-value criterion in the selection of the source for the performance of the information technology services.

(b) **REQUIRED EXAMINATION UNDER PILOT PROJECT.**—Under the pilot program, the Secretary of Defense shall modify the examination otherwise required by section 2461(b)(3)(A) of title 10, United States Code, to be an examination of the performance of an information technology services function by Department of Defense civilian employees and by one or more private contractors to demonstrate whether—

(1) a change to performance by the private sector will result in the best value to the Government over the life of the contract, as determined in accordance with the competition requirements of Office of Management and Budget Circular A–76; and

(2) certain benefits exist, in addition to price, that warrant performance of the function by a private sector source at a cost higher than that of performance by Department of Defense civilian employees.

(c) **EXEMPTION FOR PILOT PROGRAM.**—Section 2462(a) of title 10, United States Code, does not apply to the procurement of information technology services under the pilot program.

(d) **DURATION OF PILOT PROGRAM.**—(1) The authority to carry out the pilot program begins on the date on which the Secretary of Defense submits to Congress the report on the effect of the recent revisions to Office of Management and Budget Circular A–76, as required by section 335 of this Act, and expires on September 30, 2008.

(2) The expiration of the pilot program shall not affect the selection of the source for the performance of an information technology services function for the Department of Defense for which the analysis required by section 2461(b)(3) of title 10, United States Code, has been commenced before the expiration date or for which a solicitation has been issued before the expiration date.

Deadline.

(e) **GAO REVIEW.**—Not later than February 1, 2008, the Comptroller General shall submit to Congress a report containing—

(1) a review of the pilot program to assess the extent to which the pilot program is effective and is equitable for the potential public sources and the potential private sources of information technology services for the Department of Defense; and

(2) any other conclusions of the Comptroller General resulting from the review.

(f) **INFORMATION TECHNOLOGY SERVICE DEFINED.**—In this section, the term “information technology service” means any service

performed in the operation or maintenance of information technology (as defined in section 11101 of title 40, United States Code) that is necessary for or beneficial to the accomplishment of the authorized functions of the Department of Defense (other than functions which the Secretary of Defense determines must be performed by military or Government personnel).

SEC. 337. HIGH-PERFORMING ORGANIZATION BUSINESS PROCESS RE-ENGINEERING PILOT PROGRAM. 10 USC 113 note.

(a) **PILOT PROGRAM.**—The Secretary of Defense shall establish a pilot program under which the Secretary concerned shall create, or continue the implementation of, high-performing organizations through the conduct of a Business Process Reengineering initiative at selected military installations and facilities under the jurisdiction of the Secretary concerned.

(b) **EFFECT OF PARTICIPATION IN PILOT PROGRAM.**—(1) During the period of an organization's participation in the pilot program, including the periods referred to in paragraphs (2) and (3) of subsection (f), the Secretary concerned may not require the organization to undergo any Office of Management and Budget Circular A–76 competition or other public-private competition involving any function of the organization covered by the Business Process Reengineering initiative. The organization may elect to undergo such a competition as part of the initiative.

(2) Civilian employee or military personnel positions of the participating organization that are part of the Business Process Reengineering initiative shall be counted toward any numerical goals, target, or quota that the Secretary concerned is required or requested to meet during the term of the pilot program regarding the number of positions to be covered by public-private competitions.

(c) **ELIGIBLE ORGANIZATIONS.**—Subject to subsection (d), the Secretary concerned may select two types of organizations to participate in the pilot program:

(1) Organizations that underwent a Business Process Reengineering initiative within the preceding five years, achieved major performance enhancements under the initiative, and will be able to sustain previous or achieve new performance goals through the continuation of its existing or completed Business Process Reengineering plan.

(2) Organizations that have not undergone or have not successfully completed a Business Process Reengineering initiative, but which propose to achieve, and reasonably could reach, enhanced performance goals through implementation of a Business Process Reengineering initiative.

(d) **ADDITIONAL ELIGIBILITY REQUIREMENTS.**—(1) To be eligible for selection to participate in the pilot program under subsection (c)(1), an organization described in such subsection shall demonstrate, to the satisfaction of the Secretary concerned, the completion of a total organizational assessment that resulted in enhanced performance measures at least comparable to those performance measures that might be achieved through competitive sourcing.

(2) To be eligible for selection to participate in the pilot program under subsection (c)(2), an organization described in such subsection shall identify, to the satisfaction of the Secretary concerned—

(A) functions, processes, and measures to be studied under the Business Process Reengineering initiative;

(B) adequate resources to carry out the Business Process Reengineering initiative; and

(C) labor-management agreements in place to ensure effective implementation of the Business Process Reengineering initiative.

(e) LIMITATION ON NUMBER OF PARTICIPANTS.—Total participants in the pilot program is limited to eight military installations and facilities, with some participants to be drawn from organizations described in subsection (c)(1) and some participants to be drawn from organizations described in subsection (c)(2).

(f) IMPLEMENTATION AND DURATION.—(1) The implementation and management of a Business Process Reengineering initiative under the pilot program shall be the responsibility of the commander of the military installation or facility at which the Business Process Reengineering initiative is carried out.

(2) An organization selected to participate in the pilot program shall be given a reasonable initial period, to be determined by the Secretary concerned, in which the organization must implement the Business Process Reengineering initiative. At the end of this period, the Secretary concerned shall determine whether the organization has achieved initial progress toward designation as a high-performing organization. In the absence of such progress, the Secretary concerned shall terminate the organization's participation in the pilot program.

(3) If an organization successfully completes implementation of the Business Process Reengineering initiative under paragraph (2), the Secretary concerned shall designate the organization as a high-performing organization and grant the organization an additional five-year period in which to achieve projected or planned efficiencies and savings under the pilot program.

(g) REVIEWS AND REPORTS.—The Secretary concerned shall conduct annual performance reviews of the participating organizations or functions under the jurisdiction of the Secretary concerned. Reviews and reports shall evaluate organizational performance measures or functional performance measures and determine whether organizations are performing satisfactorily for purposes of continuing participation in the pilot program.

(h) PERFORMANCE MEASURES.—Performance measures utilized in the pilot program should include the following, which shall be measured against organizational baselines determined before participation in the pilot program:

(1) Costs, savings, and overall financial performance of the organization.

(2) Organic knowledge, skills or expertise.

(3) Efficiency and effectiveness of key functions or processes.

(4) Efficiency and effectiveness of the overall organization.

(5) General customer satisfaction.

(i) DEFINITIONS.—In this section

(1) The term "Business Process Reengineering" refers to an organization's complete and thorough analysis and reengineering of mission and support functions and processes to achieve improvements in performance, including a fundamental reshaping of the way work is done to better support an organization's mission and reduce costs.

(2) The term “high-performing organization” means an organization whose performance exceeds that of comparable providers, whether public or private.

(3) The term “Secretary concerned” means the Secretary of a military department and the Secretary of Defense, with respect to matters concerning the Defense Agencies.

SEC. 338. NAVAL AVIATION DEPOTS MULTI-TRADES DEMONSTRATION PROJECT.

10 USC 5103
note.

(a) **DEMONSTRATION PROJECT REQUIRED.**—In accordance with section 4703 of title 5, United States Code, the Secretary of the Navy shall carry out a demonstration project under which three Naval Aviation Depots are given the flexibility to promote by one grade level workers who are certified at the journey level as able to perform multiple trades.

(b) **SELECTION REQUIREMENTS.**—As a condition on eligibility for selection to participate in the demonstration project, the head of a Naval Aviation Depot shall submit to the Secretary a business case analysis and concept plan—

(1) that, on the basis of the results of analysis of work processes, demonstrate that process improvements would result from the trade combinations proposed to be implemented under the demonstration project; and

(2) that describes the improvements in cost, quality, or schedule of work that are anticipated to result from the participation in the demonstration project.

(c) **PARTICIPATING WORKERS.**—(1) Actual worker participation in the demonstration project shall be determined through competitive selection. Not more than 15 percent of the wage grade journeyman at a demonstration project location may be selected to participate.

(2) Job descriptions and competency-based training plans must be developed for each worker while in training under the demonstration project and once certified as a multi-trade worker. A certified multi-trade worker who receives a pay grade promotion under the demonstration project must use each new skill during at least 25 percent of the worker’s work year.

(d) **FUNDING SOURCE.**—Appropriations for operation and maintenance of the Naval Aviation Depots selected to participate in the demonstration project shall be used as the source of funds to carry out the demonstration project, including the source of funds for pay increases made under the project.

(e) **DURATION.**—The demonstration project shall be conducted during fiscal years 2004 through 2006.

(f) **REPORT.**—Not later than January 15, 2007, the Secretary shall submit a report to Congress describing the results of the demonstration project.

Deadline.

(g) **GAO EVALUATION.**—The Secretary shall transmit a copy of the report to the Comptroller General. Within 90 days after receiving the report, the Comptroller General shall submit to Congress an evaluation of the report.

Subtitle D—Other Matters

SEC. 341. CATALOGING AND STANDARDIZATION FOR DEFENSE SUPPLY MANAGEMENT.

Section 2451 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d) The Secretary shall coordinate with the Administrator of General Services to enable the use of commercial identifiers for commercial items within the Federal cataloging system.”.

SEC. 342. SALE OF DEFENSE INFORMATION SYSTEMS AGENCY SERVICES TO CONTRACTORS PERFORMING THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) **AUTHORITY.**—The Secretary of Defense may sell working-capital funded services of the Defense Information Systems Agency to a person outside the Department of Defense for use by that person in the performance of the Navy-Marine Corps Intranet contract.

(b) **REIMBURSEMENT.**—The Secretary shall require reimbursement of each working-capital fund for the costs of services sold under subsection (a) that were paid for out of such fund. The sources of the reimbursement shall be the appropriation or appropriations funding the Navy-Marine Corps Intranet contract or any cash payments received by the Secretary for the services.

(c) **NAVY-MARINE CORPS INTRANET CONTRACT DEFINED.**—In this section, the term “Navy-Marine Corps Intranet contract” has the meaning given such term in section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–217)).

SEC. 343. PERMANENT AUTHORITY FOR PURCHASE OF CERTAIN MUNICIPAL SERVICES AT INSTALLATIONS IN MONTEREY COUNTY, CALIFORNIA.

(a) **AUTHORITY.**—Subject to section 2465 of title 10, United States Code, public works, utility, and other municipal services needed for the operation of any Department of Defense asset in Monterey County, California, may be purchased from government agencies located in that county.

(c) **REPEAL OF EXISTING TEMPORARY AUTHORITY.**—Section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is repealed.

SEC. 344. DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT.

(a) **PROVISION OF PREPAID PHONE CARDS.**—As soon as possible after the date of the enactment of this Act, the Secretary of Defense shall provide, wherever practicable, prepaid phone cards, or an equivalent telecommunications benefit which includes access to telephone service, to members of the Armed Forces stationed outside the United States who (as determined by the Secretary) are eligible for combat zone tax exclusion benefits due to their service in direct support of Operation Enduring Freedom and Operation Iraqi Freedom to enable those members to make telephone calls without cost to the member.

(b) **MONTHLY BENEFIT.**—The value of the benefit provided under subsection (a) to any member in any month, to the extent the

benefit is provided from amounts available to the Department of Defense, may not exceed—

(1) \$40; or

(2) 120 calling minutes, if the cost to the Department of Defense of providing such number of calling minutes is less than the amount specified in paragraph (1).

(c) **END OF PROGRAM.**—The program established by subsection (a) shall terminate on September 30, 2004.

(d) **FUNDING.**—(1)(A) In carrying out the program under this section, the Secretary shall maximize the use of existing Department of Defense telecommunications programs and capabilities, free or reduced-cost services of private sector entities, and programs to enhance morale and welfare.

(B) The Secretary may not award a contract to a commercial firm for the purposes of subparagraph (A) other than through the use of competitive procedures.

(2) The Secretary may accept gifts and donations in order to defray the costs of the program under this section. Such gifts and donations may be accepted from—

(A) any foreign government;

(B) any foundation or other charitable organization, including any that is organized or operates under the laws of a foreign country; and

(C) any source in the private sector of the United States or a foreign country.

(e) **DEPLOYMENT OF ADDITIONAL TELEPHONE EQUIPMENT.**—If the Secretary of Defense determines that, in order to implement this section as quickly as practicable, it is necessary to provide additional telephones in any area to facilitate telephone calling for which benefits are provided under this section, the Secretary may, consistent with the availability of resources, award competitively bid contracts to one or more commercial entities for the provision and installation of telephones in that area.

(f) **NO COMPROMISE OF MILITARY MISSION.**—The Secretary of Defense should not take any action under this section that would compromise the military objectives or mission of the Department of Defense.

SEC. 345. INDEPENDENT ASSESSMENT OF MATERIAL CONDITION OF THE KC–135 AERIAL REFUELING FLEET.

Not later than May 1, 2004, the Secretary of Defense shall submit to the congressional defense committees an assessment, conducted by an entity outside of the Department of Defense, of the material condition of the fleet of KC–135 aerial refueling aircraft of the Air Force. The assessment shall include the following:

Deadline.

(1) Trend analysis for operational readiness for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003.

(2) Trend analysis for the number of manhours of organizational-level and depot-level maintenance required for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003, setting forth separately the manhours required for control and treatment of corrosion.

(3) The number of KC–135E and KC–135R aircraft grounded due to corrosion for each year, and the length of time each aircraft was grounded pending corrosion repair, based

on maintenance conducted from fiscal year 1996 through fiscal year 2003.

(4) An itemization of improved corrosion repair processes for KC–135E and KC–135R aircraft used between fiscal year 1996 and fiscal year 2003 which resulted in a decrease in the number of manhours required for control and treatment of corrosion.

(5) An analysis of the relationship between manhours for corrosion repair as set forth under paragraph (2) and the processes set forth under paragraph (4).

(6) An analysis of major structural repairs required due to corrosion for KC–135E and KC–135R aircraft annually from fiscal year 1996 through fiscal year 2003.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

- Sec. 401. End strengths for active forces.
- Sec. 402. Revision in permanent active duty end strength minimum levels.
- Sec. 403. Personnel strength authorization and accounting process.

Subtitle B—Reserve Forces

- Sec. 411. End strengths for Selected Reserve.
- Sec. 412. End strengths for Reserves on active duty in support of the reserves.
- Sec. 413. End strengths for military technicians (dual status).
- Sec. 414. Fiscal year 2004 limitations on non-dual status technicians.
- Sec. 415. Permanent limitations on number of non-dual status technicians.

Subtitle C—Authorizations of Appropriations

- Sec. 421. Military personnel.
- Sec. 422. Armed Forces Retirement Home.

Subtitle A—Active Forces

10 USC 115 note. **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2004, as follows:

- (1) The Army, 482,400.
- (2) The Navy, 373,800.
- (3) The Marine Corps, 175,000.
- (4) The Air Force, 359,300.

SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Section 691(b) of title 10, United States Code, is amended as follows:

- (1) ARMY.—Paragraph (1) is amended by striking “480,000” and inserting “482,400”.
- (2) NAVY.—Paragraph (2) is amended by striking “375,700” and inserting “373,800”.
- (3) AIR FORCE.—Paragraph (4) is amended by striking “359,000” and inserting “359,300”.

SEC. 403. PERSONNEL STRENGTH AUTHORIZATION AND ACCOUNTING PROCESS.

(a) QUARTERLY STRENGTH LEVELS.—Section 115 of title 10, United States Code, is amended—

(1) by redesignating subsections (c), (e), and (g) as subsections (e), (g), and (c), respectively, and by transferring—

(A) subsection (e), as so redesignated, so as to appear after subsection (d);

(B) subsection (g), as so redesignated, so as to appear after subsection (f); and

(C) subsection (c), as so redesignated, so as to appear after subsection (b);

(2) by transferring subsection (d) to the end of such section and redesignating that subsection as subsection (h); and

(3) by inserting after subsection (c), as redesignated and transferred by paragraph (1), the following new subsection (d):

“(d) **END-OF-QUARTER STRENGTH LEVELS.**—(1) The Secretary of Defense shall prescribe and include in the budget justification documents submitted to Congress in support of the President’s budget for the Department of Defense for any fiscal year the Secretary’s proposed end-of-quarter strengths for each of the first three quarters of the fiscal year for which the budget is submitted, in addition to the Secretary’s proposed fiscal-year end-strengths for that fiscal year. Such end-of-quarter strengths shall be submitted for each category of personnel for which end strengths are required to be authorized by law under subsection (a) or (c). The Secretary shall ensure that resources are provided in the budget at a level sufficient to support the end-of-quarter and fiscal-year end-strengths as submitted.

“(2)(A) After annual end-strength levels required by subsections (a) and (c) are authorized by law for a fiscal year, the Secretary of Defense shall promptly prescribe end-of-quarter strength levels for the first three quarters of that fiscal year applicable to each such end-strength level. Such end-of-quarter strength levels shall be established for any fiscal year as levels to be achieved in meeting each of those annual end-strength levels authorized by law in accordance with subsection (a) (as such levels may be adjusted pursuant to subsection (e)) and subsection (c).

“(B) At least annually, the Secretary of Defense shall establish for each of the armed forces (other than the Coast Guard) the maximum permissible variance of actual strength for an armed force at the end of any given quarter from the end-of-quarter strength established pursuant to subparagraph (A). Such variance shall be such that it promotes the maintaining of the strength necessary to achieve the end-strength levels authorized in accordance with subsection (a) (as adjusted pursuant to subsection (e)) and subsection (c).

“(3) Whenever the Secretary establishes an end-of-quarter strength level under subparagraph (A) of paragraph (2), or modifies a strength level under the authority provided in subparagraph (B) of paragraph (2), the Secretary shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of that strength level or of that modification, as the case may be.”

(b) **CONFORMING AND STYLISTIC AMENDMENTS.**—Such section is further amended—

(1) in subsection (a), by inserting “**ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS TO BE AUTHORIZED BY LAW.**—” after “(a)”;

(2) in subsection (b), by inserting “**LIMITATION ON APPROPRIATIONS FOR MILITARY PERSONNEL.**—” after “(b)”;

(3) in subsection (c), as redesignated and transferred by subsection (a)(1), by inserting “MILITARY TECHNICIAN (DUAL STATUS) END STRENGTHS TO BE AUTHORIZED BY LAW.—” after “(c)”;

(4) in subsection (e), as redesignated and transferred by subsection (a)(1), by inserting “AUTHORITY FOR SECRETARY OF DEFENSE VARIANCES FOR ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS.—” after “(e)”;

(5) in subsection (f)—

(A) by inserting “AUTHORITY FOR SERVICE SECRETARY VARIANCES FOR ACTIVE-DUTY END STRENGTHS.—” after “(f)”;

(B) in paragraph (2), by striking “subsection (c)(1)” and inserting “subsection (e)(1)”;

(6) in subsection (g), as redesignated and transferred by subsection (a)(1), by inserting “ADJUSTMENT WHEN COAST GUARD IS OPERATING AS A SERVICE IN THE NAVY.—” after “(g)”;

(7) in subsection (h), as redesignated and transferred by subsection (a)(2), by inserting “CERTAIN ACTIVE-DUTY PERSONNEL EXCLUDED FROM COUNTING FOR ACTIVE-DUTY END STRENGTHS.—” after “(h)”.

(c) CROSS REFERENCE AMENDMENTS.—Section 10216 of such title is amended by striking “section 115(g)” each place it appears and inserting “section 115(c)”.

10 USC 115 note.

(d) EFFECTIVE DATE.—Subsection (d) of section 115 of title 10, United States Code, as added by subsection (a)(3), shall apply with respect to the budget request for fiscal year 2005 and thereafter.

Subtitle B—Reserve Forces

10 USC 12001
note.

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2004, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 85,900.

(4) The Marine Corps Reserve, 39,600.

(5) The Air National Guard of the United States, 107,030.

(6) The Air Force Reserve, 75,800.

(7) The Coast Guard Reserve, 10,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

10 USC 12001
note.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2004, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

- (1) The Army National Guard of the United States, 25,599.
- (2) The Army Reserve, 14,374.
- (3) The Naval Reserve, 14,384.
- (4) The Marine Corps Reserve, 2,261.
- (5) The Air National Guard of the United States, 12,191.
- (6) The Air Force Reserve, 1,660.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

10 USC 115 note.

The minimum number of military technicians (dual status) as of the last day of fiscal year 2004 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

- (1) For the Army Reserve, 6,949.
- (2) For the Army National Guard of the United States, 24,589.
- (3) For the Air Force Reserve, 9,991.
- (4) For the Air National Guard of the United States, 22,806.

SEC. 414. FISCAL YEAR 2004 LIMITATIONS ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2004, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.

(B) For the Air National Guard of the United States, 350.

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2004, may not exceed 910.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2004, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term “non-dual status technician” has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. PERMANENT LIMITATIONS ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

Section 10217(c) of title 10, United States Code, is amended by striking “and Air Force Reserve may not exceed 175” and inserting “may not exceed 595 and by the Air Force Reserve may not exceed 90”.

Subtitle C—Authorizations of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2004 a total of \$98,908,400,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2004.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2004 from the Armed Forces Retirement Home Trust Fund the sum of \$65,279,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Matters

- Sec. 501. Standardization of qualifications for appointment as service chief.
- Sec. 502. Eligibility for appointment as Chief of Army Veterinary Corps.
- Sec. 503. Repeal of required grade of defense attaché in France.
- Sec. 504. Repeal of termination provisions for certain authorities relating to management of general and flag officers in certain grades.
- Sec. 505. Retention of health professions officers to fulfill active-duty service commitments following promotion nonselection.
- Sec. 506. Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
- Sec. 507. Contingent exclusion from officer strength and distribution-in-grade limitations for officer serving as Associate Director of Central Intelligence for Military Support.
- Sec. 508. Reappointment of incumbent Chief of Naval Operations.
- Sec. 509. Secretary of Defense approval required for practice of wearing uniform insignia of higher grade known as “frocking”.

Subtitle B—Reserve Component Matters

- Sec. 511. Streamlined process for continuation of officers on the Reserve Active-Status List.
- Sec. 512. Consideration of Reserve officers for position vacancy promotions in time of war or national emergency.
- Sec. 513. Authority for delegation of required secretarial special finding for placement of certain retired members in Ready Reserve.
- Sec. 514. Authority to provide expenses of Army and Air Staff personnel and National Guard Bureau personnel attending national conventions of certain military associations.
- Sec. 515. Expanded authority for use of Ready Reserve in response to terrorism.
- Sec. 516. National Guard officers on active duty in command of National Guard units.
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- Sec. 531. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
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- Sec. 535. Funding of education assistance enlistment incentives to facilitate national service through Department of Defense Education Benefits Fund.
- Sec. 536. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
- Sec. 537. Impact aid eligibility for heavily impacted local educational agencies affected by privatization of military housing.

Subtitle E—Administrative Matters

- Sec. 541. High-tempo personnel management and allowance.
- Sec. 542. Enhanced retention of accumulated leave for high-deployment members.
- Sec. 543. Standardization of statutory authorities for exemptions from requirement for access to secondary schools by military recruiters.
- Sec. 544. Procedures for consideration of applications for award of the Purple Heart medal to veterans held as prisoners of war before April 25, 1962.
- Sec. 545. Authority for Reserve and retired regular officers to hold State and local office notwithstanding call to active duty.
- Sec. 546. Policy on public identification of casualties.
- Sec. 547. Space personnel career fields.
- Sec. 548. Department of Defense Joint Advertising, Market Research, and Studies program.
- Sec. 549. Limitation on force structure reductions in Naval and Marine Corps Reserve aviation squadrons.

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- Sec. 551. Extended limitation period for prosecution of child abuse cases in courts-martial.
- Sec. 552. Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel.

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- Sec. 561. Additional classes of individuals eligible to participate in the Federal long-term care insurance program.
- Sec. 562. Authority to transport remains of retirees and retiree dependents who die in military treatment facilities.
- Sec. 563. Eligibility for dependents of certain mobilized reservists stationed overseas to attend defense dependents schools overseas.

Subtitle H—Domestic Violence

- Sec. 571. Travel and transportation for dependents relocating for reasons of personal safety.
- Sec. 572. Commencement and duration of payment of transitional compensation.
- Sec. 573. Exceptional eligibility for transitional compensation.
- Sec. 574. Types of administrative separations triggering coverage.
- Sec. 575. Comptroller General review and report.
- Sec. 576. Fatality reviews.
- Sec. 577. Sense of Congress.

Subtitle I—Other Matters

- Sec. 581. Recognition of military families.

- Sec. 582. Permanent authority for support for certain chaplain-led military family support programs.
- Sec. 583. Department of Defense-Department of Veterans Affairs Joint Executive Committee.
- Sec. 584. Review of the 1991 death of Marine Corps Colonel James E. Sabow.
- Sec. 585. Policy on concurrent deployment to combat zones of both military spouses of military families with minor children.
- Sec. 586. Congressional notification of amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation.
- Sec. 587. Study of National Guard Challenge Program.
- Sec. 588. Findings and sense of Congress on reward for information leading to resolution of status of members of the Armed Forces who remain unaccounted for.

Subtitle A—Officer Personnel Matters

SEC. 501. STANDARDIZATION OF QUALIFICATIONS FOR APPOINTMENT AS SERVICE CHIEF.

(a) CHIEF OF NAVAL OPERATIONS.—Section 5033(a)(1) of title 10, United States Code, is amended by striking “from officers on the active-duty list in the line of the Navy who are eligible to command at sea and who hold the grade of rear admiral or above” and inserting “from the flag officers of the Navy”.

(b) COMMANDANT OF THE MARINE CORPS.—Section 5043(a)(1) of title 10, United States Code, is amended by striking “from officers on the active-duty list of the Marine Corps not below the grade of colonel” and inserting “from the general officers of the Marine Corps”.

SEC. 502. ELIGIBILITY FOR APPOINTMENT AS CHIEF OF ARMY VETERINARY CORPS.

(a) APPOINTMENT FROM AMONG MEMBERS OF THE CORPS.—Section 3084 of title 10, United States Code, is amended by inserting after “The Chief of the Veterinary Corps of the Army” the following: “shall be appointed from among officers of the Veterinary Corps. The Chief of the Veterinary Corps”.

10 USC 3084
note.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to appointments of the Chief of the Veterinary Corps of the Army that are made on or after the date of the enactment of this Act.

SEC. 503. REPEAL OF REQUIRED GRADE OF DEFENSE ATTACHÉ IN FRANCE.

(a) IN GENERAL.—Section 714 of title 10, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 41 of such title is amended by striking the item relating to section 714.

SEC. 504. REPEAL OF TERMINATION PROVISIONS FOR CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) SENIOR JOINT OFFICER POSITIONS.—Section 604 of title 10, United States Code, is amended by striking subsection (c).

(b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5) of such title is amended by striking subparagraph (C).

(c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b) of such title is amended by striking paragraph (3).

SEC. 505. RETENTION OF HEALTH PROFESSIONS OFFICERS TO FULFILL ACTIVE-DUTY SERVICE COMMITMENTS FOLLOWING PROMOTION NONSELECTION.

(a) IN GENERAL.—Section 632 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by inserting “except as provided in paragraph (3) and in subsection (c),” before “be discharged”; and

(2) by adding at the end the following new subsection:

“(c)(1) If a health professions officer described in paragraph (2) is subject to discharge under subsection (a)(1) and, as of the date on which the officer is to be discharged under that paragraph, the officer has not completed a period of active duty service obligation that the officer incurred under section 2005, 2114, 2123, or 2603 of this title, the officer shall be retained on active duty until completion of such active duty service obligation, and then be discharged under that subsection, unless sooner retired or discharged under another provision of law.

“(2) The Secretary concerned may waive the applicability of paragraph (1) to any officer if the Secretary determines that completion of the active duty service obligation of that officer is not in the best interest of the service.

“(3) This subsection applies to a medical officer or dental officer or an officer appointed in a medical skill other than as a medical officer or dental officer (as defined in regulations prescribed by the Secretary of Defense).”.

(b) TECHNICAL AMENDMENTS.—Sections 630(2), 631(a)(3), and 632(a)(3) of such title are amended by striking “clause” and inserting “paragraph”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply in the case of an officer who as of the date of the enactment of this Act is required to be discharged under section 632(a)(1) of title 10, United States Code, by reason of having failed of selection for promotion to the next higher regular grade a second time.

10 USC 632 note.

SEC. 506. PERMANENT AUTHORITY TO REDUCE THREE-YEAR TIME-IN-GRADE REQUIREMENT FOR RETIREMENT IN GRADE FOR OFFICERS IN GRADES ABOVE MAJOR AND LIEUTENANT COMMANDER.

(a) ACTIVE COMPONENT OFFICERS.—Subsection (a)(2)(A) of section 1370 of title 10, United States Code, is amended by striking “in the case of retirements effective during the period beginning on October 1, 2002, and ending on December 31, 2003”.

(b) RESERVE COMPONENT OFFICERS.—Subsection (d)(5)(A) of such section is amended by striking “2 years” and all that follows and inserting “two years.”.

SEC. 507. CONTINGENT EXCLUSION FROM OFFICER STRENGTH AND DISTRIBUTION-IN-GRADE LIMITATIONS FOR OFFICER SERVING AS ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

(a) ASSOCIATE DIRECTOR NOT COUNTED.—Chapter 32 of title 10, United State Code, is amended by adding at the end the following new section:

“§ 528. Exclusion: officer serving as Associate Director of Central Intelligence for Military Support

“(a) When none of the individuals serving in a position specified in subsection (b) is an officer of the armed forces, an officer of the armed forces assigned to the position of Associate Director of Central Intelligence for Military Support, while serving in that position, shall not be counted against the numbers and percentages of officers of the grade of that officer authorized for that officer’s armed force.

“(b) The positions referred to in subsection (a) are the following:

“(1) Director of Central Intelligence.

“(2) Deputy Director of Central Intelligence.

“(3) Deputy Director of Central Intelligence for Community Management.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“528. Exclusion: Associate Director of Central Intelligence for Military Support.”.

10 USC 5033
note.

SEC. 508. REAPPOINTMENT OF INCUMBENT CHIEF OF NAVAL OPERATIONS.

Notwithstanding the provisions of section 5033(a)(1) of title 10, United States Code, the President, by and with the advice and consent of the Senate, may reappoint the officer serving as Chief of Naval Operations on October 1, 2003, for an additional term as Chief of Naval Operations. Such a reappointment shall be for a term of not more than two years.

SEC. 509. SECRETARY OF DEFENSE APPROVAL REQUIRED FOR PRACTICE OF WEARING UNIFORM INSIGNIA OF HIGHER GRADE KNOWN AS “FROCKING”.

(a) OSD APPROVAL REQUIRED.—Section 777(b) of title 10, United States Code, is amended—

(1) by striking “and” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(3) in the case of an officer selected for promotion to a grade above colonel or, in the case of an officer of the Navy, a grade above captain—

“(A) authority for that officer to wear the insignia of that grade has been approved by the Secretary of Defense (or a civilian officer within the Office of the Secretary of Defense whose appointment was made with the advice and consent of the Senate and to whom the Secretary delegates such approval authority); and

“(B) the Secretary of Defense has submitted to Congress a written notification of the intent to authorize the

Notification.

officer to wear the insignia for that grade and a period of 30 days has elapsed after the date of the notification.”.

(b) **EFFECTIVE DATE.**—Paragraph (3) of subsection (b) of section 777 of title 10, United States Code, as added by subsection (a), shall not apply with respect to the wearing by an officer of insignia for a grade that was authorized under that section before the date of the enactment of this Act. 10 USC 777 note.

Subtitle B—Reserve Component Matters

SEC. 511. STREAMLINED PROCESS FOR CONTINUATION OF OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.

(a) **REPEAL OF REQUIREMENT FOR USE OF SELECTION BOARDS.**—Section 14701 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “by a selection board convened under section 14101(b) of this title” and inserting “under regulations prescribed by the Secretary of Defense”; and

(B) in paragraph (6), by striking “as a result of the convening of a selection board under section 14101(b) of this title” and inserting “under regulations prescribed under paragraph (1)”;

(2) by striking subsections (b) and (c); and

(3) by redesignating subsection (d) as subsection (b).

(b) **CONFORMING AMENDMENTS.**—(1) Section 14101(b) of such title is amended—

(A) by striking “CONTINUATION BOARDS” and inserting “SELECTIVE EARLY SEPARATION BOARDS”;

(B) by striking paragraph (1);

(C) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(D) by striking the last sentence.

(2) Section 14102(a) of such title is amended by striking “Continuation boards” and inserting “Selection boards convened under section 14101(b) of this title”.

(3) Section 14705(b)(1) of such title is amended by striking “continuation board” and inserting “selection board”.

SEC. 512. CONSIDERATION OF RESERVE OFFICERS FOR POSITION VACANCY PROMOTIONS IN TIME OF WAR OR NATIONAL EMERGENCY.

(a) **PROMOTION CONSIDERATION WHILE ON ACTIVE-DUTY LIST.**—

(1) Subsection (d) of section 14317 of title 10, United States Code, is amended by striking “If a reserve officer” and inserting “Except as provided in subsection (e), if a reserve officer”.

(2) Subsection (e) of such section is amended to read as follows:

“(e) **OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.**—(1) A reserve officer who is not on the active-duty list and who is ordered to active duty in time of war or national emergency may, if eligible, be considered for promotion—

“(A) by a mandatory promotion board convened under section 14101(a) of this title or a special selection board convened under section 14502 of this title; or

“(B) in the case of an officer who has been ordered to or is serving on active duty in support of a contingency operation, by a vacancy promotion board convened under section 14101(a) of this title.

“(2) An officer may not be considered for promotion under this subsection after the end of the two-year period beginning on the date on which the officer is ordered to active duty.

“(3) An officer may not be considered for promotion under this subsection during a period when the operation of this section has been suspended by the President under section 123(a) of this title.

“(4) Consideration of an officer for promotion under this subsection shall be under regulations prescribed by the Secretary of the military department concerned.”.

(b) CONFORMING AMENDMENT.—Section 14315(a)(1) of such title is amended by striking “as determined by the Secretary concerned, is available” and inserting “under regulations prescribed by the Secretary concerned, has been recommended”.

SEC. 513. AUTHORITY FOR DELEGATION OF REQUIRED SECRETARIAL SPECIAL FINDING FOR PLACEMENT OF CERTAIN RETIRED MEMBERS IN READY RESERVE.

The last sentence of section 10145(d) of title 10, United States Code, is amended to read as follows: “The authority of the Secretary concerned under the preceding sentence may not be delegated—

“(1) to a civilian officer or employee of the military department concerned below the level of Assistant Secretary; or

“(2) to a member of the armed forces below the level of the lieutenant general or vice admiral in an armed force with responsibility for military personnel policy in that armed force.”.

SEC. 514. AUTHORITY TO PROVIDE EXPENSES OF ARMY AND AIR STAFF PERSONNEL AND NATIONAL GUARD BUREAU PERSONNEL ATTENDING NATIONAL CONVENTIONS OF CERTAIN MILITARY ASSOCIATIONS.

(a) AUTHORITY.—Section 107(a)(2) of title 32, United States Code, is amended—

(1) by striking “officers” and inserting “members”;

(2) by striking “Army General Staff” and inserting “Army Staff”; and

(3) by striking “the National Guard Association of the United States” and inserting “the Enlisted Association of the National Guard of the United States, the National Guard Association of the United States,”.

32 USC 107 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply with respect to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 515. EXPANDED AUTHORITY FOR USE OF READY RESERVE IN RESPONSE TO TERRORISM.

Section 12304 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking “catastrophic” and inserting “significant”; and

(2) by adding at the end of subsection (c) the following new paragraph:

“(3) No unit or member of a reserve component may be ordered to active duty under this section to provide assistance referred to in subsection (b) unless the President determines that the

requirements for responding to an emergency referred to in that subsection have exceeded, or will exceed, the response capabilities of local, State, and Federal civilian agencies.”.

SEC. 516. NATIONAL GUARD OFFICERS ON ACTIVE DUTY IN COMMAND OF NATIONAL GUARD UNITS.

(a) CONTINUATION IN STATE STATUS.—Subsection (a) of section 325 of title 32, United States Code, is amended—

(1) by striking “(a) Each” and inserting “(a) RELIEF REQUIRED.—(1) Except as provided in paragraph (2), each”; and

(2) by adding at the end the following new paragraph:
“(2) An officer of the Army National Guard of the United States or the Air National Guard of the United States is not relieved from duty in the National Guard of his State or Territory, or of Puerto Rico or the District of Columbia, under paragraph (1) while serving on active duty in command of a National Guard unit if—

“(A) the President authorizes such service in both duty statuses; and

“(B) the Governor of his State or Territory or Puerto Rico, or the commanding general of the District of Columbia National Guard, as the case may be, consents to such service in both duty statuses.”.

(b) FORMAT AMENDMENT.—Subsection (b) of such section is amended by inserting “RETURN TO STATE STATUS.—” after “(b)”.

SEC. 517. PRESIDENTIAL REPORT ON MOBILIZATION OF RESERVE COMPONENT PERSONNEL AND SECRETARY OF DEFENSE ASSESSMENT.

(a) PRESIDENTIAL REPORT.—Not later than six months after the date of the enactment of this Act, the President shall transmit to Congress a report on the mobilization during fiscal years 2002 and 2003 of members of the reserve components. The report shall include, for each of those fiscal years, the following:

(1) The number of members of the reserve components who were called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code.

(2) Of the members counted under paragraph (1), the number who, under a call or order to active duty referred to in paragraph (1), served on active duty for one year or more (including any extension on active duty) and, for those members, specification of their military specialties and the number of such members in each such specialty.

(3) Of the members counted under paragraph (1), the number who, under a provision of law referred to in paragraph (1), were called or ordered to active duty more than once and, for those members, specification of their military specialties and the number of such members in each such specialty.

(b) ASSESSMENT BY SECRETARY OF DEFENSE.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the following:

(1) A description of the effects on reserve component recruitment and retention that have resulted from—

Deadline.

Deadline.
10 USC 113 note.

(A) the calls and orders of Reserves to active duty during fiscal years 2002 and 2003; and

(B) the tempo of the service of the Reserves on the active duty to which called or ordered.

(2) A description of changes in the Armed Forces, including any changes in the allocation of roles and missions, in force structure, and in capabilities between the active components and the reserve components of the Armed Forces, that are envisioned by the Secretary of Defense on the basis of—

(A) the effects discussed under paragraph (1);

(B) the lessons learned from calling and ordering the reserve components to active duty during fiscal years 2002 and 2003; or

(C) future military force structure and capabilities requirements.

(3) On the basis of the lessons learned as a result of calling and ordering members of the reserve components to active duty during fiscal years 2002 and 2003, an assessment of the process for calling and ordering such members to active duty, preparing such members for active duty, processing such members into the force upon entry onto active duty, and deploying such members, including an assessment of the adequacy of the alert and notification process from the perspectives of individual members, of reserve component units, and of employers of such members.

SEC. 518. AUTHORITY FOR THE USE OF OPERATION AND MAINTENANCE FUNDS FOR PROMOTIONAL ACTIVITIES OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE.

Section 2241 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) ACTIVITIES OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE.—Amounts appropriated for operation and maintenance may, under regulations prescribed by the Secretary of Defense, be used by the Secretary for official reception, representation, and advertising activities and materials of the National Committee for Employer Support of the Guard and Reserve to further employer commitments to their employees who are members of a reserve component.”.

Subtitle C—ROTC and Military Service Academies

SEC. 521. EXPANDED EDUCATIONAL ASSISTANCE AUTHORITY FOR CADETS AND MIDSHIPMEN RECEIVING ROTC SCHOLARSHIPS.

(a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE ON ACTIVE DUTY.—Section 2107(c) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

“(3) In the case of a cadet or midshipman eligible to receive financial assistance under paragraph (1) or (2), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for the cadet

or midshipman and other expenses required by the educational institution.

“(4) The total amount of financial assistance, including the payment of room and board and other educational expenses, provided to a cadet or midshipman in an academic year under this subsection may not exceed an amount equal to the amount that could be provided as financial assistance for such cadet or midshipman under paragraph (1) or (2), or another amount determined by the Secretary concerned, without regard to whether room and board and other educational expenses for such cadet or midshipman are paid under paragraph (3).”.

(b) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE IN TROOP PROGRAM UNITS.—Section 2107a(c) of such title is amended—

(1) by inserting “(1)” after “(c)”; and

(2) by adding at the end the following new paragraphs:

“(2) In the case of a cadet eligible to receive financial assistance under paragraph (1), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for such cadet and other expenses required by the educational institution.

“(3) The total amount of financial assistance, including the payment of room and board and any other educational expenses, provided to a cadet in an academic year under this subsection may not exceed an amount equal to the amount that could be provided as financial assistance for such cadet under paragraph (1), or another amount determined by the Secretary of the Army, without regard to whether the room and board and other educational expenses for such cadet are paid under paragraph (2).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payment of expenses of cadets and midshipmen of the Senior Reserve Officers’ Training Corps program that are due after the date of the enactment of this Act.

Applicability.
10 USC 2107
note.

SEC. 522. INCREASE IN ALLOCATION OF SCHOLARSHIPS UNDER ARMY RESERVE ROTC SCHOLARSHIP PROGRAM TO STUDENTS AT MILITARY JUNIOR COLLEGES.

Section 2107a(h) of title 10, United States Code, is amended by striking “10” each place it appears and inserting “17”.

SEC. 523. AUTHORITY FOR NONSCHOLARSHIP SENIOR ROTC SOPHOMORES TO VOLUNTARILY CONTRACT FOR AND RECEIVE SUBSISTENCE ALLOWANCE.

(a) AUTHORITY FOR ALLOWANCE.—Section 209 of title 37, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections

(d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

“(c) NONSCHOLARSHIP SENIOR ROTC MEMBERS NOT IN ADVANCED TRAINING.—A member of the Selected Reserve Officers’ Training Corps who has entered into an agreement under section 2103a of title 10 is entitled to a monthly subsistence allowance at a rate prescribed under subsection (a). That allowance may be paid to the member by reason of such agreement for a maximum of 20 months.”.

(b) **AUTHORITY TO ACCEPT ENROLLMENT.**—(1) Chapter 103 of title 10, United States Code, is amended by inserting after section 2103 the following new section:

“§ 2103a. Students not eligible for advanced training: commitment to military service

“(a) **AUTHORITY.**—A member of the program who has completed successfully the first year of a four-year Senior Reserve Officers’ Training Corps course and who is not eligible for advanced training under section 2104 of this title and is not a cadet or midshipman appointed under section 2107 of this title may—

“(1) contract with the Secretary of the military department concerned, or the Secretary’s designated representative, to serve for the period required by the program; and

“(2) agree in writing to accept an appointment, if offered, as a commissioned officer in the Army, Navy, Air Force, or Marine Corps, as the case may be, and to serve in the armed forces for the period prescribed by the Secretary.

“(b) **ELIGIBILITY REQUIREMENTS.**—A member of the program may enter into a contract and agreement under this section (and receive a subsistence allowance under section 209(c) of title 37) only if the person—

“(1) is a citizen of the United States;

“(2) enlists in an armed force under the jurisdiction of the Secretary of the military department concerned for the period prescribed by the Secretary; and

“(3) executes a certificate of loyalty in such form as the Secretary of Defense prescribes or take a loyalty oath as prescribed by the Secretary.

“(c) **PARENTAL CONSENT FOR MINORS.**—A member of the program who is a minor may enter into a contract under subsection (a)(1) only with the consent of the member’s parent or guardian.

“(d) **TERMINATION OF AUTHORITY.**—No contract may be entered into under subsection (a)(1) after December 31, 2006.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2103 the following new item:

“2103a. Students not eligible for advanced training: commitment to military service.”.

10 USC 2103a
note.

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004.

SEC. 524. APPOINTMENTS TO MILITARY SERVICE ACADEMIES FROM NOMINATIONS MADE BY DELEGATES FROM GUAM, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) **UNITED STATES MILITARY ACADEMY.**—Section 4342(a) of title 10, United States Code, is amended—

(1) in paragraphs (6) and (8), by striking “Two” and inserting “Three”; and

(2) in paragraph (9), by striking “One” and inserting “Two”.

(b) **UNITED STATES NAVAL ACADEMY.**—Section 6954(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking “Two” and inserting “Three”; and

(2) in paragraph (9), by striking “One” and inserting “Two”.

(c) **UNITED STATES AIR FORCE ACADEMY.**—Section 9342(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking “Two” and inserting “Three”; and

(2) in paragraph (9), by striking “One” and inserting “Two”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to the nomination of candidates for appointment to the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy for classes entering those academies after the date of the enactment of this Act.

10 USC 4342
note.

SEC. 525. READMISSION TO SERVICE ACADEMIES OF CERTAIN FORMER CADETS AND MIDSHIPMEN.

10 USC 4351
note.

(a) **INSPECTOR GENERAL REPORT AS BASIS FOR READMISSION.**—

(1) When a formal report by an Inspector General within the Department of Defense concerning the circumstances of the separation of a cadet or midshipman from one of the service academies contains a specific finding specified in paragraph (2), the Secretary of the military department concerned may use that report as the sole basis for readmission of the former cadet or midshipman to the respective service academy.

(2) A finding specified in this paragraph is a finding that substantiates that a former service academy cadet or midshipman, while attending the service academy—

(A) received administrative or punitive action or nonjudicial punishment as a result of reprisal;

(B) resigned in lieu of disciplinary, administrative, or other action that the formal report concludes constituted a threat of reprisal; or

(C) otherwise suffered an injustice that contributed to the resignation of the cadet or midshipman.

(b) **READMISSION.**—In the case of a formal report by an Inspector General described in subsection (a), the Secretary concerned shall offer the former cadet or midshipman an opportunity for readmission to the service academy from which the former cadet or midshipman resigned, if the former cadet or midshipman is otherwise eligible for such readmission.

(c) **APPLICATIONS FOR READMISSION.**—A former cadet or midshipman described in a report referred to in subsection (a) may apply for readmission to the service academy on the basis of that report and shall not be required to submit the request for readmission through a board for the correction of military records.

(d) **REGULATIONS TO MINIMIZE ADVERSE IMPACT UPON READMISSION.**—The Secretary of each military department shall prescribe regulations for the readmission of a former cadet or midshipman described in subsection (a), with the goal, to the maximum extent practicable, of readmitting the former cadet or midshipman at no loss of the academic or military status held by the former cadet at the time of resignation.

(e) **CONSTRUCTION WITH OTHER REMEDIES.**—This section does not preempt or supersede any other remedy that may be available to a former cadet or midshipman.

(f) **SERVICE ACADEMIES.**—In this section, the term “service academy” means the following:

(1) The United States Military Academy.

(2) The United States Naval Academy.

(3) The United States Air Force Academy.

10 USC 4331
note.

SEC. 526. DEFENSE TASK FORCE ON SEXUAL HARASSMENT AND VIOLENCE AT THE MILITARY SERVICE ACADEMIES.

Deadline.
Reports.

(a) **ESTABLISHMENT.**—The Secretary of Defense shall establish a Department of Defense task force to examine matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy.

(b) **RECOMMENDATIONS.**—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary of Defense a report recommending ways by which the Department of Defense and the Department of the Army and the Department of the Navy may more effectively address matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy, respectively. The report shall include an assessment of, and recommendations (including any recommended changes in law) for measures to improve, with respect to sexual harassment and violence at those academies, the following:

- (1) Victims' safety programs.
- (2) Offender accountability.
- (3) Effective prevention of sexual harassment and violence.
- (4) Collaboration among military organizations with responsibility or jurisdiction with respect to sexual harassment and violence.
- (5) Coordination between military and civilian communities, including local support organizations, with respect to sexual harassment and violence.
- (6) Coordination between military and civilian communities, including civilian law enforcement relating to acts of sexual harassment and violence.
- (7) Data collection and case management and tracking.
- (8) Curricula and training, including standard training programs for cadets at the United States Military Academy and midshipmen at the United States Naval Academy and for permanent personnel assigned to those academies.
- (9) Responses to sexual harassment and violence at those academies, including standard guidelines.
- (10) Other issues identified by the task force relating to sexual harassment and violence at those academies.

(c) **METHODOLOGY.**—The task force shall consider the findings and recommendations of previous reviews and investigations of sexual harassment and violence conducted for those academies as one of the bases for its assessment.

(d) **REPORT.**—(1) The task force shall submit to the Secretary of Defense and the Secretaries of the Army and the Navy a report on the activities of the task force and on the activities of the United States Military Academy and the United States Naval Academy to respond to sexual harassment and violence at those academies.

(2) The report shall include the following:

- (A) Any barriers to implementation of improvements as a result of those efforts.
- (B) Other areas of concern not previously addressed in prior reports.
- (C) The findings and conclusions of the task force.
- (D) Any recommendations for changes to policy and law as the task force considers appropriate, including whether cases of sexual assault at those academies should be included in

the Department of Defense database known as the Defense Incident-Based Reporting System.

(3) Within 90 days after receipt of the report under paragraph (1) the Secretary of Defense shall submit the report, together with the Secretary's evaluation of the report, to the Committees on Armed Services of the Senate and House of Representatives.

(e) REPORT ON AIR FORCE ACADEMY.—Simultaneously with the submission of the report under subsection (d)(3), the Secretary of Defense, in coordination with the Secretary of the Air Force, shall submit to the committees specified in that subsection the Secretary's assessment of the effectiveness of corrective actions being taken at the United States Air Force Academy as a result of various investigations conducted at that Academy into matters involving sexual assault and harassment.

(f) COMPOSITION.—(1) The task force shall consist of not more than 14 members, to be appointed by the Secretary of Defense. Members shall be appointed from each of the Army, Navy, Air Force, and Marine Corps, and shall include an equal number of personnel of the Department of Defense (military and civilian) and persons from outside the Department of Defense. Members appointed from outside the Department of Defense may be appointed from other Federal departments and agencies, from State and local agencies, or from the private sector.

(2) The Secretary shall ensure that the membership of the task force appointed from the Department of Defense includes at least one judge advocate.

(3) In appointing members to the task force, the Secretary may—

(A) consult with the Attorney General regarding a representative from the Office of Violence Against Women of the Department of Justice; and

(B) consult with the Secretary of Health and Human Services regarding a representative from the Women's Health office of the Department of Health and Human Services.

(4) Each member of the task force appointed from outside the Department of Defense shall be an individual who has demonstrated expertise in the area of sexual harassment and violence or shall be appointed from one of the following:

(A) A representative from the Office of Civil Rights of the Department of Education.

(B) A representative from the Centers for Disease Control and Prevention of the Department of Health and Human Services.

(C) A sexual assault policy and advocacy organization.

(D) A civilian law enforcement agency.

(E) A judicial policy organization.

(F) A national crime victim policy organization.

(5) The members of the task force shall be appointed not later than 120 days after the date of the enactment of this Act. Deadline.

(g) CO-CHAIRS OF THE TASK FORCE.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of the Defense at the time of appointment from among the Department of Defense personnel on the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by those members.

(h) ADMINISTRATIVE SUPPORT.—(1) Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be appointed in accordance with, and subject to, section 3161 of title 5, United States Code.

(2) The Deputy Under Secretary of Defense for Personnel and Readiness, under the direction of the Under Secretary of Defense for Personnel and Readiness, shall provide oversight of the task force. The Washington Headquarters Services of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the task force's duties.

(3) The Deputy Under Secretary shall coordinate with the Secretary of the Army to provide visits of the task force to the United States Military Academy and with the Secretary of the Navy to provide visits of the task force to the United States Naval Academy.

(i) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to the Committees on Armed Services of the Senate and House of Representatives pursuant to subsection (d)(3).

10 USC 4331
note.

SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND VIOLENCE AT THE SERVICE ACADEMIES.

(a) POLICY ON SEXUAL HARASSMENT AND VIOLENCE.—(1) Under guidance prescribed by the Secretary of Defense—

(A) the Secretary of the Army shall direct the Superintendent of the United States Military Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Military Academy;

(B) the Secretary of the Navy shall direct the Superintendent of the United States Naval Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Naval Academy; and

(C) the Secretary of the Air Force shall direct the Superintendent of the United States Air Force Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Air Force Academy.

(2) The policy on sexual harassment and violence prescribed for an academy under paragraph (1) shall specify the following:

(A) Programs to promote awareness of the incidence of rape, acquaintance rape, and other sexual offenses of a criminal nature that involve academy personnel.

(B) Procedures that a cadet or midshipman should follow in the case of an occurrence of sexual harassment or violence, including—

(i) a specification of the person or persons to whom the alleged offense should be reported;

(ii) a specification of any other person whom the victim should contact; and

(iii) procedures on the preservation of evidence potentially necessary for proof of criminal sexual assault.

(C) Procedures for disciplinary action in cases of alleged criminal sexual assault involving academy personnel.

(D) Any other sanction authorized to be imposed in a substantiated case of harassment or violence involving academy personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

(E) Required training on the policy for all academy personnel, including the specific training required for personnel who process allegations of sexual harassment or violence involving academy personnel.

(3) In prescribing the policy on sexual harassment and violence for an academy under paragraph (1), the Superintendent of that academy shall take into consideration—

(A) the findings, conclusions, and recommendations of the panel established pursuant to title V of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 609) to review sexual misconduct allegations at the United States Air Force Academy; and

(B) the findings, conclusions, and recommendations of other previous reviews and investigations of sexual harassment and violence conducted with respect to one or more of the academies covered by paragraph (1).

(4) The policy for each such academy required by paragraph (1) shall be prescribed not later than June 1, 2004.

(b) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretaries of the military departments, shall direct each Superintendent to conduct at the academy under the jurisdiction of that Superintendent an assessment during each academy program year to determine the effectiveness of the academy's policies, training, and procedures on sexual harassment and violence to prevent criminal sexual harassment and violence involving academy personnel.

(2) For the assessment for each of the 2004, 2005, 2006, 2007, and 2008 academy program years, the Superintendent shall conduct a survey of all academy personnel—

(A) to measure—

(i) the incidence, during that program year, of sexual harassment and violence events, on or off the academy reservation, that have been reported to officials of the academy; and

(ii) the incidence, in that program year, of sexual harassment and violence events, on or off the academy reservation, that have not been reported to officials of the academy; and

(B) to assess the perceptions of academy personnel on—

(i) the policies, training, and procedures on sexual harassment and violence involving academy personnel;

(ii) the enforcement of such policies;

(iii) the incidence of sexual harassment and violence involving academy personnel in such program year; and

(iv) any other issues relating to sexual harassment and violence involving academy personnel.

(c) ANNUAL REPORT.—(1) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall direct the Superintendent of the United States Military Academy, the Superintendent of the United States Naval Academy, and the Superintendent of the United States Air Force Academy, respectively, to submit to the Secretary a report on sexual harassment and

violence involving academy personnel for each of the 2004, 2005, 2006, 2007, and 2008 academy program years.

(2) The annual report for an academy under paragraph (1) shall contain, for the academy program year covered by the report, the following matters:

(A) The number of sexual assaults, rapes, and other sexual offenses involving academy personnel that have been reported to academy officials during the program year, and the number of the reported cases that have been substantiated.

(B) The policies, procedures, and processes implemented by the Secretary of the military department concerned and the leadership of the academy in response to sexual harassment and violence involving academy personnel during the program year.

(C) In the report for the 2004 academy program year, a discussion of the survey conducted under subsection (b), together with an analysis of the results of the survey and a discussion of any initiatives undertaken on the basis of such results and analysis.

(D) In the report for each of the subsequent academy program years, the results of the annual survey conducted in such program year under subsection (b).

(E) A plan for the actions that are to be taken in the following academy program year regarding prevention of and response to sexual harassment and violence involving academy personnel.

(3) The Secretary of a military department shall transmit the annual report on an academy under this subsection, together with the Secretary's comments on the report, to the Secretary of Defense and the Board of Visitors of the academy.

(4) The Secretary of Defense shall transmit the annual report on each academy under this subsection, together with the Secretary's comments on the report to, the Committees on Armed Services of the Senate and the House of Representatives.

(5) The report for the 2004 academy program year for an academy shall be submitted to the Secretary of the military department concerned not later than one year after the date of the enactment of this Act.

(6) In this subsection, the term "academy program year" with respect to a year, means the academy program year that ends in that year.

SEC. 528. STUDY AND REPORT RELATED TO PERMANENT PROFESSORS AT THE UNITED STATES AIR FORCE ACADEMY.

Deadline.

(a) SECRETARY OF AIR FORCE RECOMMENDATIONS.—Not later than six months after the date of the enactment of the Act, the Secretary of the Air Force shall submit to the Secretary of Defense a report containing recommended changes in policy and law pertaining to the selection, tenure, utilization, responsibilities, and qualifications of the permanent professors at the Air Force Academy.

Deadline.

(b) SECRETARY OF DEFENSE RECOMMENDATIONS.—Not later than one month after receiving the report of the Secretary of the Air Force under subsection (a), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the report received from the Secretary

of the Air Force, together with the recommendations of the Secretary of Defense for action and proposals for legislation.

(c) MATTERS TO BE CONSIDERED BY SECRETARY OF AIR FORCE.—The Secretary of the Air Force in preparing the report required by subsection (a), shall, at a minimum, do the following:

(1) Conduct a comprehensive review and assessment of the existing faculty system at the Air Force Academy, including both civilian and military permanent professorships.

(2) Take into account the findings, conclusions, and recommendation regarding faculty and permanent professorships at the Air Force Academy of—

(A) the report of the Panel to Review Sexual Misconduct Allegations at the United States Air Force Academy (referred to as the “Fowler Panel”), dated September 22, 2003;

(B) the report released on June 19, 2003, of the special working group appointed by the Secretary of the Air Force known as the Working Group Concerning the Deterrence of and Response to Incidents of Sexual Assault at the U.S. Air Force Academy, which was led by the General Counsel of the Department of the Air Force; and

(C) the Agenda for Change of the Air Force Academy dated March 26, 2003.

(3) Solicit information regarding the faculty and permanent professorship systems at the United States Naval Academy and the United States Military Academy and consider that information as part of the required assessment.

(4) Consult with experts on higher education outside the Department of Defense.

SEC. 529. DEAN OF THE FACULTY OF THE UNITED STATES AIR FORCE ACADEMY.

(a) AUTHORITY TO APPOINT DEAN FROM PERSONS OTHER THAN AIR FORCE ACADEMY FACULTY HEADS OF DEPARTMENTS.—Subsection (a) of section 9335 of title 10, United States Code, is amended to read as follows:

“(a) The Dean of the Faculty is responsible to the Superintendent for developing and sustaining the curriculum and overseeing the faculty of the Academy. The qualifications, selection procedures, training, pay grade, and retention of the Dean shall be prescribed by the Secretary of the Air Force. If a person appointed as the Dean is not an officer on active duty, the person shall be appointed as a member of the Senior Executive Service.”.

(b) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(1) in the first sentence—

(A) by striking “of the Air Force” and inserting “on active duty”; and

(B) by inserting “(or the equivalent)” after “brigadier general” both places it appears; and

(2) in the last sentence—

(A) by inserting “applicable” before “limitation”; and

(C) by striking “of the Air Force”.

(c) STATUTORY STATUS AS PERMANENT PROFESSOR.—(1) Section 9331(b)(2) of such title is amended by striking “dean of the Faculty, who is a permanent professor” and inserting “Dean of the Faculty”.

10 USC 9331
note.

(2) Section 9336(a) of such title is amended by striking “, other than the Dean of the Faculty,”.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to any Dean of the Faculty of the United States Air Force Academy selected on or after the date of the enactment of this Act.

Subtitle D—Other Military Education and Training Matters

SEC. 531. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF OPERATIONAL STUDIES.

(a) AUTHORITY.—Section 7102 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

“(c) COMMAND AND STAFF COLLEGE OF THE MARINE CORPS UNIVERSITY.—Upon the recommendation of the Director and faculty of the Command and Staff College of the Marine Corps University, the President of the Marine Corps University may confer the degree of master of operational studies upon graduates of the Command and Staff College’s School of Advanced Warfighting who fulfill the requirements for that degree.”.

10 USC 7102
note.

(b) EFFECTIVE DATE.—The authority to confer the degree of master of operational studies under section 7102(c) of title 10, United States Code (as added by subsection (a)) may not be exercised until the Secretary of Education determines, and certifies to the President of the Marine Corps University, that the requirements established by the Command and General Staff College of the Marine Corps University for that degree are in accordance with generally applicable requirements for a degree of master of arts.

SEC. 532. AUTHORIZATION FOR NAVAL POSTGRADUATE SCHOOL TO PROVIDE INSTRUCTION TO ENLISTED MEMBERS PARTICIPATING IN CERTAIN PROGRAMS.

(a) EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL.—Subsection (a)(2) of section 7045 of title 10, United States Code, is amended to read as follows:

“(2)(A) The Secretary may permit an enlisted member of the armed forces to receive instruction at the Naval Postgraduate School through attendance at an executive level seminar.

“(B) The Secretary may permit an eligible enlisted member of the armed forces to receive instruction at the Postgraduate School in connection with pursuit of a program of education in information assurance as a participant in the Information Security Scholarship program under chapter 112 of this title. To be eligible for instruction under this subparagraph, the enlisted member must have been awarded a baccalaureate degree by an institution of higher education.

“(C) In addition to instruction authorized under subparagraphs (A) and (B), the Secretary may, on a space-available basis, permit

an enlisted member of the armed forces who is assigned permanently to the staff of the Postgraduate School or to a nearby command to receive instruction at the Postgraduate School.”.

(b) REIMBURSEMENT.—Subsection (b) of such section is amended—

(1) by striking “The Department” and inserting “(1) Except as provided under paragraph (3), the Department”;

(2) by striking “officers” in the first sentence and inserting “members”;

(3) by designating the second sentence as paragraph (2) and in that sentence—

(A) by inserting “under subsection (a)(2)(C)” after “permitted”;

(B) by inserting “on a space-available basis” after “instruction at the Postgraduate School”; and

(C) by striking “(taking into consideration the admission of enlisted members on a space-available basis)”;

(4) by adding at the end the following new paragraph:

“(3) The requirements for payment of costs and fees under paragraph (1) shall be subject to such exceptions as the Secretary of Defense may prescribe for members of the armed forces who receive instruction at the Postgraduate School in connection with pursuit of a degree or certification as participants in the Information Security Scholarship program under chapter 112 of this title.”.

SEC. 533. COST REIMBURSEMENT REQUIREMENTS FOR PERSONNEL RECEIVING INSTRUCTION AT THE AIR FORCE INSTITUTE OF TECHNOLOGY.

(a) REIMBURSEMENT FROM OTHER SERVICES.—Section 9314 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) REIMBURSEMENT.—(1) The Department of the Army, the Department of the Navy, and the Department of Homeland Security shall bear the cost of the instruction at the Air Force Institute of Technology that is received by members of the armed forces detailed for that instruction by the Secretaries of the Army, Navy, and Homeland Security, respectively.

“(2) Members of the Army, Navy, Marine Corps, and Coast Guard may only be detailed for instruction at the Institute on a space-available basis.

“(3) In the case of an enlisted member of the Army, Navy, Marine Corps, and Coast Guard permitted to receive instruction at the Institute, the Secretary of the Air Force shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).”.

(b) STYLISTIC AMENDMENTS.—(1) Subsection (a) of such section is amended by inserting “AUTHORITY TO CONFER DEGREES.—” after “(a)”.

(2) Subsection (b) of such section is amended by inserting “CIVILIAN FACULTY.—” after “(b)”.

(c) CLARIFYING AMENDMENT.—Subsection (a) of such section is further amended—

(1) by striking “When the” and all that follows through “the Commander” and inserting “(1) The Commander”;

(2) by striking “that Institute” and inserting “the United States Air Force Institute of Technology”; and

(3) by adding at the end the following new paragraph:
 “(2) The authority under this subsection to confer a degree is effective only during a period when the United States Air Force Institute of Technology is accredited with respect to the award of that degree by a nationally recognized accreditation association or authority.”.

SEC. 534. INCLUSION OF ACCRUED INTEREST IN AMOUNTS THAT MAY BE REPAYED UNDER SELECTED RESERVE CRITICAL SPECIALTIES EDUCATION LOAN REPAYMENT PROGRAM.

Section 16301 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting before the period at the end the following: “, plus the amount of any interest that may accrue during the current year”; and

(2) in subsection (c), by adding at the end the following new sentence: “For the purposes of this section, any interest that has accrued on the loan for periods before the current year shall be considered as within the total loan amount that shall be repaid.”.

SEC. 535. FUNDING OF EDUCATION ASSISTANCE ENLISTMENT INCENTIVES TO FACILITATE NATIONAL SERVICE THROUGH DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.

(a) IN GENERAL.—Subsection (j) of section 510 of title 10, United States Code, is amended to read as follows:

“(j) FUNDING.—(1) Amounts for the payment of incentives under paragraphs (1) and (2) of subsection (e) shall be derived from amounts available to the Secretary of the military department concerned for the payment of pay, allowances and other expenses of the members of the armed force concerned.

“(2) Amounts for the payment of incentives under paragraphs (3) and (4) of subsection (e) shall be derived from the Department of Defense Education Benefits Fund under section 2006 of this title.”.

(b) CONFORMING AMENDMENTS.—Section 2006(b) of such title is amended—

(1) in paragraph (1), by inserting “paragraphs (3) and (4) of section 510(e) and” after “Department of Defense benefits under”; and

(2) in paragraph (2), by adding at the end the following new subparagraph:

“(E) The present value of future benefits payable from the Fund for educational assistance under paragraphs (3) and (4) of section 510(e) of this title to persons who during such period become entitled to such assistance.”.

SEC. 536. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2004.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, \$30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2004, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2004 of—

Deadline.

- (1) that agency's eligibility for the assistance; and
- (2) the amount of the assistance for which that agency is eligible.

(c) **DISBURSEMENT OF FUNDS.**—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) **DEFINITIONS.**—In this section:

(1) The term “educational agencies assistance” means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term “local educational agency” has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 537. IMPACT AID ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.

(a) **TRANSITION.**—Section 8003(b)(2)(H) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(H)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) **ELIGIBILITY.**—For any fiscal year, a heavily impacted local educational agency that received a basic support payment under this paragraph for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B), (C), (D), or (E), as the case may be, by reason of the conversion of military housing units to private housing described in clause (iii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion.

“(ii) **AMOUNT OF PAYMENT.**—The amount of a payment to a heavily impacted local educational agency for a fiscal year by reason of the application of clause (i), and calculated in accordance with subparagraph (D) or (E), as the case may be, shall be based on the number of children in average daily attendance in the schools of such agency for the fiscal year and under the same provisions of subparagraph (D) or (E) under which the agency was paid during the prior fiscal year.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect beginning with basic support payments under section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) for fiscal year 2003.

20 USC 7703
note.

Subtitle D—Administrative Matters

SEC. 541. HIGH-TEMPO PERSONNEL MANAGEMENT AND ALLOWANCE.

(a) **DEPLOYMENT MANAGEMENT.**—Subsection (a) of section 991 of title 10, United States Code, is amended to read as follows:

“(a) **MANAGEMENT RESPONSIBILITIES.**—(1) The deployment (or potential deployment) of a member of the armed forces shall be managed to ensure that the member is not deployed, or continued

in a deployment, on any day on which the total number of days on which the member has been deployed—

“(A) out of the preceding 365 days would exceed the one-year high-deployment threshold; or

“(B) out of the preceding 730 days would exceed the two-year high-deployment threshold.

“(2) In this subsection:

“(A) The term ‘one-year high-deployment threshold’ means—

“(i) 220 days; or

“(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

“(B) The term ‘two-year high-deployment threshold’ means—

“(i) 400 days; or

“(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

“(3) A member may be deployed, or continued in a deployment, without regard to paragraph (1) if the deployment, or continued deployment, is approved by the Secretary of Defense. The authority of the Secretary under the preceding sentence may only be delegated to—

“(A) a civilian officer of the Department of Defense appointed by the President, by and with the advice and consent of the Senate, or a member of the Senior Executive Service; or

“(B) a general or flag officer in that member’s chain of command (including an officer in the grade of colonel, or in the case of the Navy, captain, serving in a general or flag officer position who has been selected for promotion to the grade of brigadier general or rear admiral (lower half) in a report of a selection board convened under section 611(a) or 14101(a) of this title that has been approved by the President).”.

(b) CHANGES FROM PER DIEM TO HIGH-DEPLOYMENT ALLOWANCE.—(1) Subsection (a) of section 436 of title 37, United States Code, is amended to read as follows:

“(a) MONTHLY ALLOWANCE.—The Secretary of the military department concerned shall pay a high-deployment allowance to a member of the armed forces under the Secretary’s jurisdiction for each month during which the member—

“(1) is deployed; and

“(2) at any time during that month—

“(A) has been deployed for 191 or more consecutive days (or a lower number of consecutive days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness);

“(B) has been deployed, out of the preceding 730 days, for a total of 401 or more days (or a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness); or

“(C) in the case of a member of a reserve component, is on active duty—

“(i) under a call or order to active duty for a period of more than 30 days that is the second (or

later) such call or order to active duty (whether voluntary or involuntary) for that member in support of the same contingency operation; or

“(ii) for a period of more than 30 days under a provision of law referred to in section 101(a)(13)(B) of title 10, if such period begins within one year after the date on which the member was released from previous service on active duty for a period of more than 30 days under a call or order issued under such a provision of law.”.

(2) Subsection (c) of such section is amended to read as follows:

“(c) RATE.—The monthly rate of the allowance payable to a member under this section shall be determined by the Secretary concerned, not to exceed \$1,000 per month.”.

(3) Such section is further amended by adding at the end the following new subsections:

“(g) AUTHORITY TO EXCLUDE CERTAIN DUTY ASSIGNMENTS.—The Secretary concerned may exclude members serving in specified duty assignments from eligibility for the high-deployment allowance while serving in those assignments. Any such specification of duty assignments may only be made with the approval of the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness. Specification of a particular duty assignment for purposes of this subsection may not be implemented so as to apply to the member serving in that position at the time of such specification.

“(h) PAYMENT FROM OPERATION AND MAINTENANCE FUNDS.—The monthly allowance payable to a member under this section shall be paid from appropriations available for operation and maintenance for the armed force in which the member serves.”.

(4) Such section is further amended—

(A) in subsection (d), by striking “per diem”;

(B) in subsection (e), by striking “per diem” and inserting “allowance”; and

(C) in subsection (f)—

(i) by striking “per diem” and inserting “allowance”; and

(ii) by striking “day on which” and inserting “month during which”.

(5)(A) The heading of such section is amended to read as follows:

“§ 436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations”.

(B) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

“436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations.”.

(c) CHANGES TO REPORTING REQUIREMENT.—Section 487(b)(5) of title 10, United States Code, is amended to read as follows:

“(5) For each of the armed forces, the description shall indicate, for the period covered by the report—

“(A) the number of members who received the high-deployment allowance under section 436 of title 37;

“(B) the number of members who received each rate of allowance paid;

“(C) the number of members who received the allowance for one month, for two months, for three months, for four months, for five months, for six months, and for more than six months; and

“(D) the total amount spent on the allowance.”.

SEC. 542. ENHANCED RETENTION OF ACCUMULATED LEAVE FOR HIGH-DEPLOYMENT MEMBERS.

(a) **ENHANCED AUTHORITY TO RETAIN ACCUMULATED LEAVE.**—Paragraph (1) of section 701(f) of title 10, United States Code, is amended to read as follows:

“(f)(1)(A) The Secretary concerned, under uniform regulations to be prescribed by the Secretary of Defense, may authorize a member described in subparagraph (B) who, except for this paragraph, would lose any accumulated leave in excess of 60 days at the end of the fiscal year, to retain an accumulated total of 120 days leave.

“(B) This subsection applies to a member who serves on active duty for a continuous period of at least 120 days—

“(i) in an area in which the member is entitled to special pay under section 310(a) of title 37; or

“(ii) while assigned to a deployable ship or mobile unit or to other duty comparable to that specified in clause (i) that is designated for the purpose of this subsection.

“(C) Except as provided in paragraph (2), leave in excess of 60 days accumulated under this paragraph is lost unless it is used by the member before the end of the third fiscal year after the fiscal year in which the continuous period of service referred to in subparagraph (B) terminated.”.

10 USC 701 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 2003, or the date of the enactment of this Act, whichever is later.

SEC. 543. STANDARDIZATION OF STATUTORY AUTHORITIES FOR EXEMPTIONS FROM REQUIREMENT FOR ACCESS TO SECONDARY SCHOOLS BY MILITARY RECRUITERS.

(a) **CONSISTENCY WITH ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.**—Paragraph (5) of section 503(c) of title 10, United States Code, is amended by striking “apply to—” and all that follows through “school which” and inserting “apply to a private secondary school that”.

(b) **CORRECTION OF CROSS REFERENCE.**—Paragraph (6)(A)(i) of such section is amended by striking “14101” and “8801” and inserting “9101” and “7801”, respectively.

SEC. 544. PROCEDURES FOR CONSIDERATION OF APPLICATIONS FOR AWARD OF THE PURPLE HEART MEDAL TO VETERANS HELD AS PRISONERS OF WAR BEFORE APRIL 25, 1962.

Section 521 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 309; 10 U.S.C. 1129 note) is amended by adding at the end the following new subsection:

“(d) **PROCEDURES FOR AWARD.**—In determining whether a former prisoner of war who submits an application for the award of the Purple Heart under subsection (a) is eligible for that award, the Secretary concerned shall apply the following procedures:

“(1) Failure of the applicant to provide any documentation as required by the Secretary shall not in itself disqualify the application from being considered.

“(2) In evaluating the application, the Secretary shall consider (A) historical information as to the prison camp or other circumstances in which the applicant was held captive, and (B) the length of time that the applicant was held captive.

“(3) To the extent that information is readily available, the Secretary shall assist the applicant in obtaining information or identifying the sources of information referred to in paragraph (2).

“(4) The Secretary shall review a completed application under this section based upon the totality of the information presented, taking into account the length of time between the period during which the applicant was held as a prisoner of war and the date of the application.”.

SEC. 545. AUTHORITY FOR RESERVE AND RETIRED REGULAR OFFICERS TO HOLD STATE AND LOCAL OFFICE NOTWITHSTANDING CALL TO ACTIVE DUTY.

Section 973(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) in paragraph (3)—

(A) by inserting “by reason of subparagraph (A) of paragraph (1)” after “applies”; and

(B) by striking “, the District of Columbia,” and all that follows through “such government)” and inserting “(or of any political subdivision of a State)”; and

(3) by inserting after paragraph (3) the following new paragraph (4):

“(4)(A) An officer to whom this subsection applies by reason of subparagraph (B) or (C) of paragraph (1) may not hold, by election or appointment, a civil office in the government of a State (or of any political subdivision of a State) if the holding of such office while this subsection so applies to the officer—

“(i) is prohibited under the laws of that State; or

“(ii) as determined by the Secretary of Defense or by the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, interferes with the performance of the officer’s duties as an officer of the armed forces.

“(B) Except as otherwise authorized by law, while an officer referred to in subparagraph (A) is serving on active duty, the officer may not exercise the functions of a civil office held by the officer as described in that subparagraph.”; and

(4) by adding at the end the following:

“(6) In this subsection, the term ‘State’ includes the District of Columbia and a territory, possession, or commonwealth of the United States.”.

SEC. 546. POLICY ON PUBLIC IDENTIFICATION OF CASUALTIES.

(a) **REQUIREMENT FOR POLICY.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the policy of the Department of Defense on public release of the name or other personally identifying information of any member of the Army, Navy, Air Force, or Marine Corps who while on active duty or performing inactive-duty training is

10 USC 113 note.

Deadline.

killed or injured, whose duty status becomes unknown, or who is otherwise considered to be a casualty.

(b) **GUIDANCE ON TIMING OF RELEASE.**—The policy under subsection (a) shall include guidance for ensuring that any public release of information on a member under the policy occurs only after the lapse of an appropriate period following notification of the next-of-kin regarding the casualty status of such member.

10 USC 2271
note.

SEC. 547. SPACE PERSONNEL CAREER FIELDS.

(a) **STRATEGY REQUIRED.**—The Secretary of Defense shall develop a strategy for the Department of Defense that will—

(1) promote the development of space personnel career fields within each of the military departments; and

(2) ensure that the space personnel career fields developed by the military departments are integrated with each other to the maximum extent practicable.

Deadline.

(b) **REPORT.**—Not later than February 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the strategy developed under subsection (a). The report shall include the following:

(1) A statement of the strategy developed under subsection (a), together with an explanation of that strategy.

(2) An assessment of the measures required for the Department of Defense and the military departments to integrate the space personnel career fields of the military departments.

(3) A comprehensive assessment of the adequacy of the actions of the Secretary of Air Force pursuant to section 8084 of title 10, United States Code, to establish for Air Force officers a career field for space.

(c) **GENERAL ACCOUNTING OFFICE REVIEW AND REPORTS.**—(1) The Comptroller General shall review the strategy developed under subsection (a) and the status of efforts by the military departments in developing space personnel career fields.

(2) The Comptroller General shall submit to the committees referred to in subsection (b) two reports on the review under paragraph (1), as follows:

Deadline.

(A) Not later than June 15, 2004, the Comptroller General shall submit a report that assesses how effective that Department of Defense strategy and the efforts by the military departments, when implemented, are likely to be for developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and operation of space systems.

Deadline.

(B) Not later than March 15, 2005, the Comptroller General shall submit a report that assesses, as of the date of the report—

(i) the effectiveness of that Department of Defense strategy and the efforts by the military departments in developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and in operation of space systems; and

(ii) progress made in integrating the space career fields of the military departments.

SEC. 548. DEPARTMENT OF DEFENSE JOINT ADVERTISING, MARKET RESEARCH, AND STUDIES PROGRAM. 10 USC 503.

(a) **PROGRAM AUTHORIZED.**—The Secretary of Defense may carry out a joint advertising, market research, and studies program to complement the recruiting advertising programs of the military departments and improve the ability of the military departments to attract and recruit qualified individuals to serve in the Armed Forces.

(b) **FUNDING.**—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, \$7,500,000 may be made available to carry out the joint advertising, market research, and studies program.

SEC. 549. LIMITATION ON FORCE STRUCTURE REDUCTIONS IN NAVAL AND MARINE CORPS RESERVE AVIATION SQUADRONS.

The Secretary of the Navy may not reduce or disestablish a Naval Reserve or Marine Corps Reserve aviation squadron before February 1, 2004.

Subtitle E—Military Justice Matters

SEC. 551. EXTENDED LIMITATION PERIOD FOR PROSECUTION OF CHILD ABUSE CASES IN COURTS-MARTIAL.

Subsection (b) of section 843 of title 10, United States Code (article 43 of the Uniform Code of Military Justice), is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

“(2)(A) A person charged with having committed a child abuse offense against a child is liable to be tried by court-martial if the sworn charges and specifications are received before the child attains the age of 25 years by an officer exercising summary court-martial jurisdiction with respect to that person.

“(B) In subparagraph (A), the term ‘child abuse offense’ means an act that involves sexual or physical abuse of a person who has not attained the age of 16 years and constitutes any of the following offenses:

“(i) Rape or carnal knowledge in violation of section 920 of this title (article 120).

“(ii) Maiming in violation of section 924 of this title (article 124).

“(iii) Sodomy in violation of section 925 of this title (article 126).

“(iv) Aggravated assault or assault consummated by a battery in violation of section 928 of this title (article 128).

“(v) Indecent assault, assault with intent to commit murder, voluntary manslaughter, rape, or sodomy, or indecent acts or liberties with a child in violation of section 934 of this title (article 134).”.

SEC. 552. CLARIFICATION OF BLOOD ALCOHOL CONTENT LIMIT FOR THE OFFENSE UNDER THE UNIFORM CODE OF MILITARY JUSTICE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL.

Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended—

(1) in subsection (a)(2), by striking “is in excess of” and inserting “is equal to or exceeds”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

“(A) In the case of the operation or control of a vehicle, aircraft, or vessel in the United States, such limit is the lesser of—

“(i) the blood alcohol content limit under the law of the State in which the conduct occurred, except as may be provided under paragraph (2) for conduct on a military installation that is in more than one State; or

“(ii) the blood alcohol content limit specified in paragraph (3).”;

(B) in paragraphs (1)(B) and (3), by striking “maximum”; and

(C) in paragraph (4)(A), by striking “maximum permissible” and all that follows through the period at the end and inserting “amount of alcohol concentration in a person’s blood or breath at which operation or control of a vehicle, aircraft, or vessel is prohibited.”.

Subtitle F—Benefits

SEC. 561. ADDITIONAL CLASSES OF INDIVIDUALS ELIGIBLE TO PARTICIPATE IN THE FEDERAL LONG-TERM CARE INSURANCE PROGRAM.

(a) CERTAIN EMPLOYEES OF THE DISTRICT OF COLUMBIA GOVERNMENT.—Section 9001(1) of title 5, United States Code, is amended by striking “2105(c),” and all that follows and inserting “2105(c).”.

(b) FORMER FEDERAL EMPLOYEES WHO WOULD BE ELIGIBLE TO BEGIN RECEIVING AN ANNUITY UPON ATTAINING THE REQUISITE MINIMUM AGE.—Section 9001(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking the period and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(C) any former employee who, on the basis of his or her service, would meet all requirements for being considered an ‘annuitant’ within the meaning of subchapter III of chapter 83, chapter 84, or any other retirement system for employees of the Government, but for the fact that such former employee has not attained the minimum age for title to annuity.”.

(c) RESERVISTS TRANSFERRED TO THE RETIRED RESERVE WHO ARE UNDER AGE 60.—Section 9001(4) of title 5, United States Code, is amended by striking “including” and all that follows through “who has” and inserting “and a member who has been transferred to the Retired Reserve and who would be entitled to retired pay under chapter 1223 of title 10 but for not having”.

(d) REFERENCE AMENDMENT.—Section 9001(2)(A) of title 5, United States Code, as amended by subsection (b), is further amended by striking “of this subsection”.

**SEC. 562. AUTHORITY TO TRANSPORT REMAINS OF RETIREES AND
RETIREE DEPENDENTS WHO DIE IN MILITARY TREAT-
MENT FACILITIES.**

(a) AUTHORIZED TRANSPORTATION.—Section 1490 of title 10, United States Code, is amended—

(1) in subsection (a), by striking “located in the United States”; and

(2) in subsection (b)(1), by striking “outside the United States or to a place”.

(b) CONFORMING AMENDMENT.—Subsection (c) of such section is amended to read as follows:

“(c) DEFINITION OF DEPENDENT.—In this section, the term ‘dependent’ has the meaning given such term in section 1072(2) of this title.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to persons dying on or after the date of the enactment of this Act.

Applicability.
10 USC 1490
note.

**SEC. 563. ELIGIBILITY FOR DEPENDENTS OF CERTAIN MOBILIZED
RESERVISTS STATIONED OVERSEAS TO ATTEND
DEFENSE DEPENDENTS SCHOOLS OVERSEAS.**

(a) TUITION STATUS PARITY WITH DEPENDENTS OF OTHER RESERVISTS.—Section 1404(c) of the Defense Dependents’ Education Act of 1978 (20 U.S.C. 923(c)) is amended—

(1) by inserting “(1)” after “(c)”; and

(2) by adding at the end the following new paragraph:

“(2)(A) The Secretary shall include in the regulations prescribed under this subsection a requirement that children in the class of children described in subparagraph (B) shall be subject to the same tuition requirements, or waiver of tuition requirements, as children in the class of children described in subparagraph (C).

“(B) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

“(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

“(ii) were ordered to active duty from a location in the United States (other than in Alaska or Hawaii); and

“(iii) are serving on active duty outside the United States or in Alaska or Hawaii.

“(C) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

“(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

“(ii) were ordered to active duty from a location outside the United States (or in Alaska or Hawaii); and

“(iii) are serving on active duty outside the United States or in Alaska or Hawaii.”.

(b) CLERICAL AMENDMENT.—The heading of such section is amended to read as follows:

“SPACE-AVAILABLE ENROLLMENT OF STUDENTS; TUITION”.

Subtitle G—Domestic Violence

SEC. 571. TRAVEL AND TRANSPORTATION FOR DEPENDENTS RELOCATING FOR REASONS OF PERSONAL SAFETY.

Section 406(h) of title 37, United States Code, is amended by adding at the end the following new paragraph:

“(4)(A) If a determination described in subparagraph (B) is made with respect to a dependent of a member described in that subparagraph and a request described in subparagraph (C) is made by or on behalf of that dependent, the Secretary may provide a benefit authorized for a member under paragraph (1) or (3) to that dependent in lieu of providing such benefit to the member.

“(B) A determination described in this subparagraph is a determination by the commanding officer of a member that—

“(i) the member has committed a dependent-abuse offense against a dependent of the member;

“(ii) a safety plan and counseling have been provided to that dependent;

“(iii) the safety of the dependent is at risk; and

“(iv) the relocation of the dependent is advisable.

“(C) A request described in this subparagraph is a request by the spouse of a member, or by the parent of a dependent child in the case of a dependent child of a member, for relocation.

“(D) Transportation may be provided under this paragraph for household effects or a motor vehicle only if a written agreement of the member, or an order of a court of competent jurisdiction, gives possession of the effects or vehicle to the spouse or dependent of the member concerned.

“(E) In this paragraph, the term ‘dependent-abuse offense’ means an offense described in section 1059(c) of title 10.”.

SEC. 572. COMMENCEMENT AND DURATION OF PAYMENT OF TRANSITIONAL COMPENSATION.

(a) COMMENCEMENT.—Paragraph (1)(A) of section 1059(e) of title 10, United States Code, is amended by striking “shall commence” and all that follows and inserting “shall commence—

“(i) as of the date the court-martial sentence is adjudged if the sentence, as adjudged, includes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; or

“(ii) if there is a pretrial agreement that provides for disapproval or suspension of the dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances, as of the date of the approval of the court-martial sentence by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) if the sentence, as approved, includes an unsuspended dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; and”.

(b) DURATION.—(1) Paragraph (2) of such section is amended by striking “a period of 36 months” and all that follows through “12 months” and inserting “a period of not less than 12 months

and not more than 36 months, as established in policies prescribed by the Secretary concerned”.

(2) Policies under subsection (e)(2) of section 1059 of title 10, United States Code, as amended by paragraph (1), for the duration of transitional compensation payments under that section shall be prescribed under such subsection not later than six months after the date of the enactment of this Act. 10 USC 1059 note.

(c) TERMINATION.—Paragraph (3)(A) of such section is amended by striking “punishment applicable to the member under the sentence is remitted, set aside, or mitigated” and inserting “conviction is disapproved by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) or set aside, or each such punishment applicable to the member under the sentence is disapproved by the person acting under section 860(c) of this title, remitted, set aside, suspended, or mitigated”. 10 USC 1059.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to cases in which a court-martial sentence is adjudged on or after the date of the enactment of this Act. Applicability. 10 USC 1059 note.

SEC. 573. EXCEPTIONAL ELIGIBILITY FOR TRANSITIONAL COMPENSATION.

(a) AUTHORITY.—Section 1059 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(m) EXCEPTIONAL ELIGIBILITY FOR DEPENDENTS OF FORMER MEMBERS.—(1) The Secretary concerned, under regulations prescribed under subsection (k), may authorize eligibility for benefits under this section for dependents and former dependents of a former member of the armed forces in a case in which the dependents or former dependents are not otherwise eligible for such benefits and the Secretary concerned determines that the former member engaged in conduct that is a dependent-abuse offense under this section and the former member was separated from active duty other than as described in subsection (b).

“(2) In a case in which the Secretary concerned, under the authority of paragraph (1), authorizes benefits to be provided under this section, such benefits shall be provided in the same manner as if the former member were an individual described in subsection (b), except that, under regulations prescribed under subsection (k), the Secretary shall make such adjustments to the commencement and duration of payment provisions of subsection (e), and may make adjustments to other provisions of this section, as the Secretary considers necessary in light of the circumstances in order to provide benefits substantially equivalent to the benefits provided in the case of an individual described in subsection (b).

“(3) The authority of the Secretary concerned under paragraph (1) may not be delegated.”.

(b) EFFECTIVE DATE.—The authority under subsection (m) of section 1059 of title 10, United States Code, as added by subsection (a), may be exercised with respect to eligibility for benefits under that section only for dependents and former dependents of individuals who are separated from active duty in the Armed Forces on or after the date of the enactment of this Act. 10 USC 1059 note.

SEC. 574. TYPES OF ADMINISTRATIVE SEPARATIONS TRIGGERING COVERAGE.

Section 1059(b)(2) of title 10, United States Code, is amended by inserting “, voluntarily or involuntarily,” after “administratively separated”.

10 USC 1562
note.

SEC. 575. COMPTROLLER GENERAL REVIEW AND REPORT.

(a) REVIEW.—During the two-year period beginning on the date of the enactment of this Act, the Comptroller General shall review and assess the progress of the Department of Defense in implementing the recommendations of the Defense Task Force on Domestic Violence. In reviewing the status of the Department’s efforts, the Comptroller General should specifically focus on—

(1) the efforts of the Department to ensure confidentiality for victims and accountability and education of commanding officers and chaplains; and

(2) the resources that the Department of Defense has provided toward such implementation, including personnel, facilities, and other administrative support, in order to ensure that necessary resources are provided to the organization within the Office of the Secretary of Defense with direct responsibility for oversight of implementation by the military departments of recommendations of the Task Force in order for that organization to carry out its duties and responsibilities.

Deadline.

(b) REPORT.—The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the results of the review and assessment under subsection (a) not later than 30 months after the date of the enactment of this Act.

SEC. 576. FATALITY REVIEWS.

(a) ARMY.—(1) Part II of subtitle B of title 10, United States Code, is amended by adding at the end the following new chapter:

**“CHAPTER 375—MISCELLANEOUS INVESTIGATION
REQUIREMENTS AND OTHER DUTIES**

“Sec.
“4061. Fatality reviews.

“§ 4061. Fatality reviews

“(a) REVIEW OF FATALITIES.—The Secretary of the Army shall conduct a multidisciplinary, impartial review (referred to as a ‘fatality review’) in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following:

“(1) A member of the Army on active duty.

“(2) A current or former dependent of a member of the Army on active duty.

“(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Army on active duty.

“(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

“(1) An executive summary.

“(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police

information, assailant demographics, and household and family information.

“(3) Legal disposition.

“(4) System intervention and failures, if any, within the Department of Defense.

“(5) A discussion of significant findings.

“(6) Recommendations for systemic changes, if any, within the Department of the Army and the Department of Defense.

“(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).”.

(2) The tables of chapters at the beginning of subtitle B, and at the beginning of part II of subtitle B, of such title are each amended by inserting after the item relating to chapter 373 the following new item:

“375. Miscellaneous Investigation Requirements and Other Duties 4061”.

(b) NAVY AND MARINE CORPS.—(1) Chapter 555 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 6036. Fatality reviews

“(a) REVIEW OF FATALITIES.—The Secretary of the Navy shall conduct a multidisciplinary, impartial review (referred to as a ‘fatality review’) in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following.

“(1) A member of the naval service on active duty.

“(2) A current or former dependent of a member of the naval service on active duty.

“(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the naval service on active duty.

“(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

“(1) An executive summary.

“(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

“(3) Legal disposition.

“(4) System intervention and failures, if any, within the Department of Defense.

“(5) A discussion of significant findings.

“(6) Recommendations for systemic changes, if any, within the Department of the Navy and the Department of Defense.

“(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“6036. Fatality reviews.”.

(c) AIR FORCE.—(1) Part II of subtitle D of such title is amended by adding at the end the following new chapter:

**“CHAPTER 875—MISCELLANEOUS INVESTIGATION
REQUIREMENTS AND OTHER DUTIES**

“Sec.
“9061. Fatality reviews.

“§ 9061. Fatality reviews

“(a) REVIEW OF FATALITIES.—The Secretary of the Air Force shall conduct a multidisciplinary, impartial review (referred to as a ‘fatality review’) in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following:

“(1) A member of the Air Force on active duty.

“(2) A current or former dependent of a member of the Air Force on active duty.

“(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Air Force on active duty.

“(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

“(1) An executive summary.

“(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

“(3) Legal disposition.

“(4) System intervention and failures, if any, within the Department of Defense.

“(5) A discussion of significant findings.

“(6) Recommendations for systemic changes, if any, within the Department of the Air Force and the Department of Defense.

“(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).”.

(2) The tables of chapters at the beginning of subtitle D, and at the beginning of part II of subtitle D, of such title are each amended by inserting after the item relating to chapter 873 the following new item:

“875. Miscellaneous Investigation Requirements and Other Duties 9061”.

(d) APPLICABILITY.—Sections 4061, 6036, and 9061 of title 10, United States Code, as added by this section, apply with respect to fatalities that occur on or after the date of the enactment of this Act.

SEC. 577. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Secretary of Defense should develop a Department of Defense strategic plan for domestic violence that incorporates the core principles of domestic violence intervention identified by the Defense Task Force on Domestic Violence in its third annual report under section 591(e) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 10 U.S.C. 1562 note); and

(2) the Secretary of each military department should establish and support a Victim Advocate Protocol as recommended by the Defense Task Force on Domestic Violence.

10 USC 4061
note.

Subtitle H—Other Matters

SEC. 581. RECOGNITION OF MILITARY FAMILIES.

10 USC 1781
note.

(a) FINDINGS.—Congress makes the following findings:

(1) The families of both active and reserve component members of the Armed Forces, through their sacrifices and their dedication to the Nation and its values, contribute immeasurably to the readiness of the Armed Forces.

(2) Without the continued support of military families, the Nation's ability to sustain a high quality all-volunteer military force would be undermined.

(3) In the perilous and challenging times of the global war on terrorism, with hundreds of thousands of active and reserve component military personnel deployed overseas in places of combat and other imminent danger, military families are making extraordinary sacrifices and will be required to do so for the foreseeable future.

(4) Beginning in 1997, military family service and support centers have responded to the encouragement and support of private, non-profit organizations to recognize and honor the American military family during the Thanksgiving period each November.

(b) MILITARY FAMILY RECOGNITION.—In view of the findings in subsection (a), Congress determines that it is appropriate that special measures be taken annually to recognize and honor the American military family.

(c) DEPARTMENT OF DEFENSE PROGRAMS AND ACTIVITIES.—The Secretary of Defense shall—

(1) implement and sustain programs, including appropriate ceremonies and activities, to recognize and honor the contributions and sacrifices of the American military family, including families of both active and reserve component military personnel;

(2) focus the celebration of the American military family during a specific period of each year to give full and proper recognition to those families; and

(3) seek the assistance and support of appropriate civilian organizations, associations, and other entities (A) in carrying out the annual celebration of the American military family, and (B) in sustaining other, longer-term efforts to support the American military family.

SEC. 582. PERMANENT AUTHORITY FOR SUPPORT FOR CERTAIN CHAPLAIN-LED MILITARY FAMILY SUPPORT PROGRAMS.

(a) IN GENERAL.—(1) Chapter 88 of title 10, United States Code, is amended by inserting at the end of subchapter I the following new section:

“§ 1789. Chaplain-led programs: authorized support

“(a) AUTHORITY.—The Secretary of a military department may provide support services described in subsection (b) to support chaplain-led programs to assist members of the armed forces on active duty and their immediate family members, and members of reserve components in an active status and their immediate family members, in building and maintaining a strong family structure.

“(b) **AUTHORIZED SUPPORT SERVICES.**—The support services referred to in subsection (a) are costs of transportation, food, lodging, child care, supplies, fees, and training materials for members of the armed forces and their family members while participating in programs referred to in that subsection, including participation at retreats and conferences.

“(c) **IMMEDIATE FAMILY MEMBERS.**—In this section, the term ‘immediate family members’, with respect to a member of the armed forces, means—

“(1) the member’s spouse; and

“(2) any child (as defined in section 1072(6) of this title) of the member who is described in subparagraph (D) of section 1072(2) of this title.”.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1788 the following new item:

“1789. Chaplain-led programs: authorized support.”.

10 USC 1789
note.

(b) **EFFECTIVE DATE.**—Section 1789 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003.

SEC. 583. DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS JOINT EXECUTIVE COMMITTEE.

(a) **ESTABLISHMENT OF JOINT COMMITTEE.**—(1) Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 320. Department of Veterans Affairs-Department of Defense Joint Executive Committee

“(a) **JOINT EXECUTIVE COMMITTEE.**—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee (hereinafter in this section referred to as the ‘Committee’).

“(2) The Committee is composed of—

“(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

“(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

“(b) **ADMINISTRATIVE MATTERS.**—(1) The Deputy Secretary of Veterans Affairs and the Under Secretary of Defense shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee.

“(2) The two Departments shall supply appropriate staff and resources to provide administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a subordinate Health Executive Committee, a subordinate Benefits Executive Committee, and such other committees or working groups as considered necessary by the Deputy Secretary and Under Secretary.

“(c) **RECOMMENDATIONS.**—(1) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under

section 8111 of this title and shall oversee implementation of those efforts.

“(2) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.

“(d) FUNCTIONS.—In order to enable the Committee to make recommendations in its annual report under subsection (c)(2), the Committee shall do the following:

“(1) Review existing policies, procedures, and practices relating to the coordination and sharing of resources between the two Departments.

“(2) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of services and resources of the two Departments, with the goal of improving the quality, efficiency and effectiveness of the delivery of benefits and services to veterans, service members, military retirees, and their families through an enhanced Department of Veterans Affairs and Department of Defense partnership.

“(3) Identify and assess further opportunities for the coordination and collaboration between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department.

“(4) Review the plans of both Departments for the acquisition of additional resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of resources.

“(5) Review the implementation of activities designed to promote the coordination and sharing of resources between the Departments.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“320. Department of Veterans Affairs-Department of Defense Joint Executive Committee.”.

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of section 8111 of such title is repealed.

(2) Such section is further amended—

(A) in subsection (b)(2), by striking “the interagency committee provided for under subsection (c)” and inserting “the Department of Veterans Affairs-Department of Defense Joint Executive Committee under section 320 of this title”;

(B) in subsection (d)(1), by striking “Committee established in subsection (c)” and inserting “Department of Veterans Affairs-Department of Defense Joint Executive Committee”;

(C) in subsection (e)(1), by striking “Committee under subsection (c)(2)” and inserting “Department of Veterans Affairs-Department of Defense Joint Executive Committee with respect to health care resources”; and

(D) in subsection (f)(2), by striking subparagraphs (B) and (C) and inserting the following:

“(B) The assessment of further opportunities identified by the Department of Veterans Affairs-Department of Defense Joint Executive Committee under subsection (d)(3) of section

320 of this title for the sharing of health-care resources between the two Departments.

“(C) Any recommendation made by that committee under subsection (c)(2) of that section during that fiscal year.”.

(c) TECHNICAL AMENDMENTS.—Subsection (f) of such section is further amended by inserting “(Public Law 107–314)” in paragraphs (3), (4)(A), (4)(B), and (5) after “for Fiscal Year 2003”.

(d) EFFECTIVE DATE.—(1) If this Act is enacted before October 1, 2003—

(A) section 320 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2003; and

(B) the amendments made by subsections (b) and (c) shall take effect on October 1, 2003, immediately after the amendment made by section 721(a)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2589).

38 USC 320 note.

(2) If this Act is enacted on or after October 1, 2003, the amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 584. REVIEW OF THE 1991 DEATH OF MARINE CORPS COLONEL JAMES E. SABOW.

Deadline.

(a) REVIEW REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review, as specified in subsection (c), of the death of Colonel James S. Sabow, United States Marine Corps, who died on January 22, 1991, at the Marine Corps Air Station, El Toro, California.

(b) FOCUS OF REVIEW.—The principal focus of the review under subsection (a) shall be to determine the cause of the death of Colonel Sabow, given the medical and forensic factors associated with that death.

(c) REVIEW BY OUTSIDE EXPERTS.—The Secretary of Defense shall provide that the evidence concerning the cause of the death of Colonel Sabow and the medical and forensic factors associated with that death shall be reviewed by medical and forensic experts outside the Department of Defense.

Deadline.

(d) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written report on the findings of the review under subsection (a). The Secretary shall include in the report (1) the Secretary’s conclusions as a result of the review, including the Secretary’s conclusions regarding the cause of death of Colonel Sabow, and (2) the conclusions of the experts reviewing the matter under subsection (c).

10 USC 991 note.

SEC. 585. POLICY ON CONCURRENT DEPLOYMENT TO COMBAT ZONES OF BOTH MILITARY SPOUSES OF MILITARY FAMILIES WITH MINOR CHILDREN.

Deadline.

(a) PUBLICATION OF POLICY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children; and

(2) transmit the policy to the Committees on Armed Services of the Senate and the House of Representatives.

(b) **DUAL-MILITARY FAMILY DEFINED.**—In this section, the term “dual-military family” means a family in which both spouses are members of the Armed Forces.

SEC. 586. CONGRESSIONAL NOTIFICATION OF AMENDMENT OR CANCELLATION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO REASONABLE ACCESS TO MILITARY INSTALLATIONS FOR CERTAIN PERSONAL COMMERCIAL SOLICITATION.

An amendment to Department of Defense Directive 1344.7, “Personal Commercial Solicitation on DoD Installations”, or cancellation of that directive, shall not take effect until the end of the 30-day period beginning on the date on which the Secretary of Defense submits to Congress notice of the amendment or cancellation and the reasons therefor.

SEC. 587. STUDY OF NATIONAL GUARD CHALLENGE PROGRAM.

(a) **STUDY REQUIRED.**—The Secretary of Defense shall conduct a study to evaluate—

(1) the adequacy and impact of the matching funds requirement in effect under section 509(d) of title 32, United States Code, for States to participate in the National Guard Challenge Program; and

(2) the value of the National Guard Challenge Program to the Department of Defense.

(b) **CONSIDERATION OF MATCHING FUND ALTERNATIVES.**—As part of the study, the Secretary shall identify potential alternatives to the matching funds structure provided for the National Guard Challenge Program under section 509(d) of title 32, United States Code, such as a range of Federal-State matching ratios, that would provide flexibility in the management of the program to better respond to temporary fiscal conditions.

(c) **SUBMISSION OF STUDY.**—Not later than March 1, 2004, the Secretary shall submit to Congress a report containing the results of the study and such recommendations as the Secretary considers appropriate in response to the study.

Deadline.

SEC. 588. FINDINGS AND SENSE OF CONGRESS ON REWARD FOR INFORMATION LEADING TO RESOLUTION OF STATUS OF MEMBERS OF THE ARMED FORCES WHO REMAIN UNACCOUNTED FOR.

(a) **FINDINGS.**—Congress makes the following findings:

(1) The Department of Defense estimates that there are more than 10,000 members of the Armed Forces and others who as a result of activities during the Korean War or the Vietnam War were placed in a missing status or a prisoner of war status, or who were determined to have been killed in action, although remains of those members have not been recovered, and they remain unaccounted for.

(2) One member of the Armed Forces, Navy Captain Michael Scott Speicher, remains unaccounted for from the first Persian Gulf War, and there have been credible reports of his having been seen alive in Iraq in the years since his aircraft was shot down on the first night of that war on January 16, 1991.

(3) The United States should pursue every lead and otherwise maintain a relentless and thorough quest to completely

account for the fates of those members of the Armed Forces who are missing or otherwise unaccounted for.

(4) The Secretary of Defense has the authority to disburse funds as a reward to individuals who provide information leading to the conclusive resolution of cases of missing members of the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should—

(1) use the authority available to the Secretary to disburse funds rewarding individuals who provide information leading to the conclusive resolution of the status of any missing member of the Armed Forces; and

(2) authorize and publicize a reward of \$1,000,000 for information resolving the fate of any member of the Armed Forces, such as Navy Captain Michael Scott Speicher, who the Secretary has reason to believe may be alive in captivity.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2004.
- Sec. 602. Revised annual pay adjustment process.
- Sec. 603. Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service.
- Sec. 604. Special subsistence allowance authorities for members assigned to high-cost duty location or under other unique and unusual circumstances.
- Sec. 605. Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty.
- Sec. 606. Temporary increase in authorized amount of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
- Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
- Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
- Sec. 614. One-year extension of other bonus and special pay authorities.
- Sec. 615. Hazardous duty pay for duty involving ski-equipped aircraft on Antarctica or the Arctic icepack.
- Sec. 616. Special pay for reserve officers holding positions of unusual responsibility and of critical nature.
- Sec. 617. Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized.
- Sec. 618. Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty.
- Sec. 619. Temporary increase in authorized amount of hostile fire and imminent danger special pay.
- Sec. 620. Retroactive payment of hostile fire or imminent danger pay for service in eastern Mediterranean Sea in Operation Iraqi Freedom.
- Sec. 621. Expansion of overseas tour extension incentive program to officers.
- Sec. 622. Repeal of congressional notification requirement for designation of critical military skills for retention bonus.
- Sec. 623. Eligibility of warrant officers for accession bonus for new officers in critical skills.
- Sec. 624. Special pay for service as member of Weapons of Mass Destruction Civil Support Team.
- Sec. 625. Incentive bonus for conversion to military occupational specialty to ease personnel shortage.
- Sec. 626. Bonus for reenlistment during service on active duty in Afghanistan, Iraq, or Kuwait.

Subtitle C—Travel and Transportation Allowances

- Sec. 631. Shipment of privately owned motor vehicle within continental United States.

- Sec. 632. Transportation of dependents to presence of members of the Armed Forces retired for illness or injury incurred in active duty.
- Sec. 633. Payment or reimbursement of student baggage storage costs for dependent children of members stationed overseas.
- Sec. 634. Contracts for full replacement value for loss or damage to personal property transported at Government expense.
- Sec. 635. Payment of lodging expenses of members during authorized leave from temporary duty location.

Subtitle D—Retired Pay and Survivor Benefits

- Sec. 641. Phase-in of full concurrent receipt of military retired pay and veterans disability compensation for certain military retirees.
- Sec. 642. Revisions to combat-related special compensation program.
- Sec. 643. Special rule for computation of retired pay base for commanders of combatant commands.
- Sec. 644. Survivor Benefit Plan annuities for surviving spouses of Reserves not eligible for retirement who die from a cause incurred or aggravated while on inactive-duty training.
- Sec. 645. Survivor Benefit Plan modifications.
- Sec. 646. Increase in death gratuity payable with respect to deceased members of the Armed Forces.
- Sec. 647. Death benefits study.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

- Sec. 651. Expanded commissary access for Selected Reserve members, reserve retirees under age 60, and their dependents.
- Sec. 652. Defense commissary system and exchange stores system.
- Sec. 653. Limitations on private operation of defense commissary store functions.
- Sec. 654. Use of appropriated funds to operate defense commissary system.
- Sec. 655. Recovery of nonappropriated fund instrumentality and commissary store investments in real property at military installations closed or realigned.

Subtitle F—Other Matters

- Sec. 661. Comptroller General report on adequacy of special pays and allowances for frequently deployed members.

Subtitle A—Pay and Allowances

37 USC 1009
note.

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2004 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2004, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

Effective date.

COMMISSIONED OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30
O–7	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40
O–6	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70
O–5	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80
O–4	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30
O–3 ³	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10
O–2 ³	2,608.20	2,970.60	3,421.50	3,537.00	3,609.90

COMMISSIONED OFFICERS¹—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-1 ³	2,264.40	2,356.50	2,848.50	2,848.50	2,848.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9	0.00	0.00	0.00	0.00	0.00
O-8	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90
O-7	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90
O-6	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30
O-5	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60
O-4	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60
O-3 ³	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30
O-2 ³	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90
O-1 ³	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,524.70	\$12,586.20	\$12,847.80	\$13,303.80
O-9	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O-8	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O-7	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O-6	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O-5	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O-4	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O-3 ³	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O-2 ³	3,609.50	3,609.50	3,609.50	3,609.50	3,609.50
O-1 ³	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code) is \$14,634.20, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY
SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	\$4,027.20	\$4,220.10
O-2E	0.00	0.00	0.00	3,537.00	3,609.90
O-1E	0.00	0.00	0.00	2,848.50	3,042.30
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	\$4,431.60	\$4,568.70	\$4,794.30	\$4,984.20	\$5,092.80
O-2E	3,724.80	3,918.60	4,068.60	4,180.20	4,180.20
O-1E	3,154.50	3,269.40	3,382.20	3,537.00	3,537.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$5,241.30	\$5,241.30	\$5,241.30	\$5,241.30	\$5,241.30

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY
SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–2E	4,180.20	4,180.20	4,180.20	4,180.20	4,180.20
O–1E	3,537.00	3,537.00	3,537.00	3,537.00	3,537.00

WARRANT OFFICERS ¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ...	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W–4 ...	3,119.40	3,355.80	3,452.40	3,547.20	3,710.40
W–3 ...	2,848.80	2,967.90	3,089.40	3,129.30	3,257.10
W–2 ...	2,505.90	2,649.00	2,774.10	2,865.30	2,943.30
W–1 ...	2,212.80	2,394.00	2,515.20	2,593.50	2,802.30
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ...	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W–4 ...	3,871.50	4,035.00	4,194.30	4,359.00	4,617.30
W–3 ...	3,403.20	3,595.80	3,786.30	3,988.80	4,140.60
W–2 ...	3,157.80	3,321.60	3,443.40	3,562.20	3,643.80
W–1 ...	2,928.30	3,039.90	3,164.70	3,247.20	3,321.90
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ...	\$0.00	\$5,360.70	\$5,544.30	\$5,728.80	\$5,914.20
W–4 ...	4,782.60	4,944.30	5,112.00	5,277.00	5,445.90
W–3 ...	4,291.80	4,356.90	4,424.10	4,570.20	4,716.30
W–2 ...	3,712.50	3,843.00	3,972.60	4,103.70	4,103.70
W–1 ...	3,443.70	3,535.80	3,535.80	3,535.80	3,535.80

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS ¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 ² ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10
E–6	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00
E–5	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60
E–4	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50
E–3	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50
E–2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1 ³ ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 ² ..	\$0.00	\$3,769.20	\$3,854.70	\$3,962.40	\$4,089.30
E–8	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50
E–7	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60
E–6	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90
E–5	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90
E–4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50

ENLISTED MEMBERS¹—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 ³ ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ² ..	\$4,216.50	\$4,421.10	\$4,594.20	\$4,776.60	\$5,054.70
E-8	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E-7	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E-6	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E-5	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E-4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 ³ ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, is \$6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,104.00.

SEC. 602. REVISED ANNUAL PAY ADJUSTMENT PROCESS.

(a) **REQUIREMENT FOR ANNUAL ADJUSTMENT.**—Subsection (a) of section 1009 of title 37, United States Code, is amended to read as follows:

“(a) **REQUIREMENT FOR ANNUAL ADJUSTMENT.**—Effective on January 1 of each year, the rates of basic pay for members of the uniformed services under section 203(a) of this title shall be increased under this section.”

(b) **EFFECTIVENESS OF ADJUSTMENT.**—Subsection (b) of such section is amended by striking “shall—” and all that follows and inserting “shall have the force and effect of law.”

(c) **PERCENTAGE OF ADJUSTMENT; ALTERNATIVE PAY ADJUSTMENT AUTHORITY.**—Such section is further amended—

(1) by striking subsections (c), (d), (e), and (g);

(2) by redesignating subsection (f) as subsection (d);

(3) by inserting after subsection (b) the following new subsection (c):

“(c) **EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.**—(1) An adjustment made under this section in a year shall provide all eligible members with an increase in the monthly basic pay that is the percentage (rounded to the nearest one-tenth of one percent) by which the ECI for the base quarter of the year before the preceding year exceeds the ECI for the base quarter of the second year before the preceding calendar year (if at all).

“(2) Notwithstanding paragraph (1), but subject to subsection (d), the percentage of the adjustment taking effect under this section during each of fiscal years 2004, 2005, and 2006, shall be one-half of one percentage point higher than the percentage that would otherwise be applicable under such paragraph.

“(3) In this subsection:

“(A) The term ‘ECI’ means the Employment Cost Index (wages and salaries, private industry workers) published quarterly by the Bureau of Labor Statistics.

“(B) The term ‘base quarter’ for any year is the three-month period ending on September 30 of such year.”; and

(4) by adding at the end the following new subsection:

“(e) **PRESIDENTIAL DETERMINATION OF NEED FOR ALTERNATIVE PAY ADJUSTMENT.**—(1) If, because of national emergency or serious economic conditions affecting the general welfare, the President considers the pay adjustment which would otherwise be required by this section in any year to be inappropriate, the President shall prepare and transmit to Congress before September 1 of the preceding year a plan for such alternative pay adjustments as the President considers appropriate, together with the reasons therefor.

“(2) In evaluating an economic condition affecting the general welfare under this subsection, the President shall consider pertinent economic measures including the Indexes of Leading Economic Indicators, the Gross Domestic Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

“(3) The President shall include in the plan submitted to Congress under paragraph (1) an assessment of the impact that the alternative pay adjustments proposed in the plan would have on the Government’s ability to recruit and retain well-qualified persons for the uniformed services.”.

SEC. 603. COMPUTATION OF BASIC PAY RATE FOR COMMISSIONED OFFICERS WITH PRIOR ENLISTED OR WARRANT OFFICER SERVICE.

Section 203(d)(2) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking “enlisted member,” and all that follows through the period and inserting “enlisted member.”; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

“(B) Service as a warrant officer, as an enlisted member, or as a warrant officer and an enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.”.

SEC. 604. SPECIAL SUBSISTENCE ALLOWANCE AUTHORITIES FOR MEMBERS ASSIGNED TO HIGH-COST DUTY LOCATION OR UNDER OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.

Section 402 of title 37, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

“(f) **SPECIAL RULE FOR HIGH-COST DUTY LOCATIONS AND OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.**—The Secretary of Defense may authorize a member of the armed forces who is not entitled to the meals portion of the per diem in connection with an assignment in a high-cost duty location or under other unique and unusual circumstances, as determined by the Secretary, to receive any or all of the following:

“(1) Meals at no cost to the member, regardless of the entitlement of the member to a basic allowance for subsistence under subsection (a).

“(2) A basic allowance for subsistence at the standard rate, regardless of the entitlement of the member for all meals or select meals during the duty day.

“(3) A supplemental subsistence allowance at a rate higher than the basic allowance for subsistence rates in effect under this section, regardless of the entitlement of the member for all meals or select meals during the duty day.”.

SEC. 605. BASIC ALLOWANCE FOR HOUSING FOR EACH MEMBER MARRIED TO ANOTHER MEMBER WITHOUT DEPENDENTS WHEN BOTH SPOUSES ARE ON SEA DUTY.

(a) ENTITLEMENT.—Section 403(f)(2)(C) of title 37, United States Code, is amended—

(1) in the first sentence, by striking “are jointly entitled to one basic allowance for housing” and inserting “are each entitled to a basic allowance for housing”; and

(2) by striking “The amount of the allowance” and all that follows and inserting “The amount of the allowance payable to a member under the preceding sentence shall be based on the without dependents rate for the pay grade of the member.”.

37 USC 403 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 1, 2003, and apply to months beginning on or after that date.

SEC. 606. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code, is amended by adding at the end the following new subsection:

“(e) TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF ALLOWANCE.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the monthly allowance authorized by subsection (a)(1) shall be increased to \$250.”.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) **READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.**—Section 308h(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(f) **PRIOR SERVICE ENLISTMENT BONUS.**—Section 308i(f) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) **NURSE OFFICER CANDIDATE ACCESSION PROGRAM.**—Section 2130a(a)(1) of title 10, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) **REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.**—Section 16302(d) of such title is amended by striking “January 1, 2004” and inserting “January 1, 2005”.

(c) **ACCESSION BONUS FOR REGISTERED NURSES.**—Section 302d(a)(1) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) **INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.**—Section 302e(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) **SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.**—Section 302g(f) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(f) **ACCESSION BONUS FOR DENTAL OFFICERS.**—Section 302h(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) **SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.**—Section 312(e) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) **NUCLEAR CAREER ACCESSION BONUS.**—Section 312b(c) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) **NUCLEAR CAREER ANNUAL INCENTIVE BONUS.**—Section 312c(d) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) **AVIATION OFFICER RETENTION BONUS.**—Section 301b(a) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) **REENLISTMENT BONUS FOR ACTIVE MEMBERS.**—Section 308(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) **ENLISTMENT BONUS FOR ACTIVE MEMBERS.**—Section 309(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) **RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.**—Section 323(i) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 615. HAZARDOUS DUTY PAY FOR DUTY INVOLVING SKI-EQUIPPED AIRCRAFT ON ANTARCTICA OR THE ARCTIC ICEPACK.

(a) ADDITIONAL TYPE OF DUTY ELIGIBLE FOR PAY.—Section 301(a) of title 37, United States Code, is amended—

(1) in paragraph (11), by striking “or” at the end;

(2) by redesignating paragraph (12) as paragraph (13);

and

(3) by inserting after paragraph (11) the following new paragraph:

“(12) involving use of ski-equipped aircraft on the ground in Antarctica or on the Arctic ice-pack; or”.

(b) MONTHLY AMOUNT.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking “(11)” and inserting “(12)”;

and

(2) in paragraph (2)(A), by striking “(12)” and inserting “(13)”.

(c) TECHNICAL AMENDMENTS.—(1) Subsections (a)(2), (b), (c), and (f)(2)(A) of such section are amended by striking “clause” each place it appears and inserting “paragraph”.

(2) Subsection (c)(1) of such section is amended by striking “clauses” and inserting “paragraphs”.

37 USC 301 note.

(d) EFFECTIVE DATE.—Paragraph (12) of section 301(a) of title 37, United States Code, as added by subsection (a)(3), shall apply to duty described in such paragraph that is performed on or after October 1, 2003.

SEC. 616. SPECIAL PAY FOR RESERVE OFFICERS HOLDING POSITIONS OF UNUSUAL RESPONSIBILITY AND OF CRITICAL NATURE.

(a) ELIGIBILITY.—Section 306 of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting “(1)” after “(a)”;

(B) by striking “who is entitled to the basic pay of pay grade O–6 or below and” and inserting “described in paragraph (2)”; and

(C) by adding at the end the following new paragraph:

“(2) An officer of the armed forces referred to in paragraph (1) is an officer who is entitled to the basic pay under section 204 of this title, or the compensation under section 206 of this title, of pay grade O–6 or below.”;

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

“(b) If an officer entitled to compensation under section 206 of this title is paid special pay under subsection (a) for the performance of duties in a position designated under such subsection, the special pay shall be paid at the rate of $\frac{1}{30}$ of the monthly rate authorized by such subsection for each day of the performance of duties in the designated position.”.

(b) LIMITATION.—Subsection (d) of such section, as redesignated by subsection (a)(2) of this section, is amended—

(1) by inserting “(1)” after “(d)”;

(2) in paragraph (1), as so designated, by inserting “or mobilization in support of a contingency operation” after “training”; and

(3) by adding at the end the following new paragraph:

“(2) Of the number of officers in the Selected Reserve of the Ready Reserve of an armed force who are not on active duty (other than for training or mobilization in support of a contingency operation), not more than 5 percent of the number of such officers in each of the pay grades O-3 and below, and not more than 10 percent of the number of such officers in pay grade O-4, O-5, or O-6, may be paid special pay under subsection (b).”.

SEC. 617. PAYMENT OF SELECTED RESERVE REENLISTMENT BONUS TO MEMBERS OF SELECTED RESERVE WHO ARE MOBILIZED.

Section 308b of title 37, United States Code, as amended by section 611(a), is further amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

“(d) **PAYMENT TO MOBILIZED MEMBERS.**—A member entitled to a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.”.

SEC. 618. AVAILABILITY OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY FOR RESERVE COMPONENT MEMBERS ON INACTIVE DUTY.

(a) **EXPANSION AND CLARIFICATION OF CURRENT LAW.**—Section 310 of title 37, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by striking subsection (a) and inserting the following new subsections:

“(a) **ELIGIBILITY AND SPECIAL PAY AMOUNT.**—Under regulations prescribed by the Secretary of Defense, a member of a uniformed service may be paid special pay at the rate of \$150 for any month in which—

“(1) the member was entitled to basic pay or compensation under section 204 or 206 of this title; and

“(2) the member—

“(A) was subject to hostile fire or explosion of hostile mines;

“(B) was on duty in an area in which the member was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period the member was on duty in the area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines;

“(C) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

“(D) was on duty in a foreign area in which the member was subject to the threat of physical harm or imminent

danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

“(b) CONTINUATION DURING HOSPITALIZATION.—A member covered by subsection (a)(2)(C) who is hospitalized for the treatment of the injury or wound may be paid special pay under this section for not more than three additional months during which the member is so hospitalized.”.

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (c), as redesignated by subsection (a)(1), by inserting “LIMITATIONS AND ADMINISTRATION.—” before “(1)”; and

(2) in subsection (d), as redesignated by subsection (a)(1), by inserting “DETERMINATIONS OF FACT.—” before “Any”.

37 USC 310 note.

(c) 4Effective Date.—Subsections (a) and (b) of section 310 of title 37, United States Code, as added by subsection (a)(2), shall take effect as of September 11, 2001.

(d) RELATION TO TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY.—(1) The amendment made by subsection (a)(2) does not affect the authority to pay an increased amount of hostile fire and imminent danger special pay under section 310 of title 37, United States Code, pursuant to—

(A) the amendment made by subsection (a) of section 1316 of Public Law 108–11 (117 Stat. 570) during the period specified in subsection (c)(1) of such section, as modified by section 113 of Public Law 108–84 (117 Stat. 1044); or

(B) the amendment made by section 619 of this Act during the period specified in such amendment.

(2) Effective as of April 16, 2003, section 1316(c)(2) of Public Law 108–11 (117 Stat. 570) is amended by inserting “the dollar amounts specified in” before “sections”.

SEC. 619. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY.

Section 310 of title 37, United States Code, as amended by section 618, is further amended by adding at the end the following new subsection:

“(e) TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF SPECIAL PAY.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the rate of pay authorized by subsection (a) shall be increased to \$225.”.

37 USC 310 note.

SEC. 620. RETROACTIVE PAYMENT OF HOSTILE FIRE OR IMMINENT DANGER PAY FOR SERVICE IN EASTERN MEDITERRANEAN SEA IN OPERATION IRAQI FREEDOM.

(a) PAYMENT AUTHORIZED.—The Secretary of Defense may authorize the payment of hostile fire or imminent danger pay under section 310(a) of title 37, United States Code, to members of the Armed Forces who were assigned to duty, during the period beginning on March 19, 2003, and ending on April 11, 2003, in the area specified in subsection (b) in connection with Operation Iraqi Freedom at any time during that period.

(b) SPECIFIED AREA.—The area referred to in subsection (a) is the Mediterranean Sea east of 30 degrees East Longitude (sea area only).

SEC. 621. EXPANSION OF OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM TO OFFICERS.

(a) SPECIAL PAY OR BONUS FOR EXTENDING OVERSEAS TOUR OF DUTY.—(1) Subsections (a) and (b) of section 314 of title 37, United States Code, are amended by striking “an enlisted member” and inserting “a member”.

(2)(A) The heading of such section is amended to read as follows:

“§ 314. Special pay or bonus: qualified members extending duty at designated locations overseas”.

(B) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

“314. Special pay or bonus: qualified members extending duty at designated locations overseas.”.

(b) REST AND RECUPERATIVE ABSENCE IN LIEU OF PAY OR BONUS.—(1) Subsection (a) of section 705 of title 10, United States Code, is amended by striking “an enlisted member” and inserting “a member”.

(2) The heading of such section, and the item relating to such section in the table of sections at the beginning of chapter 40 of such title, are each amended by striking the sixth word.

SEC. 622. REPEAL OF CONGRESSIONAL NOTIFICATION REQUIREMENT FOR DESIGNATION OF CRITICAL MILITARY SKILLS FOR RETENTION BONUS.

Section 323(b) of title 37, United States Code, is amended—

(1) by striking “(1)”; and

(2) by striking paragraph (2).

SEC. 623. ELIGIBILITY OF WARRANT OFFICERS FOR ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.

Section 324 of title 37, United States Code, is amended in subsections (a) and (f)(1) by inserting “or an appointment” after “commission”.

SEC. 624. SPECIAL PAY FOR SERVICE AS MEMBER OF WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

“§ 305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team

“(a) SPECIAL PAY AUTHORIZED.—The Secretary of a military department may pay special pay under this subsection to members of an armed force under the jurisdiction of the Secretary who are entitled to basic pay under section 204 and are assigned by orders to duty as members of a Weapons of Mass Destruction Civil Support Team if the Secretary determines that the payment of such special pay is needed to address recruitment or retention concerns in that armed force.

“(b) MONTHLY RATE.—The monthly rate of special pay under subsection (a) may not exceed \$150.

“(c) INCLUSION OF RESERVE COMPONENT MEMBERS PERFORMING INACTIVE DUTY TRAINING.—(1) To the extent funds are made available to carry out this subsection, the Secretary of a military department may pay the special pay under subsection (a) to members of a reserve component of the armed forces who are entitled to compensation under section 206 of this title and who perform duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

“(2) The amount of the special pay for a member referred to in paragraph (1) shall be equal to $\frac{1}{30}$ of the monthly special pay rate in effect under subsection (b) for each day on which the member performs duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

“(d) REGULATIONS.—Special pay under this section shall be provided in accordance with regulations prescribed by the Secretary of Defense.

“(e) DEFINITION.—In this section, the term ‘Weapons of Mass Destruction Civil Support Team’ means a team of members of the reserve components of the armed forces that is established under section 12310(c) of title 10 in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

“305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team.”.

SEC. 625. INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

“§ 326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage

“(a) INCENTIVE BONUS AUTHORIZED.—The Secretary concerned may pay a bonus under this section to an eligible member of the armed forces who executes a written agreement to convert to, and serve for a period of not less than three years in, a military occupational specialty for which there is a shortage of trained and qualified personnel.

“(b) ELIGIBLE MEMBERS.—A member is eligible to enter into an agreement under subsection (a) if—

“(1) the member is entitled to basic pay; and

“(2) at the time the agreement is executed, the member is serving in—

“(A) pay grade E-6, with not more than 10 years of service computed under section 205 of this title; or

“(B) pay grade E-5 or below, regardless of years of service.

“(c) AMOUNT AND PAYMENT OF BONUS.—(1) A bonus under this section may not exceed \$4,000.

“(2) A bonus payable under this section shall be disbursed in one lump sum when the member’s conversion to the military occupational specialty is approved by the chief personnel officer of the member’s armed force.

“(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

“(e) REPAYMENT OF BONUS.—(1) A member who receives a bonus under this section and who, voluntarily or because of misconduct, fails to serve in such military occupational specialty for the period specified in the agreement executed under subsection (a) shall refund to the United States an amount that bears the same ratio to the bonus amount paid to the member as the unserved part of such period bears to the total period agreed to be served.

“(2) An obligation to reimburse the United States imposed under paragraph (1) is, for all purposes, a debt owed to the United States.

“(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement for which a bonus was paid under this section shall not discharge the person signing such agreement from the debt arising under paragraph (1).

“(4) Under regulations prescribed pursuant to subsection (f), the Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

“(f) REGULATIONS.—The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department shall be subject to the approval of the Secretary of Defense.

“(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2006.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage.”.

SEC. 626. BONUS FOR REENLISTMENT DURING SERVICE ON ACTIVE DUTY IN AFGHANISTAN, IRAQ, OR KUWAIT.

(a) CRITICAL SKILL REENLISTMENT BONUS.—Section 308(a) of title 37, United States Code, is amended by adding at the end the following new paragraph:

“(5) The Secretary of Defense may waive the eligibility requirement in paragraph (1)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom.”.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(c) of such title is amended by adding at the end the following new paragraph:

“(3) In the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in subsection (a) while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom, the Secretary concerned may waive so much of paragraph (1)(B) or subsection (a)(2) as requires that the skill or unit in which the member reenlists

or extends an enlistment be a designated skill or designated unit determined by the Secretary concerned.”.

(c) **READY RESERVE REENLISTMENT BONUS.**—Section 308h(a) of such title is amended by adding at the end the following new paragraph:

“(4) The Secretary concerned may waive the eligibility requirement in paragraph (2)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom and Operation Iraqi Freedom.”.

Effective date.
37 USC 308 note.

(d) **RETROACTIVE APPLICATION.**—The amendments made by this section shall take effect as of March 18, 2003, and apply with respect to reenlistments or the voluntary extension of enlistments that are entered into on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. SHIPMENT OF PRIVATELY OWNED MOTOR VEHICLE WITHIN CONTINENTAL UNITED STATES.

(a) **AUTHORITY TO PROCURE CONTRACT FOR TRANSPORTATION OF MOTOR VEHICLE.**—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

“(h) In the case of a member’s change of permanent station described in subparagraph (A) or (B) of subsection (i)(1), the Secretary concerned may authorize the member to arrange for the shipment of the motor vehicle in lieu of transportation at the expense of the United States under this section. The Secretary concerned may pay the member a monetary allowance in lieu of transportation, as established under section 404(d)(1) of title 37, and the member shall be responsible for any transportation costs in excess of such allowance.”.

(b) **ALLOWANCE FOR SELF-PROCUREMENT OF TRANSPORTATION OF MOTOR VEHICLE.**—Section 406(b)(1)(B) of title 37, United States Code, is amended by adding at the end the following new sentence: “In the case of the transportation of a motor vehicle arranged by the member under section 2634(h) of title 10, the Secretary concerned may pay the member, upon presentation of proof of shipment, a monetary allowance in lieu of transportation, as established under section 404(d)(1) of this title.”.

SEC. 632. TRANSPORTATION OF DEPENDENTS TO PRESENCE OF MEMBERS OF THE ARMED FORCES RETIRED FOR ILLNESS OR INJURY INCURRED IN ACTIVE DUTY.

Section 411h(a) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking “military control” and inserting “control”; and

(2) in paragraph (2)(A)—

(A) by striking “or is entitled” and inserting “, is entitled”; and

(B) by inserting before the semicolon at the end the following: “, or is retired for the illness or injury referred to in subparagraph (B)”.

SEC. 633. PAYMENT OR REIMBURSEMENT OF STUDENT BAGGAGE STORAGE COSTS FOR DEPENDENT CHILDREN OF MEMBERS STATIONED OVERSEAS.

Section 430(b)(2) of title 37, United States Code, is amended in the first sentence by inserting before the period at the end the following: “or during a different period in the same fiscal year selected by the member”.

SEC. 634. CONTRACTS FOR FULL REPLACEMENT VALUE FOR LOSS OR DAMAGE TO PERSONAL PROPERTY TRANSPORTED AT GOVERNMENT EXPENSE.

(a) **AUTHORITY.**—Chapter 157 of title 10, United States Code, is amended by inserting after section 2636 the following new section:

“§ 2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers

“(a) **PROCUREMENT OF COVERAGE.**—The Secretary of Defense may include in a contract for the transportation of baggage and household effects for members of the armed forces at Government expense a clause that requires the carrier under the contract to pay the full replacement value for loss or damage to the baggage or household effects transported under the contract.

“(b) **DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.**—In the case of a loss or damage of baggage or household effects transported under a contract with a carrier that includes a clause described in subsection (a), the amount equal to the full replacement value for the baggage or household effects may be deducted from the amount owed by the United States to the carrier under the contract upon a failure of the carrier to settle a claim for such loss or total damage within a reasonable time. The amount so deducted shall be remitted to the claimant, notwithstanding section 2636 of this title.

“(c) **INAPPLICABILITY OF RELATED LIMITS.**—The limitations on amounts of claims that may be settled under section 3721(b) of title 31 do not apply to a carrier’s contractual obligation to pay full replacement value under this section.

“(d) **REGULATIONS.**—The Secretary of Defense shall prescribe regulations for administering this section. The regulations shall include policies and procedures for validating and evaluating claims, validating proper claimants, and determining reasonable time for settlement.

“(e) **TRANSPORTATION DEFINED.**—In this section, the terms ‘transportation’ and ‘transport’, with respect to baggage or household effects, includes packing, crating, drayage, temporary storage, and unpacking of the baggage or household effects.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2636 the following new item:

“2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers.”.

SEC. 635. PAYMENT OF LODGING EXPENSES OF MEMBERS DURING AUTHORIZED LEAVE FROM TEMPORARY DUTY LOCATION.

(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—Chapter 7 of title 37, United States Code, is amended by inserting after section 404a the following new section:

“§ 404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave

“(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—The Secretary concerned may pay or reimburse a member of the armed forces assigned to temporary duty as described in subsection (b) for lodging expenses incurred by the member at the temporary duty location while the member is in an authorized leave status.

“(b) COVERED MEMBERS.—Subsection (a) applies with respect to a member assigned to temporary duty, for a period of more than 30 days, in support of a contingency operation or in other specific situations designated by the Secretary concerned if the member—

“(1) immediately before taking the authorized leave, was performing the temporary duty at a location away from the home or permanent duty station of the member;

“(2) was receiving a per diem allowance under section 404(a)(4) of this title to cover lodging and subsistence expenses incurred at the temporary duty location because quarters of the United States were not available for assignment to the member at that location; and

“(3) immediately after completing the authorized leave, returns to the duty location.

“(c) PAYMENT LIMITATION.—The amount paid or reimbursed under subsection (a) for a member may not exceed the lesser of—

“(1) the actual daily cost of lodging incurred by the member at the temporary duty location while the member was in an authorized leave status; and

“(2) the lodging portion of the applicable daily per diem rate for the temporary duty location.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404a the following new item:

“404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave.”.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. PHASE-IN OF FULL CONCURRENT RECEIPT OF MILITARY RETIRED PAY AND VETERANS DISABILITY COMPENSATION FOR CERTAIN MILITARY RETIREES.

(a) CONCURRENT RECEIPT.—Section 1414 of title 10, United States Code, is amended to read as follows:

“§ 1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans’ disability compensation

“(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—

“(1) IN GENERAL.—Subject to subsection (b), a member or former member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans’ disability compensation for a qualifying service-connected disability (hereinafter in this section referred to as a ‘qualified retiree’) is entitled to be paid both for that month without regard to sections 5304 and 5305 of title 38. During the period beginning on January 1, 2004, and ending on December 31, 2013, payment of retired pay to such a qualified retiree is subject to subsection (c).

“(2) QUALIFYING SERVICE-CONNECTED DISABILITY.—In this section, the term ‘qualifying service-connected disability’ means a service-connected disability or combination of service-connected disabilities that is rated as not less than 50 percent disabling by the Secretary of Veterans Affairs.

“(b) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—

“(1) CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title, or at least 20 years of service computed under section 12732 of this title, at the time of the member’s retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member’s retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member’s service in the uniformed services if the member had not been retired under chapter 61 of this title.

“(2) DISABILITY RETIREES WITH LESS THAN 20 YEARS OF SERVICE.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title, or with less than 20 years of service computed under section 12732 of this title, at the time of the member’s retirement.

“(c) PHASE-IN OF FULL CONCURRENT RECEIPT.—During the period beginning on January 1, 2004, and ending on December 31, 2013, retired pay payable to a qualified retiree shall be determined as follows:

“(1) CALENDAR YEAR 2004.—For a month during 2004, the amount of retired pay payable to a qualified retiree is the amount (if any) of retired pay in excess of the current baseline offset plus the following:

“(A) For a month for which the retiree receives veterans’ disability compensation for a disability rated as total, \$750.

“(B) For a month for which the retiree receives veterans’ disability compensation for a disability rated as 90 percent, \$500.

“(C) For a month for which the retiree receives veterans’ disability compensation for a disability rated as 80 percent, \$350.

“(D) For a month for which the retiree receives veterans’ disability compensation for a disability rated as 70 percent, \$250.

“(E) For a month for which the retiree receives veterans’ disability compensation for a disability rated as 60 percent, \$125.

“(F) For a month for which the retiree receives veterans’ disability compensation for a disability rated as 50 percent, \$100.

“(2) CALENDAR YEAR 2005.—For a month during 2005, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount specified in paragraph (1) for that qualified retiree; and

“(B) 10 percent of the difference between (i) the current baseline offset, and (ii) the amount specified in paragraph (1) for that member’s disability.

“(3) CALENDAR YEAR 2006.—For a month during 2006, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (2) for that qualified retiree; and

“(B) 20 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (2) for that qualified retiree.

“(4) CALENDAR YEAR 2007.—For a month during 2007, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (3) for that qualified retiree; and

“(B) 30 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (3) for that qualified retiree.

“(5) CALENDAR YEAR 2008.—For a month during 2008, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (4) for that qualified retiree; and

“(B) 40 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (4) for that qualified retiree.

“(6) CALENDAR YEAR 2009.—For a month during 2009, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (5) for that qualified retiree; and

“(B) 50 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (5) for that qualified retiree.

“(7) CALENDAR YEAR 2010.—For a month during 2010, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (6) for that qualified retiree; and

“(B) 60 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (6) for that qualified retiree.

“(8) CALENDAR YEAR 2011.—For a month during 2011, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (7) for that qualified retiree; and

“(B) 70 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (7) for that qualified retiree.

“(9) CALENDAR YEAR 2012.—For a month during 2012, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (8) for that qualified retiree; and

“(B) 80 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (8) for that qualified retiree.

“(10) CALENDAR YEAR 2013.—For a month during 2013, the amount of retired pay payable to a qualified retiree is the sum of—

“(A) the amount determined under paragraph (9) for that qualified retiree; and

“(B) 90 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (9) for that qualified retiree.

“(11) GENERAL LIMITATION.—Retired pay determined under this subsection for a qualified retiree, if greater than the amount of retired pay otherwise applicable to that qualified retiree, shall be reduced to the amount of retired pay otherwise applicable to that qualified retiree.

“(d) COORDINATION WITH COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.—

“(1) IN GENERAL.—A person who is a qualified retiree under this section and is also an eligible combat-related disabled uniformed services retiree under section 1413a of this title may receive special compensation in accordance with that section or retired pay in accordance with this section, but not both.

“(2) ANNUAL OPEN SEASON.—The Secretary concerned shall provide for an annual period (referred to as an ‘open season’) during which a person described in paragraph (1) shall have the right to make an election to change from receipt of special compensation in accordance with section 1413a of this title to receipt of retired pay in accordance with this section, or the reverse, as the case may be. Any such election shall be made under regulations prescribed by the Secretary concerned. Such regulations shall provide for the form and manner for making such an election and shall provide for the date as of when such an election shall become effective. In the case of the Secretary of a military department, such regulations shall be subject to approval by the Secretary of Defense.

“(e) DEFINITIONS.—In this section:

“(1) RETIRED PAY.—The term ‘retired pay’ includes retainer pay, emergency officers’ retirement pay, and naval pension.

“(2) VETERANS’ DISABILITY COMPENSATION.—The term ‘veterans’ disability compensation’ has the meaning given the term ‘compensation’ in section 101(13) of title 38.

“(3) DISABILITY RATED AS TOTAL.—The term ‘disability rated as total’ means—

“(A) a disability, or combination of disabilities, that is rated as total under the standard schedule of rating disabilities in use by the Department of Veterans Affairs; or

“(B) a disability, or combination of disabilities, for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of disabilities for which veterans’ disability compensation may be paid.

“(4) CURRENT BASELINE OFFSET.—

“(A) IN GENERAL.—The term ‘current baseline offset’ for any qualified retiree means the amount for any month that is the lesser of—

“(i) the amount of the applicable monthly retired pay of the qualified retiree for that month; and

“(ii) the amount of monthly veterans’ disability compensation to which the qualified retiree is entitled for that month.

“(B) APPLICABLE RETIRED PAY.—In subparagraph (A), the term ‘applicable retired pay’ for a qualified retiree means the amount of monthly retired pay to which the qualified retiree is entitled, determined without regard to this section or sections 5304 and 5305 of title 38, except that in the case of such a retiree who was retired under chapter 61 of this title, such amount is the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member’s service in the uniformed services if the member had not been retired under chapter 61 of this title.”.

(b) REPEAL OF SUPERCEDED SPECIAL COMPENSATION AUTHORITY.—Section 1413 of title 10, United States Code, is repealed.

(c) SOURCE OF FUNDS FOR SPECIAL COMPENSATION AUTHORITIES FOR DEPARTMENT OF DEFENSE RETIREES.—

(1) Sections 1413(g) and 1413a(h) of title 10, United States Code, are each amended—

(A) by inserting before “Payments under” the following new sentence: “Payments under this section for a member of the Army, Navy, Air Force, or Marine Corps shall be paid from the Department of Defense Military Retirement Fund.”; and

(B) by inserting “for any other member” before “for any fiscal year”.

(2) Section 1463(a)(1) of such title is amended by inserting before the semicolon the following: “and payments under section 1413, 1413a, or 1414 of this title paid to such members”.

(3) Section 1465(b) of such title is amended by adding at the end the following new paragraph:

“(3) At the same time that the Secretary of Defense makes the determination required by paragraph (1) for any fiscal year, the Secretary shall determine the amount of the Treasury contribution to be made to the Fund for the next fiscal year under section 1466(b)(2)(D) of this title. That amount shall be determined in the same manner as the determination under paragraph (1) of the total amount of Department of Defense contributions to be made to the Fund during that fiscal year under section 1466(a) of this title, except that for purposes of this paragraph the Secretary, in making the calculations required by subparagraphs (A) and (B) of that paragraph, shall use the single level percentages determined under subsection (c)(4), rather than those determined under subsection (c)(1).”.

(4) Section 1465(c) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting before the semicolon at the end the following: “, to be determined without regard to section 1413, 1413a, or 1414 of this title”;

(ii) in subparagraph (B), by inserting before the period at the end the following: “, to be determined without regard to section 1413, 1413a, or 1414 of this title”; and

(iii) in the sentence following subparagraph (B), by striking “subsection (b)” and inserting “subsection (b)(1)”;

(B) by redesignating paragraph (4) as paragraph (5);

and

(C) by inserting after paragraph (3) the following new paragraph (4):

“(4) Whenever the Secretary carries out an actuarial valuation under paragraph (1), the Secretary shall include as part of such valuation the following:

“(A) A determination of a single level percentage determined in the same manner as applies under subparagraph (A) of paragraph (1), but based only upon the provisions of sections 1413, 1413a, and 1414 of this title.

“(B) A determination of a single level percentage determined in the same manner as applies under subparagraph (B) of paragraph (1), but based only upon the provisions of sections 1413, 1413a, and 1414 of this title.

Such single level percentages shall be used for the purposes of subsection (b)(3).”.

(5) Section 1466(b) of such title is amended—

(A) in paragraph (1), by striking “sections 1465(a) and 1465(c)” and inserting “sections 1465(a), 1465(b)(3), 1465(c)(2), and 1465(c)(3)”; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

“(D) The amount for that year determined by the Secretary of Defense under section 1465(b)(3) of this title for the cost to the Fund arising from increased amounts payable from the Fund by reason of section 1413, 1413a, or 1414 of this title.”.

(6) The amendments made by this subsection shall take effect as of October 1, 2003. The Secretary of Defense shall provide for such administrative adjustments as necessary to provide for payments made for any period during fiscal year 2004 before the date of the enactment of this Act to be treated as having been made in accordance with such amendments and for the provisions of such amendments to be implemented as if enacted as of September 30, 2003.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of such title is amended—

(1) by striking the item relating to section 1413; and

(2) by striking the item relating to section 1414 and inserting the following:

“1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans’ disability compensation.”.

(e) EFFECTIVE DATE.—The amendments made by subsections

(a) and (b) shall take effect on January 1, 2004, and shall apply to payments for months beginning on or after that date.

SEC. 642. REVISIONS TO COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.

(a) EXTENSION OF PROGRAM TO COMBAT-RELATED DISABILITIES RATED BELOW 60 PERCENT.—(1) Subsection (e) of section 1413a of title 10, United States Code, is amended to read as follows:

“(e) COMBAT-RELATED DISABILITY.—In this section, the term ‘combat-related disability’ means a disability that is compensable under the laws administered by the Secretary of Veterans Affairs and that—

“(1) is attributable to an injury for which the member was awarded the Purple Heart; or

“(2) was incurred (as determined under criteria prescribed by the Secretary of Defense)—

“(A) as a direct result of armed conflict;

“(B) while engaged in hazardous service;

“(C) in the performance of duty under conditions simulating war; or

“(D) through an instrumentality of war.”.

(2) Subsection (c)(2) of such section is amended by striking “qualifying”.

(b) CLARIFICATION OF SERVICE REQUIRED FOR ELIGIBILITY.—Subsection (c)(1) of such section is amended by inserting before the semicolon the following: “or is entitled to retired pay under section 12731 of this title (other than by reason of section 12731b of this title)”.

(c) CLARIFICATION OF DETERMINATION OF AMOUNT OF COMPENSATION.—Subsection (b)(1) of such section is amended by

Effective date.
10 USC 1413a
note.

10 USC 1414
note.

striking “for a” and all that follows and inserting “under subsection (a) for any month is the amount of compensation to which the retiree is entitled under title 38 for that month, determined without regard to any disability of the retiree that is not a combat-related disability.”.

(d) REVISED COORDINATION PROVISION.—Subsection (f) of such section is amended to read as follows:

“(f) COORDINATION WITH CONCURRENT RECEIPT PROVISION.—Subsection (d) of section 1414 of this title provides for coordination between benefits under that section and under this section.”.

(e) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

“§ 1413a. Combat-related special compensation”.

(2) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

“1413a. Combat-related special compensation.”.

(f) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to payments under section 1413a of title 10, United States Code, for months beginning on or after January 1, 2004. The amendment made by subsection (d) shall take effect on January 1, 2004.

Applicability.
10 USC 1413a
note.

SEC. 643. SPECIAL RULE FOR COMPUTATION OF RETIRED PAY BASE FOR COMMANDERS OF COMBATANT COMMANDS.

(a) TREATMENT EQUIVALENT TO CHIEFS OF SERVICE.—Subsection (i) of section 1406 of title 10, United States Code, is amended by inserting “as a commander of a unified or specified combatant command (as defined in section 161(c) of this title),” after “Chief of Service,”.

(b) CONFORMING AMENDMENT.—The heading for such subsection is amended by inserting “COMMANDERS OF COMBATANT COMMANDS,” after “CHIEFS OF SERVICE,”.

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to officers who first become entitled to retired pay under title 10, United States Code, on or after such date.

10 USC 1406
note.

SEC. 644. SURVIVOR BENEFIT PLAN ANNUITIES FOR SURVIVING SPOUSES OF RESERVES NOT ELIGIBLE FOR RETIREMENT WHO DIE FROM A CAUSE INCURRED OR AGGRAVATED WHILE ON INACTIVE-DUTY TRAINING.

(a) SURVIVING SPOUSE ANNUITY.—Paragraph (1) of section 1448(f) of title 10, United States Code, is amended to read as follows:

“(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who—

“(A) is eligible to provide a reserve-component annuity and dies—

“(i) before being notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay; or

“(ii) during the 90-day period beginning on the date he receives notification under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay if he had not made an election under subsection (a)(2)(B) to participate in the Plan; or

“(B) is a member of a reserve component not described in subparagraph (A) and dies from an injury or illness incurred or aggravated in the line of duty during inactive-duty training.”

(b) CONFORMING AMENDMENT.—The heading for subsection (f) of section 1448 of such title is amended by inserting “OR BEFORE” after “DYING WHEN”.

(c) EFFECTIVE DATE.—Subparagraph (B) of section 1448(f)(1) of title 10, United States Code, as added by subsection (a), shall take effect as of September 10, 2001, and shall apply with respect to performance of inactive-duty training (as defined in section 101(d) of title 10, United States Code) on or after that date.

Applicability.
10 USC 1448
note.

SEC. 645. SURVIVOR BENEFIT PLAN MODIFICATIONS.

(a) ELIGIBILITY OF DEPENDENT CHILDREN FOR SURVIVOR ANNUITIES IN CASES OF DEATHS OF MEMBERS ON ACTIVE DUTY.—(1) Paragraph (2) of section 1448(d) of title 10, United States Code, is amended to read as follows:

“(2) DEPENDENT CHILDREN.—

“(A) ANNUITY WHEN NO ELIGIBLE SURVIVING SPOUSE.—

In the case of a member described in paragraph (1), the Secretary concerned shall pay an annuity under this subchapter to the member’s dependent children under section 1450(a)(2) of this title as applicable.

“(B) OPTIONAL ANNUITY WHEN THERE IS AN ELIGIBLE SURVIVING SPOUSE.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 and for whom there is a surviving spouse eligible for an annuity under paragraph (1), the Secretary may pay an annuity under this subchapter to the member’s dependent children under section 1450(a)(3) of this title, if applicable, instead of paying an annuity to the surviving spouse under paragraph (1), if the Secretary concerned, in consultation with the surviving spouse, determines it appropriate to provide an annuity for the dependent children under this paragraph instead of an annuity for the surviving spouse under paragraph (1).”

(2) Paragraph (1) of such section is amended by striking “The Secretary concerned” and inserting “Except as provided in paragraph (2)(B), the Secretary concerned”.

(b) VITIATION OF SURVIVOR ANNUITY ELECTIONS MADE BY DISABILITY RETIREES WHO DIE OF DISABILITY-RELATED CAUSES.—(1) Section 1448(b)(1) of such title is amended by adding at the end the following new subparagraph:

“(F) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause

of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

“(i) an election made by the member under paragraph (1) to provide an annuity under the Plan to any person other than a dependent of that member (as defined in section 1072(2) of this title) is vitiated; and

“(ii) the amounts by which the member’s retired pay was reduced under section 1452 of this title shall be refunded and paid to the person to whom the annuity under the Plan would have been paid pursuant to such election.”.

(2) Section 1458 of such title is amended by adding at the end the following new subsection:

“(j) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

“(1) an election made by the member to provide a supplemental spouse annuity under this subchapter is vitiated; and

“(2) the amounts by which the member’s retired pay was reduced under section 1460 of this title shall be refunded and paid to the person to whom the supplemental spouse annuity would have been paid pursuant to such election.”.

(c) INSURABLE INTEREST ANNUITY DEEMED ELECTIONS.—Section 1448(d) of such title is amended by adding at the end the following new paragraph:

“(6) DEEMED ELECTION.—

“(A) ANNUITY FOR DEPENDENT.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary concerned may, if no other annuity is payable on behalf of the member under this subchapter, pay an annuity to a natural person who has an insurable interest in such member as if the annuity were elected by the member under subsection (b)(1). The Secretary concerned may pay such an annuity under this paragraph only in the case of a person who is a dependent of that member (as defined in section 1072(2) of this title).

“(B) COMPUTATION OF ANNUITY.—An annuity under this subparagraph shall be computed under section 1451(b) of this title as if the member had retired for total disability on the date of death with reductions as specified under section 1452(c) of this title, as applicable to the ages of the member and the natural person with an insurable interest.”.

SEC. 646. INCREASE IN DEATH GRATUITY PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) **AMOUNT OF DEATH GRATUITY.**—Section 1478(a) of title 10, United States Code, is amended by striking “\$6,000” and inserting “\$12,000”.

Applicability.
10 USC 1478
note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

SEC. 647. DEATH BENEFITS STUDY.

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) the sacrifices made by the members of the Armed Forces are significant and are worthy of meaningful expressions of gratitude by the United States, especially in cases of sacrifice through loss of life;

(2) the tragic events of September 11, 2001, and subsequent worldwide combat operations in the Global War on Terrorism and in Operation Iraqi Freedom have highlighted the significant disparity between the financial benefits for survivors of deceased members of the Armed Forces and the financial benefits for survivors of civilian victims of terrorism;

(3) the death benefits system composed of the death gratuity paid by the Department of Defense to survivors of members of the Armed Forces, the subsequently established Servicemembers’ Group Life Insurance (SGLI) program, and other benefits for survivors of deceased members has evolved over time, but there are increasing indications that the evolution of such benefits has failed to keep pace with the expansion of indemnity and compensation available to segments of United States society outside the Armed Forces, a failure that is especially apparent in a comparison of the benefits for survivors of deceased members with the compensation provided to families of civilian victims of terrorism; and

(4) while the Servicemembers’ Group Life Insurance (SGLI) program provides an assured source of life insurance for members of the Armed Forces that benefits the survivors of such members upon death, that program requires servicemembers to pay for that life insurance coverage and does not provide an assured minimum benefit.

(b) **STUDY REQUIRED.**—The Secretary of Defense shall carry out a study of the totality of all current and projected death benefits for survivors of deceased members of the Armed Forces to determine the adequacy of such benefits. In carrying out the study, the Secretary shall—

(1) compare the Federal death benefits for survivors of deceased members of the Armed Forces with—

(A) commercial and other private sector death benefits plans for segments of United States society outside the Armed Forces; and

(B) the benefits available under Public Law 107–37 (115 Stat. 219) (commonly known as the “Public Safety Officer Benefits Bill”);

(2) assess the personnel policy effects that would result from a revision of the death gratuity benefit to provide a stratified schedule of entitlement amounts that places a premium on deaths resulting from participation in combat or from acts of terrorism;

(3) assess the adequacy of the current system of Survivor Benefit Plan annuities under title 10, United States Code, and dependency and indemnity compensation under title 38, United States Code, and the anticipated effects (if any) of an elimination of the offset of Survivor Benefit Plan annuities by dependency and indemnity compensation payments;

(4) examine the commercial insurability of members of the Armed Forces in high-risk military occupational specialties; and

(5) examine the extent to which private trusts and foundations engage in fundraising or otherwise provide financial benefits for survivors of deceased members of the Armed Forces.

(c) REPORT.—Not later than March 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study under subsection (b). The report shall include the following:

Deadline.

(1) The assessments, analyses, and conclusions resulting from the study.

(2) Proposed legislation to address the deficiencies in the system of Federal death benefits for survivors of deceased members of the Armed Forces that are identified in the course of the study.

(3) An estimate of the costs of the system of death benefits provided for in the proposed legislation.

(d) COMPTROLLER GENERAL STUDY.—The Comptroller General shall conduct a study to identify the death benefits that are payable under Federal, State, and local laws for employees of the United States, State governments, and local governments. Not later than March 1, 2004, the Comptroller General shall submit a report containing the results of the study to the Committees on Armed Services of the Senate and the House of Representatives.

Subtitle E—Commissary and Non-appropriated Fund Instrumentality Benefits

SEC. 651. EXPANDED COMMISSARY ACCESS FOR SELECTED RESERVE MEMBERS, RESERVE RETIREES UNDER AGE 60, AND THEIR DEPENDENTS.

(a) ACCESS TO MILITARY COMMISSARIES.—Section 1065 of title 10, United States Code, is amended—

(1) in subsections (a), (b), and (c), by inserting “commissary stores and” after “use” each place it appears; and

(2) in subsection (d)—

(A) by inserting “commissary stores and” after “use” the first and third places it appears; and

(B) by inserting “stores and” after “use” the second and fourth places it appears.

(b) CONFORMING AMENDMENTS; TRANSFER OF SECTION.—Chapter 54 of such title is amended—

(1) by striking sections 1063 and 1064;

(2) in section 1063a(c)(2), by striking “section 1065(e)” and inserting “section 1063(e)”;

(3) by redesignating section 1063a, as amended by paragraph (2), as section 1064;

10 USC 1063.

(4) by transferring section 1065, as amended by subsection (a), so as to appear after section 1062; and

(5) by striking the heading of such section, as amended by subsection (a) and transferred by paragraph (4), and inserting the following new heading:

“§ 1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60”.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended by striking the items relating to sections 1063, 1063a, 1064, and 1065 and inserting the following new items:

“1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60.

“1064. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency.”.

SEC. 652. DEFENSE COMMISSARY SYSTEM AND EXCHANGE STORES SYSTEM.

(a) EXISTENCE OF SYSTEMS.—Chapter 147 of title 10, United States Code, is amended by inserting before section 2482 the following new section:

“§ 2481. Existence of defense commissary system and exchange stores system

“(a) IN GENERAL.—The Secretary of Defense shall operate a defense commissary system and an exchange stores system in the manner provided by this chapter and other provisions of law.

“(b) SEPARATE SYSTEMS.—(1) Except as provided in paragraph (2), the defense commissary system and the exchange stores system shall be operated as separate systems of the Department of Defense.

“(2) This subsection does not apply to the following:

“(A) Combined exchange and commissary stores operated under the authority provided by section 2490a of this title.

“(B) NEXMART stores of the Navy Exchange Service Command established before October 1, 2003.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2482 the following new item:

“2481. Existence of defense commissary system and exchange stores system.”.

SEC. 653. LIMITATIONS ON PRIVATE OPERATION OF DEFENSE COMMISSARY STORE FUNCTIONS.

Section 2482(a) of title 10, United States Code, is amended—

(1) by striking the first and second sentences and inserting the following: “(1) Under such regulations as the Secretary of Defense may approve, private persons may operate selected commissary store functions, except that such functions may not include functions relating to the procurement of products to be sold in a commissary store or functions relating to the overall management of a commissary system or the management of a commissary store.”; and

(2) by adding at the end the following new paragraph:

“(2) Any change to private operation of a commissary store function that is being performed by more than 10 Department of Defense civilian employees shall not take effect until the end

of the 75-day period beginning on the date on which the Secretary of Defense submits to Congress written notice of the change.”.

SEC. 654. USE OF APPROPRIATED FUNDS TO OPERATE DEFENSE COMMISSARY SYSTEM.

(a) REQUIREMENT THAT COMMISSARY OPERATING EXPENSES BE PAID FROM APPROPRIATED FUNDS.—Section 2484 of title 10, United States Code, is amended—

(1) in subsection (a), by striking “may” and inserting “shall”; and

(2) in subsection (b), by striking “may” in the first sentence and inserting “shall”.

(b) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Such section is further amended by adding at the end the following new subsection:

“(c) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Amounts appropriated to cover the expenses of operating the Defense Commissary Agency and the defense commissary system may be supplemented with additional funds from manufacturers’ coupon redemption fees, handling fees for tobacco products, and other amounts received as reimbursement for other support activities provided by commissary activities.”.

SEC. 655. RECOVERY OF NONAPPROPRIATED FUND INSTRUMENTALITY AND COMMISSARY STORE INVESTMENTS IN REAL PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED.

(a) 1988 LAW.—Section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in the second sentence of clause (i), by striking “The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)” and inserting “Subject to the limitation in clause (iii), amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,”;

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause (iii):

“(iii) The aggregate amount obligated from the reserve account established under clause (i) may not exceed the following:

“(I) In fiscal year 2004, \$31,000,000.

“(II) In fiscal year 2005, \$24,000,000.

“(III) In fiscal year 2006, \$15,000,000.”.

(b) 1990 LAW.—Section 2906(d)(3) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking “The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)” and inserting “Subject to the limitation contained in section 204(b)(7)(C)(iii) of the Defense Authorization Amendments and Base Closure and Realignment Act, amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,”.

Subtitle F—Other Matters

SEC. 661. COMPTROLLER GENERAL REPORT ON ADEQUACY OF SPECIAL PAYS AND ALLOWANCES FOR FREQUENTLY DEPLOYED MEMBERS.

Deadline.

Not later than April 1, 2004, the Comptroller General shall submit to Congress a report regarding the adequacy of special pays and allowances for members of the Armed Forces who are frequently deployed away from their permanent duty stations for periods of less than 30 days. The report shall include an assessment of the eligibility requirements for the family separation allowance under section 427 of title 37, United States Code, including those relating to required duration of absences from the permanent duty station.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Enhanced Benefits for Reserves

- Sec. 701. Medical and dental screening for Ready Reserve members alerted for mobilization.
- Sec. 702. Coverage for Ready Reserve members under TRICARE program.
- Sec. 703. Earlier eligibility date for TRICARE benefits for members of reserve components.
- Sec. 704. Temporary extension of transitional health care benefits.
- Sec. 705. Assessment of needs of Reserves for health care benefits.
- Sec. 706. Limitation on fiscal year 2004 outlays for temporary Reserve health care programs.
- Sec. 707. TRICARE beneficiary counseling and assistance coordinators for reserve component beneficiaries.
- Sec. 708. Eligibility of Reserve officers for health care pending orders to active duty following commissioning.

Subtitle B—Other Benefits Improvements

- Sec. 711. Acceleration of implementation of chiropractic health care for members on active duty.
- Sec. 712. Reimbursement of covered beneficiaries for certain travel expenses relating to specialized dental care.
- Sec. 713. Eligibility for continued health benefits coverage extended to certain members of uniformed services.
- Sec. 714. Authority for designated providers to enroll covered beneficiaries with other primary health insurance coverage.

Subtitle C—Planning, Programming, and Management

- Sec. 721. Permanent extension of authority to enter into personal services contracts for the performance of health care responsibilities at locations other than military medical treatment facilities.
- Sec. 722. Department of Defense Medicare-Eligible Retiree Health Care Fund valuations and contributions.
- Sec. 723. Surveys on continued viability of TRICARE Standard.
- Sec. 724. Plan for providing health coverage information to members, former members, and dependents eligible for certain health benefits.
- Sec. 725. Transfer of certain members of the Pharmacy and Therapeutics Committee to the Uniform Formulary Beneficiary Advisory Panel under the pharmacy benefits program.
- Sec. 726. Working group on military health care for persons reliant on health care facilities at military installations to be closed or realigned.
- Sec. 727. Joint program for development and evaluation of integrated healing care practices for members of the Armed Forces and veterans.

Subtitle A—Enhanced Benefits for Reserves

SEC. 701. MEDICAL AND DENTAL SCREENING FOR READY RESERVE MEMBERS ALERTED FOR MOBILIZATION.

Subsection (f) of section 1074a of title 10, United States Code, as amended by section 1114 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

“(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty for a period of more than 30 days, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

Notification.

“(2) The notification to members of the Ready Reserve described in paragraph (1) shall include notice that the members are eligible for screening and care under this section.

“(3) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.”.

SEC. 702. COVERAGE FOR READY RESERVE MEMBERS UNDER TRICARE PROGRAM.

Section 1076b of title 10, United States Code, as added by section 1115 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

“§ 1076b. TRICARE program: coverage for members of the Ready Reserve

“(a) ELIGIBILITY.—Each member of the Selected Reserve of the Ready Reserve and each member of the Individual Ready Reserve described in section 10144(b) of this title is eligible, subject to subsection (h), to enroll in TRICARE and receive benefits under such enrollment for any period that the member—

“(1) is an eligible unemployment compensation recipient;

or

“(2) is not eligible for health care benefits under an employer-sponsored health benefits plan.

“(b) TYPES OF COVERAGE.—(1) A member eligible under subsection (a) may enroll for either of the following types of coverage:

“(A) Self alone coverage.

“(B) Self and family coverage.

“(2) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(c) OPEN ENROLLMENT PERIODS.—The Secretary of Defense shall provide for at least one open enrollment period each year. During an open enrollment period, a member eligible under subsection (a) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

“(d) SCOPE OF CARE.—(1) A member and the dependents of a member enrolled in the TRICARE program under this section shall be entitled to the same benefits under this chapter as a

Applicability.

member of the uniformed services on active duty or a dependent of such a member, respectively.

“(2) Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

“(e) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section. The Secretary shall prescribe for each of the TRICARE program options a premium for self alone coverage and a premium for self and family coverage.

“(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

“(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

“(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

“(f) OTHER CHARGES.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this section, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(g) TERMINATION OF ENROLLMENT.—(1) A member enrolled in the TRICARE program under this section may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

“(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subsection (a).

“(3) The enrollment of a member under this section may be terminated on the basis of failure to pay the premium charged the member under this section.

“(h) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while entitled to transitional health care under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section.

“(2) A member who enrolls in the TRICARE program under this section within 90 days after the date of the termination of the member’s entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate

the enrollment at any time within one year after the date of the enrollment.

“(i) CERTIFICATION OF NONCOVERAGE BY OTHER HEALTH BENEFITS PLAN.—The Secretary of Defense may require a member to submit any certification that the Secretary considers appropriate to substantiate the member’s assertion that the member is not covered for health care benefits under any other health benefits plan.

“(j) ELIGIBLE UNEMPLOYMENT COMPENSATION RECIPIENT DEFINED.—In this section, the term ‘eligible unemployment compensation recipient’ means, with respect to any month, any individual who is determined eligible for any day of such month for unemployment compensation under State law (as defined in section 205(9) of the Federal-State Extended Unemployment Compensation Act of 1970), including Federal unemployment compensation laws administered through the State.

“(k) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

“(l) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after December 31, 2004.”.

SEC. 703. EARLIER ELIGIBILITY DATE FOR TRICARE BENEFITS FOR MEMBERS OF RESERVE COMPONENTS.

Subsection (d) of section 1074 of title 10, United States Code, as added by section 1116 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

“(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—

“(A) the date of the issuance of such order; or

“(B) 90 days before the date on which the period of active duty is to commence under such order for that member.

“(2) In this subsection, the term ‘delayed-effective-date active-duty order’ means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for active-duty service to begin under such order on a date after the date of the issuance of the order.

“(3) This subsection shall cease to be effective on December 31, 2004.”.

Termination
date.

SEC. 704. TEMPORARY EXTENSION OF TRANSITIONAL HEALTH CARE BENEFITS.

10 USC 1145
note.

(a) EXTENSION.—Subject to subsection (b), and notwithstanding section 1117 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, during the period beginning on the date of the enactment of this Act and ending on December 31, 2004, section 1145(a) of title 10, United States Code, shall be administered by substituting for paragraph (3) the following:

“(3) Transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty.”.

(b) **EFFECTIVE DATE.**—(1) Subsection (a) shall apply with respect to separations from active duty that take effect on or after the date of the enactment of this Act.

(2) Beginning on January 1, 2005, the period for which a member is provided transitional health care benefits under section 1145(a) of title 10, United States Code, shall be adjusted as necessary to comply with the limits provided under paragraph (3) of such section.

SEC. 705. ASSESSMENT OF NEEDS OF RESERVES FOR HEALTH CARE BENEFITS.

(a) **GAO EVALUATION OF NEEDS OF RESERVE COMPONENTS FOR HEALTH CARE BENEFITS.**—The Comptroller General shall evaluate the needs of members of the reserve components of the Armed Forces and their families for obtaining and maintaining coverage for health care benefits under health care benefits plans and programs.

(b) **SPECIAL CONCERN.**—In conducting the evaluation under this section, the Comptroller General shall give special consideration to the implications of the increased use of the reserve components for carrying out and supporting operations of the Armed Forces that has been experienced since the 1980s and is anticipated to continue, particularly the increased frequency and magnitude of the mobilization of Reserves and the increased length of the periods of active duty of Reserves when mobilized.

(c) **MATTERS COVERED.**—The evaluation under this section shall include the following matters:

(1) An examination of the extent to which Reserves and the members of their families are covered by health care benefits plans when the Reserves are not on active duty, including—

(A) the sources of the coverage;

(B) the scope of the benefits; and

(C) the extent to which the Reserves and the members of their families use the benefits available.

(2) An identification of options for providing health care benefits to Reserves and the members of their families not covered by health care benefits plans without creating an incentive for other Reserves to terminate coverage by such plans.

(3) A review of Department of Defense initiatives during fiscal years 2003 and 2004 to address the problems of access of mobilized Reserves and their families to health care and health care benefits, including—

(A) a determination of the effectiveness of such initiatives; and

(B) a determination of the extent to which the problems continue.

(4) An identification of options for continuing, after a Reserve is mobilized, any coverage of the Reserve and the Reserve's family that exists under a health benefits plan before the Reserve is mobilized.

(5) An assessment of the effects of—

(A) the provisions of this title that authorize or require the Department of Defense to provide assistance specifically to Reserves to facilitate the access to and use of TRICARE benefits by Reserves or members of their families; and

(B) the provisions of this title that provide eligibility for health care under chapter 55 of title 10, United States

Code, for Reserves who are alerted by the Department of Defense to prepare to be mobilized imminently.

(6) An examination of the existing programs under which the Department of Defense provides health care benefits to mobilized Reserves during a transitional period immediately following the release of the Reserves from the active duty for which mobilized, including an assessment of the extent to which those programs meet the needs of such Reserves for health care benefits on a transitional basis.

(d) REPORT.—Not later than May 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the evaluation required by this subsection, including findings and recommendations. Deadline.

(e) DEFINITIONS.—In this section:

(1) The term “mobilized” means called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code).

(2) The term “Reserves” means members of the reserve components of the Armed Forces.

SEC. 706. LIMITATION ON FISCAL YEAR 2004 OUTLAYS FOR TEMPORARY RESERVE HEALTH CARE PROGRAMS.

10 USC 1076b
note.

(a) OUTLAY LIMITATION.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out those program so as to limit the total Department of Defense expenditures under those programs during fiscal year 2004 to an amount not in excess \$400,000,000.

(b) CONTINUITY OF CARE.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out the implementation and termination of those programs so as to ensure the least amount of disruption to the continuity of care for persons provided care under those programs.

(c) TEMPORARY RESERVE HEALTH CARE PROGRAMS.—For purposes of this section, the term “temporary Reserve health care programs” means the following:

(1) The program under section 1076b of title 10, United States Code, as amended by section 702.

(2) The program under section 1074(d) of title 10, United States Code, as amended by section 703.

(3) The program under section 704.

SEC. 707. TRICARE BENEFICIARY COUNSELING AND ASSISTANCE COORDINATORS FOR RESERVE COMPONENT BENEFICIARIES.

Section 1095e(a)(1) of title 10, United States Code, is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) designate for each of the TRICARE program regions at least one person (other than a person designated under subparagraph (A)) to serve full-time as a beneficiary counseling and assistance coordinator solely for members of the reserve components and their dependents who are beneficiaries under the TRICARE program; and”.

**SEC. 708. ELIGIBILITY OF RESERVE OFFICERS FOR HEALTH CARE
PENDING ORDERS TO ACTIVE DUTY FOLLOWING
COMMISSIONING.**

Section 1074(a) of title 10, United States Code, is amended—

- (1) by inserting “(1)” after “(a)”;
- (2) by striking “who is on active duty” and inserting “described in paragraph (2)”;
- (3) by adding at the end the following new paragraph:
 - “(2) Members of the uniformed services referred to in paragraph (1) are as follows:
 - “(A) A member of a uniformed service on active duty.
 - “(B) A member of a reserve component of a uniformed service who has been commissioned as an officer if—
 - “(i) the member has requested orders to active duty for the member’s initial period of active duty following the commissioning of the member as an officer;
 - “(ii) the request for orders has been approved;
 - “(iii) the orders are to be issued but have not been issued; and
 - “(iv) the member does not have health care insurance and is not covered by any other health benefits plan.”.

Subtitle B—Other Benefits Improvements

10 USC 1092
note.

**SEC. 711. ACCELERATION OF IMPLEMENTATION OF CHIROPRACTIC
HEALTH CARE FOR MEMBERS ON ACTIVE DUTY.**

The Secretary of Defense shall accelerate the implementation of the plan required by section 702 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398; 114 Stat. 1654A–173) (relating to chiropractic health care services and benefits), with a goal of completing implementation of the plan by October 1, 2005.

**SEC. 712. REIMBURSEMENT OF COVERED BENEFICIARIES FOR CER-
TAIN TRAVEL EXPENSES RELATING TO SPECIALIZED
DENTAL CARE.**

Section 1074i of title 10, United States Code, is amended—

- (1) by inserting “(a) IN GENERAL.—” before “In any case”;
- and
- (2) by adding at the end the following new subsection:
 - “(b) DEFINITIONS.—In this section:
 - “(1) The term ‘specialty care provider’ includes a dental specialist.
 - “(2) The term ‘dental specialist’ means an oral surgeon, orthodontist, prosthodontist, periodontist, endodontist, or pediatric dentist, and includes such other providers of dental care and services as determined appropriate by the Secretary of Defense.”.

**SEC. 713. ELIGIBILITY FOR CONTINUED HEALTH BENEFITS COVERAGE
EXTENDED TO CERTAIN MEMBERS OF UNIFORMED SERV-
ICES.**

(a) EXTENSION.—Section 1078a(b) of title 10, United States Code, is amended in paragraphs (1), (2)(A), and (3)(A) by striking “armed forces” and inserting “uniformed services” each place it appears.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to members of the uniformed services who are not otherwise covered by section 1078a of title 10, United States Code, before the date of the enactment of this Act and who, on or after such date, first meet the eligibility criteria specified in subsection (b) of that section.

Applicability.
10 USC 1078a
note.

SEC. 714. AUTHORITY FOR DESIGNATED PROVIDERS TO ENROLL COVERED BENEFICIARIES WITH OTHER PRIMARY HEALTH INSURANCE COVERAGE.

Subsection (d) of section 724 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended to read as follows:

“(d) **ADDITIONAL ENROLLMENT AUTHORITY.**—(1) Subject to paragraph (2), other covered beneficiaries may also receive health care services from a designated provider.

“(2)(A) The designated provider may market such services to, and enroll, covered beneficiaries who—

“(i) subject to the limitation in subparagraph (B), have other primary health insurance coverage (other than Medicare coverage) covering basic primary care and inpatient and outpatient services; or

“(ii) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

“(B) For each fiscal year beginning after September 30, 2003, the number of covered beneficiaries who are newly enrolled by a designated provider pursuant to subparagraph (A)(i) may not exceed 10 percent of the excess (if any) of—

“(i) the number of enrollees in managed care plans offered by designated providers as of the first day of such fiscal year; over

“(ii) the number of such enrollees as of the first day of the immediately preceding fiscal year.

“(3) For purposes of this subsection, a covered beneficiary who has other primary health insurance coverage includes any covered beneficiary who has primary health insurance coverage—

“(A) on the date of enrollment with a designated provider pursuant to paragraph (2)(A)(i); or

“(B) on such date of enrollment and during the period after such date while the beneficiary is enrolled with the designated provider.”.

Subtitle C—Planning, Programming, and Management

SEC. 721. PERMANENT EXTENSION OF AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking “The Secretary may not enter into a contract under this paragraph after December 31, 2003.”.

SEC. 722. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND VALUATIONS AND CONTRIBUTIONS.

(a) **SEPARATE PERIODIC ACTUARIAL VALUATION FOR SINGLE UNIFORMED SERVICE.**—Section 1115(c) of title 10, United States Code, is amended by adding at the end of paragraph (1) the following: “The Secretary of Defense may determine a separate single level dollar amount under subparagraph (A) or (B) for any participating uniformed service, if, in the judgment of the Secretary, such a determination would produce a more accurate and appropriate actuarial valuation for that uniformed service.”

(b) **ASSOCIATED CALCULATIONS OF PAYMENTS INTO THE FUND.**—Section 1116 of such title is amended—

(1) in subsection (a), by striking “the amount that” in the matter preceding paragraph (1) and inserting “the amount that, subject to subsection (b),”;

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

“(b) If an actuarial valuation referred to in paragraph (1) or (2) of subsection (a) has been calculated as a separate single level dollar amount for a participating uniformed service under section 1115(c)(1) of this title, the administering Secretary for the department in which such uniformed service is operating shall calculate the amount under such paragraph separately for such uniformed service. If the administering Secretary is not the Secretary of Defense, the administering Secretary shall notify the Secretary of Defense of the amount so calculated. To determine a single amount for the purpose of paragraph (1) or (2) of subsection (a), as the case may be, the Secretary of Defense shall aggregate the amount calculated under this subsection for a uniformed service for the purpose of such paragraph with the amount or amounts calculated (whether separately or otherwise) for the other uniformed services for the purpose of such paragraph.”

(c) **CONFORMING AMENDMENT.**—Subsections (a) and (c)(5) of section 1115 of such title are amended by striking “section 1116(b) of this title” and inserting “section 1116(c) of this title”.

10 USC 1073
note.

SEC. 723. SURVEYS ON CONTINUED VIABILITY OF TRICARE STANDARD.

(a) **REQUIREMENT FOR SURVEYS.**—(1) The Secretary of Defense shall conduct surveys in the TRICARE market areas in the United States to determine how many health care providers are accepting new patients under TRICARE Standard in each such market area.

Deadline.

(2) The Secretary shall carry out the surveys in at least 20 TRICARE market areas in the United States each fiscal year after fiscal year 2003 until all such market areas in the United States have been surveyed. The Secretary shall complete six of the fiscal year 2004 surveys not later than March 31, 2004.

(3) In prioritizing the market areas for the sequence in which market areas are to be surveyed under this subsection, the Secretary shall consult with representatives of TRICARE beneficiaries and health care providers to identify locations where TRICARE Standard beneficiaries are experiencing significant levels of access-to-care problems under TRICARE Standard and shall give a high priority to surveying health care providers in such areas.

(b) **SUPERVISION.**—(1) The Secretary shall designate a senior official of the Department of Defense to take the actions necessary

for achieving and maintaining participation of health care providers in TRICARE Standard in each TRICARE market area in a number that is adequate to ensure the viability of TRICARE Standard for TRICARE beneficiaries in that market area.

(2) The official designated under paragraph (1) shall have the following duties:

(A) To educate health care providers about TRICARE Standard.

(B) To encourage health care providers to accept patients under TRICARE Standard.

(C) To ensure that TRICARE beneficiaries have the information necessary to locate TRICARE Standard providers readily.

(D) To recommend adjustments in TRICARE Standard provider payment rates that the official considers necessary to ensure adequate availability of TRICARE Standard providers for TRICARE Standard beneficiaries.

(c) GAO REVIEW.—(1) The Comptroller General shall, on an ongoing basis, review—

(A) the processes, procedures, and analysis used by the Department of Defense to determine the adequacy of the number of health care providers—

(i) that currently accept TRICARE Standard beneficiaries as patients under TRICARE Standard in each TRICARE market area (as of the date of completion of the review); and

(ii) that would accept TRICARE Standard beneficiaries as new patients under TRICARE Standard in each TRICARE market area (within a reasonable time after the date of completion of the review); and

(B) the actions taken by the Department of Defense to ensure ready access of TRICARE Standard beneficiaries to health care under TRICARE Standard in each TRICARE market area.

(2)(A) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the results of the review under paragraph (1). The first semiannual report shall be submitted not later than June 30, 2004.

Reports.

(B) The semiannual report under subparagraph (A) shall include the following:

(i) An analysis of the adequacy of the surveys under subsection (a).

(ii) The adequacy of existing statutory authority to address inadequate levels of participation by health care providers in TRICARE Standard.

(iii) Identification of policy-based obstacles to achieving adequacy of availability of TRICARE Standard health care in the TRICARE market areas.

(iv) An assessment of the adequacy of Department of Defense education programs to inform health care providers about TRICARE Standard.

(v) An assessment of the adequacy of Department of Defense initiatives to encourage health care providers to accept patients under TRICARE Standard.

(vi) An assessment of the adequacy of information available to TRICARE Standard beneficiaries to facilitate access by such beneficiaries to health care under TRICARE Standard.

(vii) Any need for adjustment of health care provider payment rates to attract participation in TRICARE Standard by appropriate numbers of health care providers.

(d) DEFINITIONS.—In this section:

(1) The term “TRICARE Standard” means the option of the TRICARE program that is also known as the Civilian Health and Medical Program of the Uniformed Services, as defined in section 1072(4) of title 10, United States Code.

(2) The term “United States” means the United States (as defined in section 101(a) of title 10, United States Code), its possessions (as defined in such section), and the Commonwealth of Puerto Rico.

10 USC 1079
note.

SEC. 724. PLAN FOR PROVIDING HEALTH COVERAGE INFORMATION TO MEMBERS, FORMER MEMBERS, AND DEPENDENTS ELIGIBLE FOR CERTAIN HEALTH BENEFITS.

(a) HEALTH INFORMATION PLAN REQUIRED.—The Secretary of Defense shall develop a plan to—

(1) ensure that each household that includes one or more eligible persons is provided information concerning—

(A) the extent of health coverage provided by sections 1079 or 1086 of title 10, United States Code, for each such person;

(B) the costs, including the limits on such costs, that each such person is required to pay for such health coverage;

(C) sources of information for locating TRICARE-authorized providers in the household’s locality; and

(D) methods to obtain assistance in resolving difficulties encountered with billing, payments, eligibility, locating TRICARE-authorized providers, collection actions, and such other issues as the Secretary considers appropriate;

(2) provide mechanisms to ensure that each eligible person has access to information identifying TRICARE-authorized providers in the person’s locality who have agreed to accept new patients under section 1079 or 1086 of title 10, United States Code, and to ensure that such information is periodically updated;

(3) provide mechanisms to ensure that each eligible person who requests assistance in locating a TRICARE-authorized provider is provided such assistance;

(4) provide information and recruitment materials and programs aimed at attracting participation of health care providers as necessary to meet health care access requirements for all eligible persons; and

(5) provide mechanisms to allow for the periodic identification by the Department of Defense of the number and locality of eligible persons who may intend to rely on TRICARE-authorized providers for health care services.

(b) IMPLEMENTATION OF PLAN.—The Secretary of Defense shall implement the plan required by subsection (a) with respect to any contract entered into by the Department of Defense after May 31, 2003, for managed health care.

(c) DEFINITIONS.—In this section:

(1) The term “eligible person” means a person eligible for health benefits under section 1079 or 1086 of title 10, United States Code.

(2) The term “TRICARE-authorized provider” means a facility, doctor, or other provider of health care services—

(A) that meets the licensing and credentialing certification requirements in the State where the services are rendered;

(B) that meets requirements under regulations relating to TRICARE for the type of health care services rendered; and

(C) that has accepted reimbursement by the Secretary of Defense as payment for services rendered during the 12-month period preceding the date of the most recently updated provider information provided to households under the plan required by subsection (a).

(d) SUBMISSION OF PLAN.—Not later than March 31, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the plan required by subsection (a), together with a schedule for implementation of the plan. Deadline.

SEC. 725. TRANSFER OF CERTAIN MEMBERS OF THE PHARMACY AND THERAPEUTICS COMMITTEE TO THE UNIFORM FORMULARY BENEFICIARY ADVISORY PANEL UNDER THE PHARMACY BENEFITS PROGRAM.

Section 1074g of title 10, United States Code, is amended—

(1) in subsection (b)(1) in the second sentence, by striking “facilities,” and all that follows through the end of the sentence and inserting “facilities and representatives of providers in facilities of the uniformed services.”; and

(2) in subsection (c)(2)—

(A) by striking “represent nongovernmental” and inserting the following: “represent—
“(A) nongovernmental”;

(B) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

“(B) contractors responsible for the TRICARE retail pharmacy program;

“(C) contractors responsible for the national mail-order pharmacy program; and

“(D) TRICARE network providers.”.

SEC. 726. WORKING GROUP ON MILITARY HEALTH CARE FOR PERSONS RELIANT ON HEALTH CARE FACILITIES AT MILITARY INSTALLATIONS TO BE CLOSED OR REALIGNED.

(a) IN GENERAL.—Section 722 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1073 note) is amended by striking subsections (a), (b), (c), and (d) and inserting the following new subsections:

“(a) ESTABLISHMENT.—Not later than December 31, 2003, the Secretary of Defense shall establish a working group on the provision of military health care to persons who rely for health care on health care facilities located at military installations— Deadline.

“(1) inside the United States that are selected for closure or realignment in the 2005 round of realignments and closures

authorized by sections 2912, 2913, and 2914 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 155 Stat. 1342); or

“(2) outside the United States that are selected for closure or realignment as a result of force posture changes.

“(b) MEMBERSHIP.—The members of the working group shall include, at a minimum, the following:

“(1) The Assistant Secretary of Defense for Health Affairs, or a designee of the Assistant Secretary.

“(2) The Surgeon General of the Army, or a designee of that Surgeon General.

“(3) The Surgeon General of the Navy, or a designee of that Surgeon General.

“(4) The Surgeon General of the Air Force, or a designee of that Surgeon General.

“(5) At least one independent member (appointed by the Secretary of Defense) from each TRICARE region, but not to exceed a total of 12 members appointed under this paragraph, whose experience in matters within the responsibility of the working group qualify that person to represent persons authorized health care under chapter 55 of title 10, United States Code.

“(c) DUTIES.—(1) In developing the recommendations for the 2005 round of realignments and closures required by sections 2913 and 2914 of the Defense Base Closure and Realignment Act of 1990, the Secretary of Defense shall consult with the working group.

“(2) The working group shall be available to provide assistance to the Defense Base Closure and Realignment Commission.

“(3) In the case of each military installation referred to in paragraph (1) or (2) of subsection (a) whose closure or realignment will affect the accessibility to health care services for persons entitled to such services under chapter 55 of title 10, United States Code, the working group shall provide to the Secretary of Defense a plan for the provision of the health care services to such persons.

“(d) SPECIAL CONSIDERATIONS.—In carrying out its duties under subsection (c), the working group—

“(1) shall conduct meetings with persons entitled to health care services under chapter 55 of title 10, United States Code, or representatives of such persons;

“(2) may use reliable sampling techniques;

“(3) may visit the areas where closures or realignments of military installations will adversely affect the accessibility of health care for such persons and may conduct public meetings; and

“(4) shall ensure that members of the uniformed services on active duty, members and former members of the uniformed services entitled to retired or retainer pay, and dependents and survivors of such members and retired personnel are afforded the opportunity to express their views.”.

(b) TERMINATION.—Section 722 of such Act is further amended by adding at the end the following new subsection:

“(f) TERMINATION.—The working group established pursuant to subsection (a) shall terminate on December 31, 2006.”.

(c) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking “joint services”.

SEC. 727. JOINT PROGRAM FOR DEVELOPMENT AND EVALUATION OF INTEGRATED HEALING CARE PRACTICES FOR MEMBERS OF THE ARMED FORCES AND VETERANS. 38 USC 320 note.

(a) PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may conduct a program to develop and evaluate integrated healing care practices for members of the Armed Forces and veterans. Any such program shall be carried out through the Department of Veterans Affairs-Department of Defense Joint Executive Committee established under section 320 of title 38, United States Code.

(b) SOURCE OF DOD FUNDS.—Amounts authorized to be appropriated by this Act for the Defense Health Program may be used for the program under subsection (a).

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

- Sec. 801. Consolidation of contract requirements.
- Sec. 802. Quality control in procurement of aviation critical safety items and related services.
- Sec. 803. Federal support for enhancement of State and local anti-terrorism response capabilities.
- Sec. 804. Special temporary contract closeout authority.
- Sec. 805. Competitive award of contracts for reconstruction activities in Iraq.

Subtitle B—United States Defense Industrial Base Provisions

PART I—ESSENTIAL ITEMS IDENTIFICATION AND DOMESTIC PRODUCTION CAPABILITIES IMPROVEMENT PROGRAM

- Sec. 811. Consistency with United States obligations under international agreements.
- Sec. 812. Assessment of United States defense industrial base capabilities.
- Sec. 813. Identification of essential items: military system breakout list.
- Sec. 814. Production capabilities improvement for certain essential items using defense industrial base capabilities fund.

PART II—REQUIREMENTS RELATING TO SPECIFIC ITEMS

- Sec. 821. Elimination of unreliable sources of defense items and components.
- Sec. 822. Incentive program for major defense acquisition programs to use machine tools and other capital assets produced within the United States.
- Sec. 823. Technical assistance relating to machine tools.
- Sec. 824. Study of beryllium industrial base.

PART III—OTHER DOMESTIC SOURCE REQUIREMENTS

- Sec. 826. Exceptions to Berry amendment for contingency operations and other urgent situations.
- Sec. 827. Inapplicability of Berry amendment to procurements of waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.
- Sec. 828. Buy American exception for ball bearings and roller bearings used in foreign products.

Subtitle C—Defense Acquisition and Support Workforce Flexibility

- Sec. 831. Management structure.
- Sec. 832. Elimination of role of Office of Personnel Management.
- Sec. 833. Single acquisition corps.
- Sec. 834. Consolidation of certain education and training program requirements.
- Sec. 835. General management provisions.

Sec. 836. Clerical amendments.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Limitations

- Sec. 841. Additional authority to enter into personal services contracts.
- Sec. 842. Elimination of certain subcontract notification requirements.
- Sec. 843. Multiyear task and delivery order contracts.
- Sec. 844. Elimination of requirement to furnish written assurances of technical data conformity.
- Sec. 845. Access to information relevant to items deployed under rapid acquisition and deployment procedures.
- Sec. 846. Applicability of requirement for reports on maturity of technology at initiation of major defense acquisition programs.
- Sec. 847. Certain weapons-related prototype projects.
- Sec. 848. Limited acquisition authority for commander of United States Joint Forces Command.

Subtitle E—Acquisition-Related Reports and Other Matters

- Sec. 851. Report on contract payments to small businesses.
- Sec. 852. Contracting with employers of persons with disabilities.
- Sec. 853. Demonstration project for contractors employing persons with disabilities.

Subtitle A—Acquisition Policy and Management

SEC. 801. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

“§ 2382. Consolidation of contract requirements: policy and restrictions

“(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or field activity, as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

“(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of \$5,000,000, unless the senior procurement executive concerned first—

“(A) conducts market research;

“(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

“(C) determines that the consolidation is necessary and justified.

“(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed

the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

“(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

- “(A) quality;
- “(B) acquisition cycle;
- “(C) terms and conditions; and
- “(D) any other benefit.

“(c) DEFINITIONS.—In this section:

“(1) The terms ‘consolidation of contract requirements’ and ‘consolidation’, with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

“(2) The term ‘multiple award contract’ means—

“(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

“(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

“(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

“(3) The term ‘senior procurement executive concerned’ means—

“(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

“(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

“(4) The term ‘small business concern’ means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

“2382. Consolidation of contract requirements: policy and restrictions.”.

10 USC 2382
note.

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of \$5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3) In this subsection:

(A) The term “consolidation of contract requirements” has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

(B) The term “small business concern” means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

10 USC 2382
note.

(c) APPLICABILITY.—This section applies with respect to procurements for which solicitations are issued after the date occurring 180 days after the date of the enactment of this Act.

10 USC 2382
note.

SEC. 802. QUALITY CONTROL IN PROCUREMENT OF AVIATION CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of aviation critical safety items and the procurement of modifications, repair, and overhaul of such items.

(b) CONTENT OF REGULATIONS.—The policy set forth in the regulations shall include the following requirements:

(1) That the head of the design control activity for aviation critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of aviation critical safety items.

(2) That the head of the contracting activity for an aviation critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source approved by the design control activity in accordance with section 2319 of title 10, United States Code.

(3) That the aviation critical safety items delivered, and the services performed with respect to aviation critical safety items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms “aviation critical safety item” and “design control activity” have the meanings given

such terms in section 2319(g) of title 10, United States Code, as amended by subsection (d).

(d) CONFORMING AMENDMENT TO TITLE 10.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting after “the contracting officer” the following: “(or, in the case of a contract for the procurement of an aviation critical safety item, the head of the design control activity for such item)”; and

(2) by adding at the end the following new subsection: “(g) DEFINITIONS.—In this section:

“(1) The term ‘aviation critical safety item’ means a part, an assembly, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system if the part, assembly, or equipment contains a characteristic any failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in the loss of or serious damage to the aircraft or weapon system, an unacceptable risk of personal injury or loss of life, or an uncommanded engine shutdown that jeopardizes safety.

“(2) The term ‘design control activity’, with respect to an aviation critical safety item, means the systems command of a military department that is specifically responsible for ensuring the airworthiness of an aviation system or equipment in which the item is to be used.”.

SEC. 803. FEDERAL SUPPORT FOR ENHANCEMENT OF STATE AND LOCAL ANTI-TERRORISM RESPONSE CAPABILITIES.

40 USC 405 note.

(a) PROCUREMENTS OF ANTI-TERRORISM TECHNOLOGIES AND SERVICES BY STATE AND LOCAL GOVERNMENTS.—The Administrator for Federal Procurement Policy shall establish a program under which States and units of local government may procure through contracts entered into by the Department of Defense or the Department of Homeland Security anti-terrorism technologies or anti-terrorism services for the purpose of preventing, detecting, identifying, deterring, or recovering from acts of terrorism.

(b) AUTHORITIES.—Under the program, the Secretary of Defense and the Secretary of Homeland Security may, but shall not be required to, award contracts using the procedures established by the Administrator of General Services for the multiple awards schedule program of the General Services Administration.

(c) DEFINITION.—In this section, the term “State or local government” has the meaning provided in section 502(c)(3) of title 40, United States Code.

SEC. 804. SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

(a) AUTHORITY.—The Secretary of Defense may settle any financial account for a contract entered into by the Secretary or the Secretary of a military department before October 1, 1996, that is administratively complete if the financial account has an unreconciled balance, either positive or negative, that is less than \$100,000.

(b) FINALITY OF DECISION.—A settlement under this section shall be final and conclusive upon the accounting officers of the United States.

(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of the authority under this section.

(d) **TERMINATION OF AUTHORITY.**—A financial account may not be settled under this section after September 30, 2006.

10 USC 2302
note.

SEC. 805. COMPETITIVE AWARD OF CONTRACTS FOR RECONSTRUCTION ACTIVITIES IN IRAQ.

(a) **COMPETITIVE AWARD OF CONTRACTS.**—The Department of Defense shall fully comply with chapter 137 of title 10, United States Code, and other applicable procurement laws and regulations for any contract awarded for reconstruction activities in Iraq, and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry.

Deadline.

(b) **REPORT.**—If the Department of Defense does not have a fully competitive contract in place to replace the March 8, 2003, contract for the reconstruction of the Iraqi oil industry on the date of the enactment of this Act, the Secretary of Defense shall submit to Congress, not later than 30 days after such date of enactment, a report detailing the reasons for allowing the March 8, 2003, contract to continue.

Subtitle B—United States Defense Industrial Base Provisions

10 USC 2501
note.

Part I—Essential Items Identification and Domestic Production Capabilities Improvement Program

SEC. 811. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER INTERNATIONAL AGREEMENTS.

No provision of this subtitle or any amendment made by this subtitle shall apply to the extent the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under an international agreement.

SEC. 812. ASSESSMENT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES.

(a) **ASSESSMENT PROGRAM.**—(1) The Secretary of Defense shall establish a program to assess—

(A) the degree to which the United States is dependent on foreign sources of supply; and

(B) the capabilities of the United States defense industrial base to produce military systems necessary to support the national security objectives set forth in section 2501 of title 10, United States Code.

(2) For purposes of the assessment program, the Secretary shall use existing data, as required under subsection (b), and submit an annual report, as required under subsection (c).

(b) **USE OF EXISTING DATA.**—(1) At a minimum, with respect to each prime contract with a value greater than \$25,000 for the procurement of defense items and components, the following information from existing sources shall be used for purposes of the assessment program:

(A) Whether the contractor is a United States or foreign contractor.

(B) The principal place of business of the contractor and the principal place of performance of the contract.

(C) Whether the contract was awarded on a sole source basis or after receipt of competitive offers.

(D) The dollar value of the contract.

(2) The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)), or any successor system, shall collect from contracts described in paragraph (1) the information specified in that paragraph.

(3) Information obtained in the implementation of this section is subject to the same limitations on disclosure, and penalties for violation of such limitations, as is provided under section 2507 of title 10, United States Code. Such information also shall be exempt from release under section 552 of title 5, United States Code.

(4) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

(c) ANNUAL REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the assessment program covering the preceding fiscal year. The first report under this subsection shall cover fiscal year 2004 and shall be submitted to the Committees no later than February 1, 2005.

Deadline.

(2)(A) The report shall include the following with respect to contracts described in subsection (b):

(i) The total number and value of such contracts awarded by the Department of Defense.

(ii) The total number and value of such contracts awarded on a sole source basis.

(iii) The total number and value of contracts described in clause (ii) awarded to foreign contractors, summarized by country.

(iv) The total number and value of contracts awarded to foreign contractors through competitive procedures, summarized by country.

(B) The report also shall include—

(i) the status of the matters described in subparagraphs (A) and (B) of subsection (a)(1);

(ii) the status of implementation of successor procurement data management systems; and

(iii) such other matters as the Secretary considers appropriate.

SEC. 813. IDENTIFICATION OF ESSENTIAL ITEMS: MILITARY SYSTEM BREAKOUT LIST.

(a) IDENTIFICATION PROCESS.—(1) The Secretary of Defense shall establish a process, using the Defense Logistics Information System existing database, to identify, with respect to each military system—

(A) the essential items, assemblies, and components of the system that are active items, assemblies, and components;

(B) foreign and domestic sources of supply for active items, assemblies, and components of the system;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components of the system.

(2) Any modification to the logistics management system or any successor system of the Department of Defense shall maintain the capability to identify—

(A) essential items, assemblies, and components described in paragraph (1)(A);

(B) foreign and domestic sources of supply for active items, assemblies, and components;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components.

(3) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

(b) **MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.**—The Secretary of Defense shall produce a list, to be known as the “military system essential item breakout list”, consisting of the items, assemblies, and components identified under subsection (a)(1)(A). In producing the list, the Secretary of Defense shall consider the results of the report under subsection (c).

Deadline.

(c) **ASSESSMENT.**—Not later than 18 months after the date of the enactment of this Act, the Secretary of Defense, acting through a federally funded research and development center, shall prepare a report that—

(1) assesses the criteria that should be used for identifying whether an item, assembly, or component is essential to a military system; and

(2) recommends which items, assemblies, and components should be included on the military system essential item breakout list under subsection (b).

Deadline.

(d) **REPORT.**—(1) Not later than November 1 of each year, beginning with November 1, 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of this section. The report may be submitted in classified and unclassified form.

(2) The report shall include the following:

(A) A list of each military system covered by the process established under subsection (a).

(B) A list of the items, assemblies, and components on the military system essential item breakout list that are manufactured or produced outside the United States, setting forth military and commercial separately.

(C) The portion of the entire military system essential item breakout list that consists of the items, assemblies, and components listed under subparagraph (B) (stated as a percentage).

(D) A list of each Federal Supply Class and North American Industry Classification System Code represented on the military system essential item breakout list, and the portion of the entire military system essential item breakout list that consists of items, assemblies, or components in such classes or codes (stated as a percentage).

(E) A list of each country outside the United States where the items, assemblies, and components listed under subparagraph (B) are manufactured or produced, and the portion of the entire military system essential item breakout list that consists of—

(i) the items, assemblies, or components manufactured or produced in that country, setting forth military and commercial separately (stated as a percentage); and

(ii) the Federal Supply Classes and North American Industry Classification System Codes represented by those items, assemblies, or components (stated as a percentage).

(3) The Secretary shall submit an interim version of the report required by this subsection not later than February 1, 2005, containing as much information as is practicable to be included by such date.

Reports.
Deadline.

SEC. 814. PRODUCTION CAPABILITIES IMPROVEMENT FOR CERTAIN ESSENTIAL ITEMS USING DEFENSE INDUSTRIAL BASE CAPABILITIES FUND.

(a) **ESTABLISHMENT OF FUND.**—There is established in the Treasury of the United States a separate fund to be known as the Defense Industrial Base Capabilities Fund (hereafter in this section referred to as the “Fund”).

(b) **MONEYS IN FUND.**—There shall be credited to the Fund amounts appropriated to it.

(c) **USE OF FUND.**—The Secretary of Defense is authorized to use all amounts in the Fund, subject to appropriation, for the purposes of enhancing or reconstituting United States industrial capability to produce items on the military system essential item breakout list (as described in section 812(b)) or items subject to section 2534 of title 10, United States Code, in the quantity and of the quality necessary to achieve national security objectives.

(d) **LIMITATION ON USE OF FUND.**—Before the obligation of any amounts in the Fund, the Secretary of Defense shall submit to Congress a report describing the Secretary’s plans for implementing the Fund established in subsection (a), including the priorities for the obligation of amounts in the Fund, the criteria for determining the recipients of such amounts, and the mechanisms through which such amounts may be provided to the recipients.

(e) **AVAILABILITY OF FUNDS.**—Amounts in the Fund shall remain available until expended.

(f) **FUND MANAGER.**—The Secretary of Defense shall designate a Fund manager. The duties of the Fund manager shall include—

(1) ensuring the visibility and accountability of transactions engaged in through the Fund; and

(2) reporting to Congress each year regarding activities of the Fund during the previous fiscal year.

Part II—Requirements Relating to Specific Items

10 USC 2534
note.

SEC. 821. ELIMINATION OF UNRELIABLE SOURCES OF DEFENSE ITEMS AND COMPONENTS.

(a) IDENTIFICATION OF CERTAIN COUNTRIES.—The Secretary of Defense, in coordination with the Secretary of State, shall identify and list foreign countries that restrict the provision or sale of military goods or services to the United States because of United States counterterrorism or military operations after the date of the enactment of this Act. The Secretary shall review and update the list as appropriate. The Secretary may remove a country from the list, if the Secretary determines that doing so would be in the interest of national defense.

(b) PROHIBITION ON PROCUREMENT OF ITEMS FROM IDENTIFIED COUNTRIES.—The Secretary of Defense may not procure any items or components contained in military systems if the items or components, or the systems, are manufactured in any foreign country identified under subsection (a).

(c) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (b) if the Secretary determines in writing and notifies Congress that the Department of Defense's need for the item is of such an unusual and compelling urgency that the Department would be unable to meet national security objectives.

Applicability.

(d) EFFECTIVE DATE.—(1) Subject to paragraph (2), subsection (b) applies to contracts in existence on the date of the enactment of this Act or entered into after such date.

Deadline.

(2) With respect to contracts in existence on the date of the enactment of this Act, the Secretary of Defense shall take such action as is necessary to ensure that such contracts are in compliance with subsection (b) not later than 24 months after such date.

SEC. 822. INCENTIVE PROGRAM FOR MAJOR DEFENSE ACQUISITION PROGRAMS TO USE MACHINE TOOLS AND OTHER CAPITAL ASSETS PRODUCED WITHIN THE UNITED STATES.

(a) IN GENERAL.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2435 the following new section:

“§ 2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States

“(a) ESTABLISHMENT OF INCENTIVE PROGRAM.—The Secretary of Defense shall plan and establish an incentive program in accordance with this section for contractors to purchase capital assets manufactured in the United States in part with funds available to the Department of Defense.

“(b) DEFENSE INDUSTRIAL CAPABILITIES FUND MAY BE USED.—The Secretary of Defense may use the Defense Industrial Capabilities Fund, established under section 814 of the National Defense Authorization Act for Fiscal Year 2004, for incentive payments under the program established under this section.

“(c) APPLICABILITY TO MAJOR DEFENSE ACQUISITION PROGRAM CONTRACTS.—The incentive program shall apply to contracts for the procurement of a major defense acquisition program.

“(d) CONSIDERATION.—The Secretary of Defense shall provide consideration in source selection in any request for proposals for

a major defense acquisition program for offerors with eligible capital assets.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2435 the following new item:

“2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States.”.

(b) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations as necessary to carry out section 2436 of title 10, United States Code, as added by this section. 10 USC 2436 note.

(2) The Secretary may prescribe interim regulations as necessary to carry out such section. For this purpose, the Secretary is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this paragraph that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 2436 of title 10, United States Code, as added by this section.

(c) EFFECTIVE DATE.—Section 2436 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the expiration of the 18-month period beginning on the date of the enactment of this Act. 10 USC 2436 note.

SEC. 823. TECHNICAL ASSISTANCE RELATING TO MACHINE TOOLS.

10 USC 2521 note.

(a) TECHNICAL ASSISTANCE.—The Secretary of Defense shall publish in the Federal Register information on Government contracting for purposes of assisting machine tool companies in the United States and entities that use machine tools. The information shall contain, at a minimum, the following:

(1) An identification of resources with respect to Government contracting regulations, including compliance procedures and information on the availability of counseling.

(2) An identification of resources for locating opportunities for contracting with the Department of Defense, including information about defense contracts that are expected to be carried out that may require the use of machine tools.

(b) SCIENCE AND TECHNOLOGY INITIATIVES.—The Secretary of Defense shall incorporate into the Department of Defense science and technology initiatives on manufacturing technology an objective of developing advanced machine tool capabilities. Such technologies shall be used to improve the technological capabilities of the United States domestic machine tool industrial base in meeting national security objectives.

SEC. 824. STUDY OF BERYLLIUM INDUSTRIAL BASE.

10 USC 2505 note.

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall conduct a study of the adequacy of the industrial base of the United States to meet defense requirements of the United States for beryllium.

(b) REPORT.—Not later than March 31, 2005, the Secretary shall submit a report on the results of the study to Congress. The report shall contain, at a minimum, the following information: Deadline.

(1) A discussion of the issues identified with respect to the long-term supply of beryllium.

(2) An assessment of the need, if any, for modernization of the primary sources of production of beryllium.

(3) A discussion of the advisability of, and concepts for, meeting the future defense requirements of the United States for beryllium and maintaining a stable domestic industrial base of sources of beryllium through—

(A) cooperative arrangements commonly referred to as public-private partnerships;

(B) the administration of the National Defense Stockpile under the Strategic and Critical Materials Stock Piling Act; and

(C) any other means that the Secretary identifies as feasible.

Part III—Other Domestic Source Requirements

SEC. 826. EXCEPTIONS TO BERRY AMENDMENT FOR CONTINGENCY OPERATIONS AND OTHER URGENT SITUATIONS.

Section 2533a(d) of title 10, United States Code, is amended—

(1) by striking “OUTSIDE THE UNITED STATES” in the subsection heading;

(2) in paragraph (1), by inserting “or procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) in support of contingency operations” after “in support of combat operations”; and

(3) by adding at the end the following new paragraph:

“(4) Procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.”.

SEC. 827. INAPPLICABILITY OF BERRY AMENDMENT TO PROCUREMENTS OF WASTE AND BYPRODUCTS OF COTTON AND WOOL FIBER FOR USE IN THE PRODUCTION OF PROPELLANTS AND EXPLOSIVES.

Section 2533a(f) of title 10, United States Code, is amended—

(1) by striking “(f) EXCEPTION” and all that follows through “the procurement of” and inserting the following:

“(f) EXCEPTIONS FOR CERTAIN OTHER COMMODITIES AND ITEMS.—Subsection (a) does not preclude the procurement of the following:

“(1),”

(2) by capitalizing the initial letter of the word following “(1)”, as added by paragraph (1); and

(3) by adding at the end the following new paragraph:

“(2) Waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.”.

SEC. 828. BUY AMERICAN EXCEPTION FOR BALL BEARINGS AND ROLLER BEARINGS USED IN FOREIGN PRODUCTS.

Section 2534(a)(5) of title 10, United States Code, is amended by inserting before the period at the end the following: “, except ball bearings and roller bearings being procured for use in an end product manufactured by a manufacturer that does not satisfy the requirements of subsection (b) or in a component part manufactured by such a manufacturer”.

Subtitle C—Defense Acquisition and Support Workforce Flexibility

SEC. 831. MANAGEMENT STRUCTURE.

(a) REPEAL OF REQUIREMENTS FOR CERTAIN CAREER MANAGEMENT DIRECTORS, BOARDS, AND POLICIES.—Sections 1703, 1705, 1706, and 1707 of title 10, United States Code, are repealed.

(b) CONFORMING AMENDMENTS.—Chapter 87 of such title is amended—

(1) in section 1724(d)—

(A) in the first sentence, by striking “The acquisition career program board concerned” and all that follows through “if the board certifies” and inserting “The Secretary of Defense may waive any or all of the requirements of subsections (a) and (b) with respect to an employee of the Department of Defense or member of the armed forces if the Secretary determines”;

(B) in the second sentence, by striking “the board” and inserting “the Secretary”; and

(C) by striking the third sentence;

(2) in section 1732(b)—

(A) in paragraph (1)(C), by striking “, as validated by the appropriate career program management board”; and

(B) in paragraph (2)(A)(ii), by striking “has been certified by the acquisition career program board of the employing military department as possessing” and inserting “possess”;

(3) in section 1732(d)—

(A) in paragraph (1)—

(i) in the first sentence, by striking “the acquisition career program board of a military department” and all that follows through “if the board certifies” and inserting “the Secretary of Defense may waive any or all of the requirements of subsection (b) with respect to an employee if the Secretary determines”;

(ii) in the second sentence, by striking “the board” and inserting “the Secretary”; and

(iii) by striking the third sentence; and

(B) in paragraph (2), by striking “The acquisition career program board of a military department” and inserting “The Secretary”;

(4) in section 1734—

(A) in subsection (d)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking the second sentence; and

(B) in subsection (e)(2), by striking “, by the acquisition career program board of the department concerned,”; and

(5) in section 1737(c)—

(A) by striking paragraph (2); and

(B) by striking “(1) The Secretary” and inserting “The Secretary”.

SEC. 832. ELIMINATION OF ROLE OF OFFICE OF PERSONNEL MANAGEMENT.

(a) **WORKFORCE QUALIFICATION REQUIREMENTS AND EXAMINATIONS.**—Section 1725 of such title is repealed.

(b) **ACQUISITION CORPS REQUIREMENTS.**—Subchapter III of chapter 87 of title 10, United States Code, is amended—

(1) in section 1731, by striking subsection (c);

(2) in section 1732(c)(2), by striking the second and third sentences;

(3) in section 1734(g)—

(A) by striking paragraph (2); and

(B) in paragraph (1), by striking “(1) The Secretary” and inserting “The Secretary”; and

(4) in section 1737, by striking subsection (d).

(c) **APPOINTMENT OF SCHOLARSHIP RECIPIENT IN COMPETITIVE SERVICE.**—Section 1744(c)(3)(A)(i) of such title is amended by striking “and such other requirements as the Office of Personnel Management may prescribe”.

SEC. 833. SINGLE ACQUISITION CORPS.

Subchapter III of chapter 87 of title 10, United States Code, as amended by section 832, is further amended—

(1) in section 1731—

(A) in subsection (a)—

(i) by striking “each of the military departments and one or more Corps, as he considers appropriate, for the other components of” in the first sentence; and

(ii) by striking the second sentence; and

(B) in subsection (b), by striking “an Acquisition Corps” and inserting “the Acquisition Corps”;

(2) in sections 1732(a), 1732(e)(1), 1732(e)(2), 1733(a), 1734(e)(1), and 1737(a)(1), by striking “an Acquisition Corps” and inserting “the Acquisition Corps”; and

(3) in section 1734—

(A) in subsection (g), by striking “each Acquisition Corps, a test program in which members of a Corps” and inserting “the Acquisition Corps, a test program in which members of the Corps”; and

(B) in subsection (h), by striking “making assignments of civilian and military members of the Acquisition Corps of that military department” and inserting “making assignments of civilian and military personnel of that military department who are members of the Acquisition Corps”.

SEC. 834. CONSOLIDATION OF CERTAIN EDUCATION AND TRAINING PROGRAM REQUIREMENTS.

(a) **CONSOLIDATION OF AUTHORITY.**—Section 1742 of such title is amended to read as follows:

“§ 1742. Internship, cooperative education, and scholarship programs

“The Secretary of Defense shall conduct the following education and training programs:

“(1) An intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.

“(2) A cooperative education credit program under which the Secretary arranges, through cooperative arrangements entered into with one or more accredited institutions of higher education, for such institutions to grant undergraduate credit for work performed by students who are employed by the Department of Defense in acquisition positions.

“(3) A scholarship program for the purpose of qualifying personnel for acquisition positions in the Department of Defense.”.

(b) CONFORMING AMENDMENTS.—Sections 1743 and 1744 of such title are repealed.

SEC. 835. GENERAL MANAGEMENT PROVISIONS.

Subchapter V of chapter 87 of title 10, United States Code, is amended—

(1) by striking section 1763; and

(2) by adding at the end the following new section 1764:

“§ 1764. Authority to establish different minimum requirements

“(a) AUTHORITY.—(1) The Secretary of Defense may prescribe a different minimum number of years of experience, different minimum education qualifications, and different tenure of service qualifications to be required for eligibility for appointment or advancement to an acquisition position referred to in subsection (b) than is required for such position under or pursuant to any provision of this chapter.

“(2) Any requirement prescribed under paragraph (1) for a position referred to in any paragraph of subsection (b) shall be applied uniformly to all positions referred to in such paragraph.

“(b) APPLICABILITY.—This section applies to the following acquisition positions in the Department of Defense:

“(1) Contracting officer, except a position referred to in paragraph (5).

“(2) Program executive officer.

“(3) Senior contracting official.

“(4) Program manager.

“(5) A position in the contract contingency force of an armed force that is filled by a member of that armed force.

“(c) DEFINITION.—In this section, the term ‘contract contingency force’, with respect to an armed force, has the meaning given such term in regulations prescribed by the Secretary concerned.”.

SEC. 836. CLERICAL AMENDMENTS.

The tables of sections for chapter 87 of title 10, United States Code, are amended as follows:

(1) The table of sections at the beginning of subchapter I is amended by striking the items relating to sections 1703, 1705, 1706, and 1707.

(2) The table of sections at the beginning of subchapter II is amended by striking the item relating to section 1725.

(3) The table of sections at the beginning of subchapter IV is amended by striking the items relating to sections 1742, 1743, and 1744 and inserting the following:

“1742. Internship, cooperative education, and scholarship programs.”.

(4) The table of sections at the beginning of subchapter V is amended by striking the item relating to section 1763 and inserting the following:

“1764. Authority to establish different minimum requirements.”.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 841. ADDITIONAL AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.

(a) **ADDITIONAL AUTHORITY.**—Section 129b of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d) **ADDITIONAL AUTHORITY FOR PERSONAL SERVICES CONTRACTS.**—(1) In addition to the authority provided under subsection (a), the Secretary of Defense may enter into personal services contracts if the personal services—

“(A) are to be provided by individuals outside the United States, regardless of their nationality, and are determined by the Secretary to be necessary and appropriate for supporting the activities and programs of the Department of Defense outside the United States;

“(B) directly support the mission of a defense intelligence component or counter-intelligence organization of the Department of Defense; or

“(C) directly support the mission of the special operations command of the Department of Defense.

“(2) The contracting officer for a personal services contract under this subsection shall be responsible for ensuring that—

“(A) the services to be procured are urgent or unique; and

“(B) it would not be practicable for the Department to obtain such services by other means.

“(3) The requirements of section 3109 of title 5 shall not apply to a contract entered into under this subsection.”.

(b) **CONFORMING AMENDMENTS.**—(1) The heading for section 129b of such title is amended to read as follows:

“§ 129b. Authority to procure personal services”.

(2) The item relating to section 129b in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

“129b. Authority to procure personal services.”.

SEC. 842. ELIMINATION OF CERTAIN SUBCONTRACT NOTIFICATION REQUIREMENTS.

Subsection (e) of section 2306 of title 10, United States Code, is amended—

(1) by striking “(A)” and “(B)” and inserting “(i)” and “(ii)”, respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by striking “Each” and inserting “(1) Except as provided in paragraph (2), each”; and

(4) by adding at the end the following new paragraph:

“(2) Paragraph (1) shall not apply to a prime contract with a contractor that maintains a purchasing system approved by the contracting officer for the contract.”.

SEC. 843. MULTIYEAR TASK AND DELIVERY ORDER CONTRACTS.

(a) REPEAL OF APPLICABILITY OF EXISTING AUTHORITY AND LIMITATIONS.—Section 2306c of title 10, United States Code, is amended by striking subsection (g).

(b) CONTRACT PERIOD.—Section 2304a of such title is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

“(f) CONTRACT PERIOD.—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover a total period of not more than five years.”.

SEC. 844. ELIMINATION OF REQUIREMENT TO FURNISH WRITTEN ASSURANCES OF TECHNICAL DATA CONFORMITY.

Section 2320(b) of title 10, United States Code, is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

SEC. 845. ACCESS TO INFORMATION RELEVANT TO ITEMS DEPLOYED UNDER RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

Section 806(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2607; 10 U.S.C. 2302 note) is amended by adding at the end the following new paragraph:

“(3) If items are deployed under the rapid acquisition and deployment procedures prescribed pursuant to this section, or under any other authority, before the completion of operational test and evaluation of the items, the Director of Operational Test and Evaluation shall have access to operational records and data relevant to such items in accordance with section 139(e)(3) of title 10, United States Code, for the purpose of completing operational test and evaluation of the items. The access to the operational records and data shall be provided in a time and manner determined by the Secretary of Defense consistent with requirements of operational security and other relevant operational requirements.”.

SEC. 846. APPLICABILITY OF REQUIREMENT FOR REPORTS ON MATURITY OF TECHNOLOGY AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 804(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended by striking “, as in effect on the date of enactment of this Act,”

and inserting “(as in effect on the date of the enactment of this Act), and the corresponding provision of any successor to such Instruction,”.

SEC. 847. CERTAIN WEAPONS-RELATED PROTOTYPE PROJECTS.

(a) **EXTENSION OF AUTHORITY.**—Subsection (g) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by striking “September 30, 2004” and inserting “September 30, 2008”.

(b) **INCREASED SCOPE OF AUTHORITY.**—Subsection (a) of such section is amended by inserting before the period at the end the following: “, or to improvement of weapons or weapon systems in use by the Armed Forces”.

(c) **PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.**—Such section, as amended by subsection (a), is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

“(e) **PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.**—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes under prototype projects carried out under this section.

“(2) Under the pilot program—

“(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

“(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

“(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

“(A) does not exceed \$50,000,000; and

“(B) is either—

“(i) a firm, fixed-price contract or subcontract; or

“(ii) a fixed-price contract or subcontract with economic price adjustment.

“(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2008. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.”.

SEC. 848. LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF UNITED STATES JOINT FORCES COMMAND.

(a) **THREE-YEAR AUTHORITY TO DELEGATE ACQUISITION AUTHORITY.**—(1) Chapter 6 of title 10, United States Code, is amended by inserting after section 167 the following new section:

“§ 167a. Unified combatant command for joint warfighting experimentation: acquisition authority

“(a) LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF CERTAIN UNIFIED COMBATANT COMMAND.—The Secretary of Defense may delegate to the commander of the unified combatant command referred to in subsection (b) authority of the Secretary under chapter 137 of this title sufficient to enable the commander to develop and acquire equipment described in subsection (c). The exercise of authority so delegated is subject to the authority, direction, and control of the Secretary.

“(b) COMMAND DESCRIBED.—The commander to whom authority is delegated under subsection (a) is the commander of the unified combatant command that has the mission for joint warfighting experimentation, as assigned by the Secretary of Defense.

“(c) EQUIPMENT.—The equipment referred to in subsection (a) is as follows:

“(1) Equipment for battle management command, control, communications, and intelligence.

“(2) Any other equipment that the commander referred to in subsection (b) determines necessary and appropriate for—

“(A) facilitating the use of joint forces in military operations; or

“(B) enhancing the interoperability of equipment used by the various components of joint forces.

“(d) EXCEPTIONS.—The authority delegated under subsection (a) does not apply to the development or acquisition of a system for which—

“(1) the total expenditure for research, development, test, and evaluation is estimated to be \$10,000,000 or more; or

“(2) the total expenditure for procurement is estimated to be \$50,000,000 or more.

“(e) INTERNAL AUDITS AND INSPECTIONS.—The commander referred to in subsection (b) shall require the inspector general of that command to conduct internal audits and inspections of purchasing and contracting administered by the commander under the authority delegated under subsection (a).

“(f) TERMINATION.—The Secretary may delegate the authority referred to in subsection (a) only during fiscal years 2004 through 2006, and any authority so delegated shall not be in effect after September 30, 2006.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 167 the following new item:

“167a. Unified combatant command for joint warfighting experimentation: acquisition authority.”.

(b) COMPTROLLER GENERAL REPORT.—The Comptroller General shall review the implementation of section 167a of title 10, United States Code, as added by subsection (a), and submit to Congress a report on such review not later than two years after the date of the enactment of this Act. The review shall cover the extent to which the authority provided under such section 167a has been used.

10 USC 167a
note.

Subtitle E—Acquisition-Related Reports and Other Matters

SEC. 851. REPORT ON CONTRACT PAYMENTS TO SMALL BUSINESSES.

(a) **REPORT.**—The Comptroller General shall prepare and submit to the congressional defense committees a report on the timeliness of contract payments made to small businesses during fiscal years 2001 and 2002 by the Department of Defense. The report shall include an estimate of the following:

(1) The total amount of contract payments made by the Department to small businesses.

(2) The percentage of total contract payments to small businesses that were not made in a timely manner.

(3) The reasons that contract payments to small businesses were not made in a timely manner.

(4) The amount of interest owed and paid by the Department to small businesses due to contract payments not made in a timely manner.

(5) Such recommendations as the Comptroller General considers appropriate to improve the process for making contract payments to small businesses in a timely manner.

(b) **DEFINITIONS.**—For purposes of subsection (a)—

(1) a payment is considered not made in a timely manner if it caused interest to accrue under chapter 39 of title 31, United States Code (relating to prompt payment); and

(2) the term “small business” means an entity that qualifies as a small business concern under the Small Business Act.

SEC. 852. CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

(a) **INAPPLICABILITY OF RANDOLPH-SHEPPARD ACT.**—The Randolph-Sheppard Act does not apply to any contract described in subsection (b) for so long as the contract is in effect, including for any period for which the contract is extended pursuant to an option provided in the contract.

(b) **JAVITS-WAGNER-O'DAY CONTRACTS.**—Subsection (a) applies to any contract for the operation of a military mess hall, military troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces that—

(1) was entered into before the date of the enactment of this Act with a nonprofit agency for the blind or an agency for other severely handicapped in compliance with section 3 of the Javits-Wagner-O'Day Act (41 U.S.C. 48); and

(2) is in effect on such date.

20 USC 107 note.

(c) **ENACTMENT OF POPULAR NAME AS SHORT TITLE.**—The Act entitled “An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes”, approved June 20, 1936 (commonly known as the “Randolph-Sheppard Act”) (20 U.S.C. 107 et seq.), is amended by adding at the end the following new section:

“SEC. 11. This Act may be cited as the ‘Randolph-Sheppard Act’.”.

SEC. 853. DEMONSTRATION PROJECT FOR CONTRACTORS EMPLOYING PERSONS WITH DISABILITIES.10 USC 2302
note.

(a) **AUTHORITY.**—The Secretary of Defense may carry out a demonstration project by entering into one or more contracts with an eligible contractor for the purpose of providing defense contracting opportunities for severely disabled individuals.

(b) **EVALUATION FACTOR.**—In evaluating an offer for a contract under the demonstration program, the percentage of the total workforce of the offeror consisting of severely disabled individuals employed by the offeror shall be one of the evaluation factors.

(c) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE CONTRACTOR.**—The term “eligible contractor” means a business entity operated on a for-profit or nonprofit basis that—

(A) employs severely disabled individuals at a rate that averages not less than 33 percent of its total workforce over a period prescribed by the Secretary;

(B) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to the employees who are severely disabled individuals; and

(C) provides for its employees health insurance and a retirement plan comparable to those provided for employees by business entities of similar size in its industrial sector or geographic region.

(2) **SEVERELY DISABLED INDIVIDUAL.**—The term “severely disabled individual” means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) who has a severe physical or mental impairment that seriously limits one or more functional capacities.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

- Sec. 901. Clarification of responsibility of military departments to support combatant commands.
- Sec. 902. Combatant Commander Initiative Fund.
- Sec. 903. Biennial review of national military strategy by Chairman of the Joint Chiefs of Staff.
- Sec. 904. Report on changing roles of United States Special Operations Command.
- Sec. 905. Sense of Congress regarding continuation of mission and functions of Army Peacekeeping Institute.
- Sec. 906. Transfer to Office of Personnel Management of personnel investigative functions and related personnel of the Department of Defense.
- Sec. 907. Defense acquisition workforce freeze for fiscal year 2004.

Subtitle B—Space Activities

- Sec. 911. Coordination of space science and technology activities of the Department of Defense.
- Sec. 912. Policy regarding assured access to space for United States national security payloads.
- Sec. 913. Pilot program for provision of space surveillance network services to non-United States Government entities.
- Sec. 914. Content of biennial global positioning system report.
- Sec. 915. Report on processes-related space systems.

Subtitle C—Department of Defense Intelligence Components

- Sec. 921. Redesignation of National Imagery and Mapping Agency as National Geospatial-Intelligence Agency.
- Sec. 922. Protection of operational files of the National Security Agency.
- Sec. 923. Integration of defense intelligence, surveillance, and reconnaissance capabilities.
- Sec. 924. Management of National Security Agency Modernization Program.
- Sec. 925. Modification of obligated service requirements under National Security Education Program.
- Sec. 926. Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency.
- Sec. 927. Commercial imagery industrial base.

Subtitle D—Other Matters

- Sec. 931. Authority for Asia-Pacific Center for Security Studies to accept gifts and donations.
- Sec. 932. Repeal of rotating chairmanship of Economic Adjustment Committee.
- Sec. 933. Extension of certain authorities applicable to the Pentagon Reservation to include a designated Pentagon continuity-of-Government location.

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations**SEC. 901. CLARIFICATION OF RESPONSIBILITY OF MILITARY DEPARTMENTS TO SUPPORT COMBATANT COMMANDS.**

Sections 3013(c)(4), 5013(c)(4), and 8013(c)(4) of title 10, United States Code, are amended by striking “(to the maximum extent practicable)”.

SEC. 902. COMBATANT COMMANDER INITIATIVE FUND.

10 USC 166a
note.

(a) REDESIGNATION OF CINC INITIATIVE FUND.—(1) The CINC Initiative Fund administered under section 166a of title 10, United States Code, is redesignated as the “Combatant Commander Initiative Fund”.

(2) Section 166a of title 10, United States Code, is amended—

(A) by striking the heading for subsection (a) and inserting “COMBATANT COMMANDER INITIATIVE FUND.—”; and

(B) by striking “CINC Initiative Fund” in subsections (a), (c), and (d), and inserting “Combatant Commander Initiative Fund”.

10 USC 166a
note.

(3) Any reference to the CINC Initiative Fund in any other provision of law or in any regulation, document, record, or other paper of the United States shall be considered to be a reference to the Combatant Commander Initiative Fund.

(b) AUTHORIZED ACTIVITIES.—Subsection (b) of section 166a of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(10) Joint warfighting capabilities.”.

(c) INCREASED MAXIMUM AMOUNTS AUTHORIZED FOR USE.—Subsection (e)(1) of such section is amended—

(1) in subparagraph (A), by striking “\$7,000,000” and inserting “\$10,000,000”; and

(2) in subparagraph (B), by striking “\$1,000,000” and inserting “\$10,000,000”; and

(3) in subparagraph (C), by striking “\$2,000,000” and inserting “\$5,000,000”.

SEC. 903. BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY BY CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

(a) BIENNIAL REVIEW.—Section 153 of title 10, United States Code, by adding at the end the following new subsection:

“(d) BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY.—(1) Not later than February 15 of each even-numbered year, the Chairman shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of a comprehensive examination of the national military strategy. Each such examination shall be conducted by the Chairman in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands. Deadline.
Reports.

“(2) Each report on the examination of the national military strategy under paragraph (1) shall include the following:

“(A) Delineation of a national military strategy consistent with—

“(i) the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

“(ii) the most recent annual report of the Secretary of Defense submitted to the President and Congress pursuant to section 113 of this title; and

“(iii) the most recent Quadrennial Defense Review conducted by the Secretary of Defense pursuant to section 118 of this title.

“(B) A description of the strategic environment and the opportunities and challenges that affect United States national interests and United States national security.

“(C) A description of the regional threats to United States national interests and United States national security.

“(D) A description of the international threats posed by terrorism, weapons of mass destruction, and asymmetric challenges to United States national security.

“(E) Identification of United States national military objectives and the relationship of those objectives to the strategic environment, regional, and international threats.

“(F) Identification of the strategy, underlying concepts, and component elements that contribute to the achievement of United States national military objectives.

“(G) Assessment of the capabilities and adequacy of United States forces (including both active and reserve components) to successfully execute the national military strategy.

“(H) Assessment of the capabilities, adequacy, and interoperability of regional allies of the United States and or other friendly nations to support United States forces in combat operations and other operations for extended periods of time.

“(3)(A) As part of the assessment under this subsection, the Chairman, in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands, shall undertake an assessment of the nature and magnitude of the strategic and military risks associated with successfully executing the missions called for under the current National Military Strategy.

“(B) In preparing the assessment of risk, the Chairman should make assumptions pertaining to the readiness of United States forces (in both the active and reserve components), the length of conflict and the level of intensity of combat operations, and the levels of support from allies and other friendly nations.

“(4) Before submitting a report under this subsection to the Committees on Armed Services of the Senate and House of Representatives, the Chairman shall provide the report to the Secretary of Defense. The Secretary’s assessment and comments thereon (if any) shall be included with the report. If the Chairman’s assessment in such report in any year is that the risk associated with executing the missions called for under the National Military Strategy is significant, the Secretary shall include with the report as submitted to those committees the Secretary’s plan for mitigating the risk.”.

(b) CONFORMING AMENDMENT.—Subsection (b)(1) of such section is amended by striking “each year” and inserting “of each odd-numbered year”.

SEC. 904. REPORT ON CHANGING ROLES OF UNITED STATES SPECIAL OPERATIONS COMMAND.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the changing roles of the United States Special Operations Command.

(b) CONTENT OF REPORT.—(1) The report shall specifically discuss in detail the following matters:

(A) The expanded role of the United States Special Operations Command in the global war on terrorism.

(B) The reorganization of that command to function as a supported combatant command for planning and executing operations.

(C) The role of that command as a supporting combatant command.

(2) The report shall also include, in addition to the matters discussed pursuant to paragraph (1), a discussion of the following matters:

(A) The military strategy to employ the United States Special Operations Command to fight the global war on terrorism and how that strategy contributes to the overall national security strategy with regard to the global war on terrorism.

(B) The scope of the authority granted to the commander of that command to act as a supported commander and to prosecute the global war on terrorism.

(C) The operational and legal parameters within which the commander of that command is to exercise command authority in foreign countries when taking action against foreign and United States citizens engaged in terrorist activities.

(D) The decisionmaking procedures for authorizing, planning, and conducting individual missions by that command, including—

(i) the requirement in section 167(d)(2) of title 10, United States Code, that the conduct of a special operations mission under the command of the commander of the United States Special Operations Command be authorized by the President or the Secretary of Defense; and

(ii) procedures for consultation with Congress.

(E) The procedures for the commander of that command to use to coordinate with commanders of other combatant commands, especially geographic commands.

(F) Future organization plans and resource requirements for that command conducting the global counterterrorism mission.

(G) The effect of the changing role of that command on other special operations missions, including foreign internal defense, psychological operations, civil affairs, unconventional warfare, counterdrug activities, and humanitarian activities.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form and, as necessary, in classified form.

SEC. 905. SENSE OF CONGRESS REGARDING CONTINUATION OF MISSION AND FUNCTIONS OF ARMY PEACEKEEPING INSTITUTE.

It is the sense of Congress that the Secretary of Defense should maintain the functions and missions of the Army Peacekeeping Institute at the Army War College in Carlisle, Pennsylvania, or within a joint entity of the Department of Defense, such as the National Defense University or the Joint Forces Command, to ensure that members of the Armed Forces continue to study the strategic challenges and uses of peacekeeping missions and to prepare the Armed Forces for conducting such missions.

SEC. 906. TRANSFER TO OFFICE OF PERSONNEL MANAGEMENT OF PERSONNEL INVESTIGATIVE FUNCTIONS AND RELATED PERSONNEL OF THE DEPARTMENT OF DEFENSE.

5 USC 1101 note.

(a) TRANSFER OF FUNCTIONS.—(1) Subject to subsection (b), the Secretary of Defense may transfer to the Office of Personnel Management the personnel security investigations functions that, as of the date of the enactment of this Act, are performed by the Defense Security Service of the Department of Defense. Such a transfer may be made only with the concurrence of the Director of the Office of Personnel Management.

(2) The Director of the Office of Personnel Management may accept a transfer of functions under paragraph (1).

(3) Any transfer of a function under this subsection is a transfer of function within the meaning of section 3503 of title 5, United States Code.

(b) LIMITATION.—(1) The Secretary of Defense may not make a transfer of functions under subsection (a) unless the Secretary determines, and certifies in writing to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, that each of the conditions specified in paragraph (2) has been met. Such a transfer may then be made only after a period of 30 days has elapsed after the date on which the certification is received by those committees.

(2) The conditions referred to in paragraph (1) are the following:

(A) That the Office of Personnel Management is fully capable of carrying out high-priority investigations required by the Secretary of Defense within a timeframe set by the Secretary of Defense.

(B) That the Office of Personnel Management has undertaken necessary and satisfactory steps to ensure that investigations performed on Department of Defense contract personnel will be conducted in an expeditious manner sufficient to ensure that those contract personnel are available to the Department of Defense within a timeframe set by the Secretary of Defense.

(C) That the Department of Defense will retain capabilities in the form of Federal employees to monitor and investigate

Department of Defense and contractor personnel as necessary to perform counterintelligence functions and polygraph activities of the Department.

(D) That the authority to adjudicate background investigations will remain with the Department of Defense and that the transfer of Defense Security Service personnel to the Office of Personnel Management will improve the speed and efficiency of the adjudication process.

(E) That the Department of Defense will retain within the Defense Security Service sufficient personnel and capabilities to improve Department of Defense industrial security programs and practices.

(c) TRANSFER OF PERSONNEL.—(1) If the Director of the Office of Personnel Management accepts a transfer of functions under subsection (a), the Secretary of Defense shall also transfer to the Office of Personnel Management, and the Director shall accept—

(A) the Defense Security Service employees who perform those functions immediately before the transfer of functions; and

(B) the Defense Security Service employees who, as of such time, are first level supervisors of employees transferred under subparagraph (A).

(2) The Secretary may also transfer to the Office of Personnel Management any Defense Security Service employees (including higher level supervisors) who provide support services for the performance of the functions transferred under subsection (a) or for the personnel (including supervisors) transferred under paragraph (1) if the Director—

(A) determines that the transfer of such additional employees and the positions of such employees to the Office of Personnel Management is necessary in the interest of effective performance of the transferred functions; and

(B) accepts the transfer of the additional employees.

(3) In the case of an employee transferred to the Office of Personnel Management under paragraph (1) or (2), whether a full-time or part-time employee—

(A) subsections (b) and (c) of section 5362 of title 5, United States Code, relating to grade retention, shall apply to the employee, except that—

(i) the grade retention period shall be the one-year period beginning on the date of the transfer; and

(ii) paragraphs (1), (2), and (3) of such subsection (c) shall not apply to the employee; and

(B) the employee may not be separated, other than pursuant to chapter 75 of title 5, United States Code, during such one-year period.

Deadline.

(d) ACTIONS AFTER TRANSFER.—(1) Not later than one year after a transfer of functions to the Office of Personnel Management under subsection (a), the Director of the Office of Personnel Management, in coordination with the Secretary of Defense, shall review all functions performed by personnel of the Defense Security Service at the time of the transfer and make a written determination regarding whether each such function is inherently governmental or is otherwise inappropriate for performance by contractor personnel.

(2) A function performed by Defense Security Service employees as of the date of the enactment of this Act may not be converted

to contractor performance by the Director of the Office of Personnel Management until—

(A) the Director reviews the function in accordance with the requirements of paragraph (1) and makes a written determination that the function is not inherently governmental and is not otherwise inappropriate for contractor performance; and

(B) the Director conducts a public-private competition regarding the performance of that function in accordance with the requirements of the Office of Management and Budget Circular A–76.

SEC. 907. DEFENSE ACQUISITION WORKFORCE FREEZE FOR FISCAL YEAR 2004.

(a) **DEFENSE ACQUISITION WORKFORCE FREEZE.**—During fiscal year 2004, the number of defense acquisition and support personnel may not at any time be greater than one percent above, or less than one percent below, the baseline number, and any variation from the baseline number (within such one percent variance) shall be only to exercise normal hiring and firing flexibility during the fiscal year.

(b) **BASELINE NUMBER.**—For purposes of subsection (a), the baseline number is the number of defense acquisition and support personnel as of October 1, 2003.

(c) **USE OF FULL-TIME EQUIVALENT POSITIONS.**—All determinations of personnel strengths for purposes of this section shall be on the basis of full-time equivalent positions.

(d) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the limitation in subsection (a) upon a determination that such waiver is necessary to protect a significant national security interest of the United States. If the Secretary makes such a determination, the Secretary shall, within 30 days after making the determination, notify the Committees on Armed Services of the Senate and House of Representatives of the determination and the reasons for the determination.

(e) **DEFINITION.**—In this section, the term “defense acquisition and support personnel” means members of the Armed Forces and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58, dated January 14, 1992), and any other organization that, as determined by the Secretary, has acquisition as its predominant mission.

Subtitle B—Space Activities

SEC. 911. COORDINATION OF SPACE SCIENCE AND TECHNOLOGY ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) **IN GENERAL.**—(1) Chapter 135 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2272. Space science and technology strategy: coordination

“(a) **SPACE SCIENCE AND TECHNOLOGY STRATEGY.**—(1) The Secretary of Defense shall develop and implement a space science and technology strategy and shall review and, as appropriate, revise the strategy annually. Functions of the Secretary under this subsection shall be carried out jointly by the Director of Defense Research and Engineering and the official of the Department of

Defense designated as the Department of Defense Executive Agent for Space.

“(2) The strategy under paragraph (1) shall, at a minimum, address the following issues:

“(A) Short-term and long-term goals of the space science and technology programs of the Department of Defense.

“(B) The process for achieving the goals identified under subparagraph (A), including an implementation plan for achieving those goals.

“(C) The process for assessing progress made toward achieving those goals.

“(3) The strategy under paragraph (1) shall be included as part of the annual National Security Space Plan developed pursuant to Department of Defense regulations and shall be provided to Department of Defense components and science and technology entities of the Department of Defense to support the planning, programming, and budgeting processes of the Department.

“(4) The strategy under paragraph (1) shall be developed in consultation with the directors of research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of other organizations of the Department of Defense as identified by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space.

“(5) The strategy shall be available for review by the congressional defense committees.

“(b) REQUIRED COORDINATION.—In carrying out the space science and technology strategy developed under subsection (a), the directors of the research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of all other appropriate organizations identified jointly by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space shall each—

“(1) identify research projects in support of that strategy that contribute directly and uniquely to the development of space technology; and

“(2) inform the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space of the planned budget and planned schedule for executing those projects.

“(c) DEFINITIONS.—In this section:

“(1) The term ‘research laboratory of the Department of Defense’ means any of the following:

“(A) The Air Force Research Laboratory.

“(B) The Naval Research Laboratory.

“(C) The Office of Naval Research.

“(D) The Army Research Laboratory.

“(2) The term ‘other Department of Defense research component’ means either of the following:

“(A) The Defense Advanced Research Projects Agency.

“(B) The National Reconnaissance Office.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2272. Space science and technology strategy: coordination.”.

(b) GENERAL ACCOUNTING OFFICE REVIEW.—(1) The Comptroller General shall review and assess the space science and technology strategy developed under subsection (a) of section 2272 of title 10, United States Code, as added by subsection (a), and the effectiveness of the coordination process required under subsection (b) of that section.

(2) Not later than September 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the findings and assessment under paragraph (1).

Deadline.
Reports.

SEC. 912. POLICY REGARDING ASSURED ACCESS TO SPACE FOR UNITED STATES NATIONAL SECURITY PAYLOADS.

(a) IN GENERAL.—(1) Chapter 135 of title 10, United States Code, is amended by adding after section 2272, as added by section 911(a)(1), the following new section:

“§ 2273. Policy regarding assured access to space: national security payloads

“(a) POLICY.—It is the policy of the United States for the President to undertake actions appropriate to ensure, to the maximum extent practicable, that the United States has the capabilities necessary to launch and insert United States national security payloads into space whenever such payloads are needed in space.

“(b) INCLUDED ACTIONS.—The appropriate actions referred to in subsection (a) shall include, at a minimum, providing resources and policy guidance to sustain—

“(1) the availability of at least two space launch vehicles (or families of space launch vehicles) capable of delivering into space any payload designated by the Secretary of Defense or the Director of Central Intelligence as a national security payload; and

“(2) a robust space launch infrastructure and industrial base.

“(c) COORDINATION.—The Secretary of Defense shall, to the maximum extent practicable, pursue the attainment of the capabilities described in subsection (a) in coordination with the Administrator of the National Aeronautics and Space Administration.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2272, as added by section 911(a)(2), the following new item:

“2273. Policy regarding assured access to space: national security payloads.”.

SEC. 913. PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

(a) IN GENERAL.—Chapter 135 of title 10, United States Code, is amended by adding after section 2273, as added by section 912(a), the following new section:

“§ 2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United States Government

“(a) PILOT PROGRAM.—The Secretary of Defense may carry out a pilot program to determine the feasibility and desirability of

providing to non-United States Government entities space surveillance data support described in subsection (b).

“(b) SPACE SURVEILLANCE DATA SUPPORT.—Under such a pilot program, the Secretary may provide to a non-United States Government entity, subject to an agreement described in subsection (d), the following:

“(1) Satellite tracking services from assets owned or controlled by the Department of Defense, but only if the Secretary determines, in the case of any such agreement, that providing such services to that entity is in the national security interests of the United States.

“(2) Space surveillance data and the analysis of space surveillance data, but only if the Secretary determines, in the case of any such agreement, that providing such data and analysis to that entity is in the national security interests of the United States.

“(c) ELIGIBLE ENTITIES.—Under the pilot program, the Secretary may provide space surveillance data support to non-United States Government entities including the following:

“(1) State governments.

“(2) Governments of political subdivisions of States.

“(3) United States commercial entities.

“(4) Governments of foreign countries.

“(5) Foreign commercial entities.

“(d) REQUIRED AGREEMENT.—The Secretary may not provide space surveillance data support to a non-United States Government entity under the pilot program unless that entity enters into an agreement with the Secretary under which the entity—

“(1) agrees to pay an amount that may be charged by the Secretary under subsection (e); and

“(2) agrees not to transfer any data or technical information received under the agreement, including the analysis of tracking data, to any other entity without the express approval of the Secretary.

“(e) RULE OF CONSTRUCTION CONCERNING PROVISION OF INTELLIGENCE ASSETS OR DATA.—Nothing in this section shall be considered to authorize the provision of services or information concerning, or derived from, United States intelligence assets or data.

“(f) CHARGES.—(1) As a condition of an agreement under subsection (d), the Secretary may (except as provided in paragraph (2)) require the non-United States Government entity entering into the agreement to pay to the Department of Defense such amounts as the Secretary determines to be necessary to reimburse the Department for the costs of the Department of providing space surveillance data support under the agreement.

“(2) The Secretary may not require the government of a State or of a political subdivision of a State to pay any amount under paragraph (1).

“(g) CREDITING OF FUNDS RECEIVED.—Funds received for the provision of space surveillance data support pursuant to an agreement under this section shall be credited to accounts of the Department of Defense that are current when the funds are received and that are available for the same purposes as the accounts originally charged to provide such support. Funds so credited shall merge with and become available for obligation for the same period as the accounts to which they are credited.

“(h) PROCEDURES.—The Secretary shall establish procedures for the conduct of the pilot program. As part of those procedures, the Secretary may allow space surveillance data and analysis of space surveillance data to be provided through a contractor of the Department of Defense.

“(i) DURATION OF PILOT PROGRAM.—The pilot program under this section shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section.” Deadline.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2273, as added by section 912(b), the following new item:

“2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United States Government.”.

SEC. 914. CONTENT OF BIENNIAL GLOBAL POSITIONING SYSTEM REPORT.

(a) REVISED CONTENT.—Paragraph (1) of section 2281(d) of title 10, United States Code, is amended—

(1) by striking subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (C);

(3) by redesignating subparagraph (E) as subparagraph (D) and in that subparagraph striking “Any progress made toward” and inserting “Progress and challenges in”; and

(4) by striking subparagraph (F) and inserting the following:

“(E) Progress and challenges in protecting GPS from jamming, disruption, and interference.

“(F) Progress and challenges in developing the enhanced Global Positioning System required by section 218(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1951; 10 U.S.C. 2281 note).”.

(b) CONFORMING AMENDMENT.—Paragraph (2) of such section is amended by inserting “(C),” after “under subparagraphs”.

SEC. 915. REPORT ON PROCESSES-RELATED SPACE SYSTEMS.

Not later than March 15, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report to provide the— Deadline.

(1) the Secretary’s assessment of the role of the United States Strategic Command in planning and requirements development for space systems to support the warfighter;

(2) the Secretary’s assessment of the processes by which space systems capabilities are integrated into training and doctrine of the Armed Forces; and

(3) the Secretary’s recommendations for improvements in the processes identified pursuant to paragraphs (1) and (2).

Subtitle C—Department of Defense Intelligence Components**SEC. 921. REDESIGNATION OF NATIONAL IMAGERY AND MAPPING AGENCY AS NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.**

10 USC 441 note.

(a) REDESIGNATION.—The National Imagery and Mapping Agency of the Department of Defense is hereby redesignated as the National Geospatial-Intelligence Agency.

(b) DEFINITION OF GEOSPATIAL INTELLIGENCE.—Section 467 of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(5) The term ‘geospatial intelligence’ means the exploitation and analysis of imagery and geospatial information to describe, assess, and visually depict physical features and geographically referenced activities on the earth. Geospatial intelligence consists of imagery, imagery intelligence, and geospatial information.”.

(c) AGENCY MISSIONS.—(1) Section 442(a) of title 10, United States Code, is amended—

(A) in paragraph (1), by inserting “geospatial intelligence consisting of” after “provide”; and

(B) in paragraph (2), by striking “Imagery, intelligence, and information” and inserting “Geospatial intelligence”.

(2) Section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a)) is amended by striking “imagery” and inserting “geospatial intelligence”.

(d) TECHNICAL AND CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The heading of chapter 22 is amended to read as follows:

“CHAPTER 22—NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

(2) Chapter 22 is amended—

(A) by striking “National Imagery and Mapping Agency” each place it appears (other than in section 461(b)) and inserting “National Geospatial-Intelligence Agency”;

(B) in section 453(b), by striking “NIMA” in paragraphs (1) and (2) and inserting “NGA”; and

(C) in section 461(b)—

(i) by striking “The National Imagery and Mapping Agency” and inserting “The Director of the National Geospatial-Intelligence Agency”; and

(ii) by striking “on the day before” and all that follows through the period and inserting “on September 30, 1996”.

(3) Section 193 is amended—

(A) by striking “National Imagery and Mapping Agency” in subsections (d)(1), (d)(2), (e), and (f)(4) and inserting “National Geospatial-Intelligence Agency”;

(B) in the heading for subsection (d), by striking “NATIONAL IMAGERY AND MAPPING AGENCY” and inserting “NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”; and

(C) in the heading for subsection (e), by striking “NIMA” and inserting “NGA”.

10 USC 441–444,
451–457, 461,
462.

(4) Section 201 is amended by striking “National Imagery and Mapping Agency” in subsections (b)(2)(C) and (c)(2)(C) and inserting “National Geospatial-Intelligence Agency”.

(5)(A) Section 424 is amended by striking “National Imagery and Mapping Agency” in subsection (b)(3) and inserting “National Geospatial-Intelligence Agency”.

(B)(i) The heading of such section is amended to read as follows:

“§ 424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies”.

(ii) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 21 is amended to read as follows:

“424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies.”.

(6) Section 425(a) is amended by adding at the end the following new paragraph:

“(5) The words ‘National Geospatial-Intelligence Agency’, the initials ‘NGA,’ or the seal of the National Geospatial-Intelligence Agency.”.

(7) Section 1614(2)(C) is amended by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(8) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking “Imagery and Mapping” in the item relating to chapter 22 and inserting “Geospatial-Intelligence”.

(e) CONFORMING AMENDMENTS TO NATIONAL SECURITY ACT OF 1947.—The National Security Act of 1947 is amended as follows:

(1) Section 3 (50 U.S.C. 401a) is amended by striking “National Imagery and Mapping Agency” in paragraph (4)(E) and inserting “National Geospatial-Intelligence Agency”.

(2) Section 105 (50 U.S.C. 403–5) is amended by striking “National Imagery and Mapping Agency” in subsections (b)(2) and (d)(3) and inserting “National Geospatial-Intelligence Agency”.

(3) Section 105A (50 U.S.C. 403–5a) is amended by striking “National Imagery and Mapping Agency” in subsection (b)(1)(C) and inserting “National Geospatial-Intelligence Agency”.

(4) Section 105C (50 U.S.C. 403–5c) is amended—

(A) by striking “National Imagery and Mapping Agency” each place it appears and inserting “National Geospatial-Intelligence Agency”;

(B) by striking “NIMA” each place it appears and inserting “NGA”; and

(C) by striking “NIMA’s” in subsection (a)(6)(B)(iv)(II) and inserting “NGA’s”.

(5) Section 106 (50 U.S.C. 403–6) is amended by striking “National Imagery and Mapping Agency” in subsection (a)(2)(C) and inserting “National Geospatial-Intelligence Agency”.

(6) Section 110 (50 U.S.C. 404e) is amended—

(A) by striking “National Imagery and Mapping Agency” in subsections (a), (b), and (c) and inserting “National Geospatial-Intelligence Agency”; and

(B) by striking “NATIONAL IMAGERY AND MAPPING AGENCY” in the section heading and inserting “NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

(7) The item relating to section 110 in the table of contents in the first section is amended to read as follows:

“Sec. 110. National mission of National Geospatial-Intelligence Agency.”.

(f) CROSS REFERENCE CORRECTION.—Section 442(d) of title 10, United States Code, is amended by striking “section 120(a) of the National Security Act of 1947” and inserting “section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a))”.

10 USC 441 note.

(g) REFERENCES.—Any reference to the National Imagery and Mapping Agency in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the National Geospatial-Intelligence Agency.

SEC. 922. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) PROTECTION OF OPERATIONAL FILES OF NSA.—Title VII of the National Security Act of 1947 (50 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

“OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

50 USC 432b.

“SEC. 704. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—The Director of the National Security Agency, in coordination with the Director of Central Intelligence, may exempt operational files of the National Security Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

“(b) OPERATIONAL FILES DEFINED.—(1) In this section, the term ‘operational files’ means—

“(A) files of the Signals Intelligence Directorate of the National Security Agency (and any successor organization of that directorate) that document the means by which foreign intelligence or counterintelligence is collected through technical systems; and

“(B) files of the Research Associate Directorate of the National Security Agency (and any successor organization of that directorate) that document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

“(2) Files that are the sole repository of disseminated intelligence, and files that have been accessioned into the National Security Agency Archives (or any successor organization) are not operational files.

“(c) SEARCH AND REVIEW FOR INFORMATION.—Notwithstanding subsection (a), exempted operational files shall continue to be subject to search and review for information concerning any of the following:

“(1) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code.

“(2) Any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code.

“(3) The specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

“(A) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

“(B) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

“(C) The Intelligence Oversight Board.

“(D) The Department of Justice.

“(E) The Office of General Counsel of the National Security Agency.

“(F) The Office of the Inspector General of the Department of Defense.

“(G) The Office of the Director of the National Security Agency.

“(d) INFORMATION DERIVED OR DISSEMINATED FROM EXEMPTED OPERATIONAL FILES.—(1) Files that are not exempted under subsection (a) that contain information derived or disseminated from exempted operational files shall be subject to search and review.

“(2) The inclusion of information from exempted operational files in files that are not exempted under subsection (a) shall not affect the exemption under subsection (a) of the originating operational files from search, review, publication, or disclosure.

“(3) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

“(4) Records from exempted operational files that have been disseminated to and referenced in files that are not exempted under subsection (a) and that have been returned to exempted operational files for sole retention shall be subject to search and review.

“(e) SUPERCEDEURE OF OTHER LAWS.—The provisions of subsection (a) may not be superseded except by a provision of law that is enacted after the date of the enactment of this section and that specifically cites and repeals or modifies such provisions.

“(f) ALLEGATION; IMPROPER WITHHOLDING OF RECORDS; JUDICIAL REVIEW.—(1) Except as provided in paragraph (2), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that the National Security Agency has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

“(2) Judicial review shall not be available in the manner provided for under paragraph (1) as follows:

“(A) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by the National Security Agency, such information shall be examined *ex parte*, in camera by the court.

“(B) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

“(C) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

“(D)(i) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, the National Security Agency shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in subsection (b).

“(ii) The court may not order the National Security Agency to review the content of any exempted operational file or files in order to make the demonstration required under clause (i), unless the complainant disputes the National Security Agency’s showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

“(E) In proceedings under subparagraphs (C) and (D), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

“(F) If the court finds under this subsection that the National Security Agency has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order the Agency to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this section (other than subsection (g)).

“(G) If at any time following the filing of a complaint pursuant to this paragraph the National Security Agency agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

“(H) Any information filed with, or produced for the court pursuant to subparagraphs (A) and (D) shall be coordinated with the Director of Central Intelligence before submission to the court.

“(g) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—

(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a) to determine whether such exemptions may be removed from a category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

“(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of a particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

“(3) A complainant that alleges that the National Security Agency has improperly withheld records because of failure to comply

with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

“(A) Whether the National Security Agency has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

“(B) Whether the National Security Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.”.

(b) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CIA.—Title VII of such Act is further amended—

(1) in section 701(b) (50 U.S.C. 431(b)), by striking “For purposes of this title” and inserting “In this section,”; and

(2) in section 702 (50 U.S.C. 432)—

(A) by striking the section heading;

(B) by redesignating the text of that section as subsection (g) of section 701 and redesignating subsections (a), (b), and (c) thereof as paragraphs (1), (2), and (3), respectively;

(C) by inserting “DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—” after the subsection designation (as designated by subparagraph (B));

(D) in paragraph (1) (as redesignated by subparagraph (B)), by striking “of section 701 of this Act”;

(E) in paragraph (2) (as redesignated by subparagraph (B)), by striking “of subsection (a) of this section” and inserting “paragraph (1)”;

(F) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking “with this section” in the first sentence and inserting “with this subsection”; and

(ii) by striking “to determining” in the second sentence and all that follows and inserting “to determining the following:

“(A) Whether the Central Intelligence Agency has conducted the review required by paragraph (1) before October 15, 1994, or before the expiration of the 10-year period beginning on the date of the most recent review.

“(B) Whether the Central Intelligence Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.”.

(c) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CERTAIN OTHER INTELLIGENCE AGENCIES.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is further amended—

(1) by transferring section 105C (50 U.S.C. 403–5c), as amended by section 921(e)(4), and section 105D (50 U.S.C. 403–5e) to title VII of that Act and inserting them after section 701, as amended by subsection (b); and

(2) by redesignating those sections, as so transferred, as sections 702 and 703, respectively.

(d) CLERICAL AMENDMENTS.—The National Security Act of 1947 is further amended as follows:

50 USC 403–5c,
403–5e, 432,
432a.

(1)(A) The heading for title VII is amended to read as follows:

“TITLE VII—PROTECTION OF OPERATIONAL FILES”.

50 USC 431.

(B) The heading for section 701 is amended to read as follows:

“OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY”.

50 USC 432.

(C) The heading for section 702, as transferred and redesignated by subsection (c), is amended to read as follows:

“OPERATIONAL FILES OF THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

50 USC 432a.

(D) The heading for section 703, as transferred and redesignated by subsection (c), is amended by striking the first two words.

(2) The table of contents in the first section of the National Security Act of 1947 is amended—

(A) by striking the items relating to sections 105C and 105D; and

(B) by striking the items relating to title VII and sections 701 and 702 and inserting the following new items:

“TITLE VII—PROTECTION OF OPERATIONAL FILES

“Sec. 701. Operational files of the Central Intelligence Agency.

“Sec. 702. Operational files of the National Geospatial-Intelligence Agency.

“Sec. 703. Operational files of the National Reconnaissance Office.

“Sec. 704. Operational files of the National Security Agency.”.

SEC. 923. INTEGRATION OF DEFENSE INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE CAPABILITIES.

10 USC 426 note.

(a) FINDINGS.—Congress makes the following findings:

(1) As part of transformation efforts within the Department of Defense, each of the Armed Forces is developing intelligence, surveillance, and reconnaissance capabilities that best support future war fighting as envisioned by the leadership of the military department concerned.

(2) Concurrently, intelligence agencies of the Department of Defense outside the military departments are developing transformation roadmaps to best support the future decision-making and war fighting needs of their principal customers, but are not always closely coordinating those efforts with the intelligence, surveillance, and reconnaissance development efforts of the military departments.

(3) A senior official of each military department has been designated as the integrator of intelligence, surveillance, and reconnaissance for each of the Armed Forces in such military department, but there is not currently a well-defined forum through which the integrators of intelligence, surveillance, and reconnaissance capabilities for each of the Armed Forces can routinely interact with each other and with senior representatives of Department of Defense intelligence agencies, as well as with other members of the intelligence community, to ensure unity of effort and to preclude unnecessary duplication of effort.

(4) The current funding structure of a National Foreign Intelligence Program (NFIP), Joint Military Intelligence Program (JMIP), and Tactical Intelligence and Related Activities Program (TIARA) may not be the best approach for supporting the development of an intelligence, surveillance, and reconnaissance structure that is integrated to meet the national security requirements of the United States in the 21st century.

(5) The position of Under Secretary of Defense for Intelligence was established in 2002 by Public Law 107–314 in order to facilitate resolution of the challenges to achieving an integrated intelligence, surveillance, and reconnaissance structure in the Department of Defense to meet such 21st century requirements.

(b) GOAL.—It shall be a goal of the Department of Defense to fully integrate the intelligence, surveillance, and reconnaissance capabilities and coordinate the developmental activities of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands as those departments, agencies, and commands transform their intelligence, surveillance, and reconnaissance systems to meet current and future needs.

10 USC 426 note.

(c) ISR INTEGRATION REQUIREMENTS.—(1) Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities

“(a) ISR INTEGRATION COUNCIL.—(1) The Under Secretary of Defense for Intelligence shall establish an Intelligence, Surveillance, and Reconnaissance Integration Council—

“(A) to assist the Under Secretary with respect to matters relating to the integration of intelligence, surveillance, and reconnaissance capabilities, and coordination of related developmental activities, of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands; and

“(B) otherwise to provide a means to facilitate the integration of such capabilities and the coordination of such developmental activities.

“(2) The Council shall be composed of—

“(A) the senior intelligence officers of the armed forces and the United States Special Operations Command;

“(B) the Director of Operations of the Joint Staff; and

“(C) the directors of the intelligence agencies of the Department of Defense.

“(3) The Under Secretary of Defense for Intelligence shall invite the participation of the Director of Central Intelligence (or that Director’s representative) in the proceedings of the Council.

“(b) ISR INTEGRATION ROADMAP.—(1) The Under Secretary of Defense for Intelligence shall develop a comprehensive plan, to be known as the ‘Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap’, to guide the development and integration of the Department of Defense intelligence, surveillance, and reconnaissance capabilities for the 15-year period of fiscal years 2004 through 2018.

“(2) The Under Secretary shall develop the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap in consultation with the Intelligence, Surveillance, and Reconnaissance Integration Council and the Director of Central Intelligence.”.

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities.”.

Deadline.

(d) REPORT.—(1) Not later than September 30, 2004, the Under Secretary of Defense for Intelligence shall submit to the committees of Congress specified in paragraph (2) a report on the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap developed under subsection (b) of section 426 of title 10, United States Code, as added by subsection (c). The report shall include the following matters:

(A) The fundamental goals established in the roadmap.

(B) An overview of the intelligence, surveillance, and reconnaissance integration activities of the military departments and the intelligence agencies of the Department of Defense.

(C) An investment strategy for achieving—

(i) an integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities that ensures sustainment of needed tactical and operational efforts; and

(ii) efficient investment in new intelligence, surveillance, and reconnaissance capabilities.

(D) A discussion of how intelligence gathered and analyzed by the Department of Defense can enhance the role of the Department of Defense in fulfilling its homeland security responsibilities.

(E) A discussion of how counterintelligence activities of the Armed Forces and the Department of Defense intelligence agencies can be better integrated.

(F) Recommendations on how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated Department of Defense intelligence, surveillance, and reconnaissance architecture.

(2) The committees of Congress referred to in paragraph (1) are as follows:

(A) The Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives.

10 USC 2430
note.

SEC. 924. MANAGEMENT OF NATIONAL SECURITY AGENCY MODERNIZATION PROGRAM.

(a) MANAGEMENT OF ACQUISITION PROGRAMS THROUGH USD (AT&L).—The Secretary of Defense shall direct that, effective as of the date of the enactment of this Act, acquisitions under the National Security Agency Modernization Program shall be directed and managed by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) APPLICABILITY OF MAJOR DEFENSE ACQUISITION PROGRAM AUTHORITIES.—(1) Each project designated as a major defense

acquisition program under paragraph (2) shall be managed under the laws, policies, and procedures that are applicable to major defense acquisition programs (as defined in section 2430 of title 10, United States Code).

(2) The Secretary of Defense (acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics) shall designate those projects under the National Security Agency Modernization Program that are to be managed as major defense acquisition programs.

(c) MILESTONE DECISION AUTHORITY.—(1) The authority to make a decision that a program is authorized to proceed from one milestone stage into another (referred to as the milestone decision authority) may only be exercised by the Under Secretary of Defense for Acquisition, Technology, and Logistics for the following:

(A) Each project of the National Security Agency Modernization Program that is to be managed as a major defense acquisition program, as designated under subsection (b).

(B) Each major system under the National Security Agency Modernization Program.

(2) The limitation in paragraph (1) shall terminate on, and the Under Secretary may delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency at any time after, the date that is the later of—

(A) September 30, 2005, or

(B) the date on which the Under Secretary submits to the appropriate committees of Congress a notification described in paragraph (3).

(3) A notification described in this paragraph is a notification by the Under Secretary of the Under Secretary's intention to delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency, together with a detailed discussion of the justification for that delegation. Such a notification may not be submitted until—

(A) the Under Secretary has determined (after consultation with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management) that the Director has implemented acquisition management policies, procedures, and practices that are sufficient to ensure that acquisitions by the National Security Agency are conducted in a manner consistent with sound, efficient acquisition practices;

(B) the Under Secretary has consulted with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management on the delegation of such milestone decision authority to the Director; and

(C) the Secretary of Defense has approved the delegation of such milestone decision authority to the Director.

(d) PROJECTS COMPRISING PROGRAM.—The National Security Agency Modernization Program consists of the following projects of the National Security Agency:

(1) The Trailblazer project.

(2) The Groundbreaker project.

(3) Each cryptological mission management project.

(4) Each other project of that Agency that—

Termination
date.

(A) meets either of the dollar thresholds in effect under paragraph (2) of section 2430(a) of title 10, United States Code; and

(B) is determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics as being a major project that is within, or properly should be within, the National Security Agency Modernization Project.

(e) DEFINITIONS.—In this section:

(1) MAJOR SYSTEM.—The term “major system” has the meaning given that term in section 2302(5) of title 10, United States Code.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term “appropriate committees of Congress” means the following:

(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 925. MODIFICATION OF OBLIGATED SERVICE REQUIREMENTS UNDER NATIONAL SECURITY EDUCATION PROGRAM.

(a) IN GENERAL.—Section 802(b)(2) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(b)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs (A) and (B):

“(A) in the case of a recipient of a scholarship, after the recipient’s completion of the study for which scholarship assistance was provided under the program, work in a position in the Department of Defense or other element of the intelligence community that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall include one year of service for each year, or portion thereof, for which such scholarship assistance was provided; or

“(B) in the case of a recipient of a fellowship, after the recipient’s completion of the study for which the fellowship assistance was provided under the program, work in a position described in subparagraph (A) that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall (at the discretion of the Secretary) include not less than one nor more than three years for each year, or portion thereof, for which such fellowship assistance was provided; and”.

50 USC 1902
note.

(b) APPLICABILITY.—(1) The amendment made by subsection (a) shall apply with respect to service agreements entered into under the David L. Boren National Security Education Act of 1991 on or after the date of the enactment of this Act.

(2) The amendment made by subsection (a) shall not affect the force, validity, or terms of any service agreement entered into under the David L. Boren National Security Education Act of 1991 before the date of the enactment of this Act that is in force as of that date.

SEC. 926. AUTHORITY TO PROVIDE LIVING QUARTERS FOR CERTAIN STUDENTS IN COOPERATIVE AND SUMMER EDUCATION PROGRAMS OF THE NATIONAL SECURITY AGENCY.

Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) The Director of the National Security Agency may provide a qualifying employee of a defense laboratory of that Agency with living quarters at no charge, or at a rate or charge prescribed by the Director by regulation, without regard to section 5911(c) of title 5.

“(2) In this subsection, the term ‘qualifying employee’ means a student who is employed at the National Security Agency under—

“(A) a Student Educational Employment Program of the Agency conducted under this section or any other provision of law; or

“(B) a similar cooperative or summer education program of the Agency that meets the criteria for Federal cooperative or summer education programs prescribed by the Office of Personnel Management.”.

SEC. 927. COMMERCIAL IMAGERY INDUSTRIAL BASE.

(a) **REQUIREMENT.**—Of the total amount authorized to be appropriated for fiscal year 2004 for the acquisition, processing, and licensing of imagery from commercial sources (including amounts authorized to be appropriated under that title for experimentation related to such imagery), not less than 90 percent shall be used for the following purposes:

(1) Acquisition of space-based imagery from commercial sources.

(2) Support for the development of next-generation commercial imagery satellites.

(3) Support for infrastructure improvements that meet unique requirements related to commercial imagery.

(b) **WAIVER.**—(1) The Secretary of Defense may waive the requirement in subsection (a) if the Secretary determines that the waiver is in the national security interest of the United States. Any such waiver shall be made in consultation with the Director of Central Intelligence.

(2) If the Secretary makes the waiver authorized by paragraph (1), the Secretary shall, within 30 days of issuing the waiver, submit to the appropriate congressional committees a report that includes the following:

(A) The Secretary’s reasons for determining that the waiver is in the national security interest of the United States.

(B) The Secretary’s plan for use of the amount referred to in subsection (a).

(c) **REPORT ON DEPARTMENT OF DEFENSE IMPLEMENTATION OF PRESIDENT’S COMMERCIAL REMOTE SENSING POLICY.**—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the appropriate congressional committees a report on the actions taken, and to be taken, by the Secretary to implement the President’s policy issued on May 13, 2003, with the title “U.S. Commercial Remote Sensing Space Policy”. The Secretary shall consult with the Director of Central Intelligence in preparing the report.

(2) The report under paragraph (1) shall include an assessment of the following matters:

Reports.

Deadline.

(A) The sufficiency for the sustainment of a viable commercial imagery industrial base in the United States of—

- (i) the President's policy referred to in paragraph (1);
- (ii) the amount provided for the Department of Defense for fiscal year 2004 for the acquisition of imagery from commercial sources; and
- (iii) the amounts scheduled in the future-years defense program (as of the submission of the report) for the acquisition of imagery from commercial sources.

(B) The extent to which the President's policy referred to in paragraph (1) and Department of Defense programs relating to the procurement of imagery from commercial sources are sufficient to ensure that imagery is available to the Department of Defense from United States commercial sources to meet the needs of the Department of Defense in a timely manner.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—For the purposes of this section, the term “appropriate congressional committees” means—

- (1) the Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Appropriations of the Senate; and
- (2) the Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on Appropriations of the House of Representatives.

Subtitle D—Other Matters

SEC. 931. AUTHORITY FOR ASIA-PACIFIC CENTER FOR SECURITY STUDIES TO ACCEPT GIFTS AND DONATIONS.

(a) AUTHORIZED SOURCES OF GIFTS AND DONATIONS.—Subsection (a) of section 2611 of title 10, United States Code, is amended—

- (1) in paragraph (1), by striking “foreign gifts and donations” and inserting “gifts and donations from sources described in paragraph (2)”;
- (2) by redesignating paragraph (2) as paragraph (3); and
- (3) by inserting after paragraph (1) the following new paragraph (2):

“(2) The sources from which gifts and donations may be accepted under paragraph (1) are the following:

“(A) The government of a State or a political subdivision of a State.

“(B) The government of a foreign country.

“(C) A foundation or other charitable organization, including a foundation or charitable organization that is organized or operates under the laws of a foreign country.

“(D) Any source in the private sector of the United States or a foreign country.”.

(b) CONFORMING AMENDMENTS.—(1) Section 2611 of such title is further amended—

- (A) by striking “FOREIGN” in the headings for subsections (a) and (f);
- (B) in subsection (c), by striking “foreign”; and
- (C) in subsection (f)—
 - (i) by striking “foreign” after “section, a”; and

(ii) by striking “from a foreign” and all that follows through “country.” and inserting a period.

(2) Section 184(b)(4) of such title is amended by striking “foreign”.

(c) CLERICAL AMENDMENTS.—The heading of section 2611 of such title, and the item relating to such section in the table of sections at the beginning of chapter 155 of such title, are each amended by striking the third word after the colon.

(d) CROSS REFERENCE CORRECTION.—Section 2612(a) of such title is amended by striking “2611(f)” and inserting “2166(f)(4)”.

SEC. 932. REPEAL OF ROTATING CHAIRMANSHIP OF ECONOMIC ADJUSTMENT COMMITTEE.

Section 4004(b) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (division D of Public Law 101–510; 10 U.S.C. 2391 note) is amended—

(1) by striking “Until October 1, 1997, the” and inserting “The”; and

(2) by striking the second sentence.

SEC. 933. EXTENSION OF CERTAIN AUTHORITIES APPLICABLE TO THE PENTAGON RESERVATION TO INCLUDE A DESIGNATED PENTAGON CONTINUITY-OF-GOVERNMENT LOCATION.

Section 2674 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(g) For purposes of subsections (b), (c), (d), and (e), the terms ‘Pentagon Reservation’ and ‘National Capital Region’ shall be treated as including the land and physical facilities at the Raven Rock Mountain Complex.”.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.

Sec. 1002. United States contribution to NATO common-funded budgets in fiscal year 2004.

Sec. 1003. Authorization of supplemental appropriations for fiscal year 2003.

Sec. 1004. Authorization of supplemental appropriations for fiscal year 2004.

Sec. 1005. Reestablishment of authority for short-term leases of real or personal property across fiscal years.

Sec. 1006. Reimbursement rate for certain airlift services provided to Department of State.

Sec. 1007. Limitation on payment of facilities charges assessed by Department of State.

Sec. 1008. Use of the Defense Modernization Account for life cycle cost reduction initiatives.

Sec. 1009. Provisions relating to defense travel cards.

Subtitle B—Naval Vessels and Shipyards

Sec. 1011. Repeal of requirement regarding preservation of surge capability for naval surface combatants.

Sec. 1012. Enhancement of authority relating to use for experimental purposes of vessels stricken from Naval Vessel Register.

Sec. 1013. Transfer of vessels stricken from the Naval Vessel Register for use as artificial reefs.

Sec. 1014. Priority for title XI assistance.

Sec. 1015. Support for transfers of decommissioned vessels and shipboard equipment.

Sec. 1016. Advanced shipbuilding enterprise.

Sec. 1017. Report on Navy plans for basing aircraft carriers.

Sec. 1018. Limitation on disposal of obsolete naval vessel.

Subtitle C—Counterdrug Matters

- Sec. 1021. Expansion and extension of authority to provide additional support for counter-drug activities.
- Sec. 1022. Authority for joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities.
- Sec. 1023. Use of funds for unified counterdrug and counterterrorism campaign in Colombia.
- Sec. 1024. Sense of Congress on reconsideration of decision to terminate border and seaport inspection duties of National Guard under National Guard drug interdiction and counter-drug mission.

Subtitle D—Reports

- Sec. 1031. Repeal and modification of various reporting requirements applicable to the Department of Defense.
- Sec. 1032. Plan for prompt global strike capability.
- Sec. 1033. Annual report concerning dismantling of strategic nuclear warheads.
- Sec. 1034. Report on use of unmanned aerial vehicles for support of homeland security missions.

Subtitle E—Codifications, Definitions, and Technical Amendments

- Sec. 1041. Codification and revision of defense counterintelligence polygraph program authority.
- Sec. 1042. General definitions applicable to facilities and operations of Department of Defense.
- Sec. 1043. Additional definitions for purposes of title 10, United States Code.
- Sec. 1044. Inclusion of annual military construction authorization request in annual defense authorization request.
- Sec. 1045. Technical and clerical amendments.

Subtitle F—Other Matters

- Sec. 1051. Assessment of effects of specified statutory limitations on the granting of security clearances.
- Sec. 1052. Acquisition of historical artifacts through exchange of obsolete or surplus property.
- Sec. 1053. Conveyance of surplus T-37 aircraft to Air Force Aviation Heritage Foundation, Incorporated.
- Sec. 1054. Department of Defense biennial strategic plan for management of electromagnetic spectrum.
- Sec. 1055. Revision of Department of Defense directive relating to management and use of radio frequency spectrum.
- Sec. 1056. Sense of Congress on deployment of airborne chemical agent monitoring systems at chemical stockpile disposal sites in the United States.
- Sec. 1057. Expansion of pre-September 11, 2001, fire grant program of United States Fire Administration.
- Sec. 1058. Review and enhancement of existing authorities for using Air Force and Air National Guard Modular Airborne Fire-Fighting Systems and other Department of Defense assets to fight wildfires.

Subtitle A—Financial Matters**SEC. 1001. TRANSFER AUTHORITY.**

(a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.**—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2004 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed \$2,500,000,000.

(b) **LIMITATIONS.**—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2004.

(a) FISCAL YEAR 2004 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2004 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2003, of funds appropriated for fiscal years before fiscal year 2004 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), \$853,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), \$207,125,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term “common-funded budgets of NATO” means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term “fiscal year 1998 baseline limitation” means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2003.

(a) DOD AND DOE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2003 in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) are hereby adjusted, with respect to any such authorized amount, by

the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to title I of Public Law 108–11.

Deadline.

(b) REPORT ON FISCAL YEAR 2003 TRANSFERS.—Not later than 30 days after the end of each fiscal quarter for which unexpended balances of funds appropriated under title I of Public Law 108–11 are available for the Department of Defense, the Secretary of Defense shall submit to the congressional defense committees a report stating, for each transfer of such funds during such fiscal quarter of an amount provided for the Department of Defense through a so-called “transfer account”, including the Iraqi Freedom Fund or any other similar account—

- (1) the amount of the transfer;
- (2) the appropriation account to which the transfer was made; and
- (3) the specific purpose for which the transferred funds were used or are to be used.

SEC. 1004. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2004.

(a) DEPARTMENT OF DEFENSE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2004 in this Act are hereby increased, with respect to any such amount, by the amount by which the corresponding appropriation account of the Department of Defense for fiscal year 2004 is increased by a supplemental appropriation, or by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

(b) DESIGNATION AS EMERGENCY.—Amounts by which authorizations of appropriations are increased in accordance with subsection (a) are designated as emergency requirements pursuant to section 502 of House Concurrent Resolution 95 of the 108th Congress.

SEC. 1005. REESTABLISHMENT OF AUTHORITY FOR SHORT-TERM LEASES OF REAL OR PERSONAL PROPERTY ACROSS FISCAL YEARS.

(a) REESTABLISHMENT OF AUTHORITY.—Subsection (a) of section 2410a of title 10, United States Code, is amended—

- (1) by inserting “(1)” before “The Secretary of Defense”;
- (2) by striking “for procurement of severable services” and inserting “for a purpose described in paragraph (2)”; and
- (3) by adding at the end the following new paragraph:
“(2) The purpose of a contract described in this paragraph is as follows:

“(A) The procurement of severable services.

“(B) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.”.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

“§ 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property”.

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

“2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall not apply to funds appropriated for a fiscal year before fiscal year 2004.

10 USC 2410a
note.

SEC. 1006. REIMBURSEMENT RATE FOR CERTAIN AIRLIFT SERVICES PROVIDED TO DEPARTMENT OF STATE.

(a) AUTHORITY.—Subsection (a) of section 2642 of title 10, United States Code, is amended—

(1) by striking “(a) AUTHORITY” and all that follows through “the Department of Defense” the second place it appears and inserting the following:

“(a) AUTHORITY.—The Secretary of Defense may authorize the use of the Department of Defense reimbursement rate for military airlift services provided by a component of the Department of Defense as follows:

“(1) For military airlift services provided”; and

(2) by adding at the end the following new paragraph:

“(2) For military airlift services provided to the Department of State for the transportation of armored motor vehicles to a foreign country to meet requirements of the Department of State for armored motor vehicles associated with the overseas travel of the Secretary of State in that country.”.

(b) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

“§ 2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate”.

(2) The item relating to such section in the table of sections at the beginning of chapter 157 of such title is amended to read as follows:

“2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate.”.

SEC. 1007. LIMITATION ON PAYMENT OF FACILITIES CHARGES ASSESSED BY DEPARTMENT OF STATE.

10 USC 2241
note.

(a) COSTS OF GOODS AND SERVICES PROVIDED TO DEPARTMENT OF STATE.—Funds appropriated for the Department of Defense may be transferred to the Department of State as remittance for a fee charged to the Department of Defense by the Department of State for any year for the maintenance, upgrade, or construction of United States diplomatic facilities only to the extent that the amount charged (when added to other amounts previously so charged for that fiscal year) exceeds the total amount of the unreimbursed costs incurred by the Department of Defense during that year in providing goods and services to the Department of State.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect as of October 1, 2003.

SEC. 1008. USE OF THE DEFENSE MODERNIZATION ACCOUNT FOR LIFE CYCLE COST REDUCTION INITIATIVES.

(a) FUNDS AVAILABLE FOR DEFENSE MODERNIZATION ACCOUNT.—Section 2216 of title 10, United States Code, is amended—

- (1) by striking subsection (c);
- (2) by redesignating subsection (b) as subsection (c); and
- (3) by inserting after subsection (a) the following new subsection (b):

“(b) FUNDS AVAILABLE FOR ACCOUNT.—The Defense Modernization Account shall consist of the following:

“(1) Amounts appropriated to the Defense Modernization Account for the costs of commencing projects described in subsection (d)(1), and amounts reimbursed to the Defense Modernization Account under subsections (c)(1)(B)(iii) out of savings derived from such projects.

“(2) Amounts transferred to the Defense Modernization Account under subsection (c).”.

(b) START-UP FUNDING.—Subsection (d) of such section is amended—

(1) by striking “available from the Defense Modernization Account pursuant to subsection (f) or (g)” and inserting “in the Defense Modernization Account”;

(2) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(3) by inserting after “purposes:” the following new paragraph (1):

“(1) For paying the costs of commencing any project that, in accordance with criteria prescribed by the Secretary of Defense, is undertaken by the Secretary of a military department or the head of a Defense Agency or other element of the Department of Defense to reduce the life cycle cost of a new or existing system.”.

(c) REIMBURSEMENT OF ACCOUNT OUT OF SAVINGS.—(1) Paragraph (1)(B) of subsection (c) of such section, as redesignated by subsection (a)(2), is amended by adding at the end the following new clause:

“(iii) Unexpired funds in appropriations accounts that are available for procurement or operation and maintenance of a system, if and to the extent that savings are achieved for such accounts through reductions in life cycle costs of such system that result from one or more projects undertaken with respect to such systems with funds made available from the Defense Modernization Account under subsection (b)(1).”.

(2) Paragraph (2) of such subsection is amended by inserting “, other than funds referred to in subparagraph (B)(iii) of such paragraph,” after “Funds referred to in paragraph (1)”.

(d) REGULATIONS.—Subsection (h) of such section is amended—

(1) by inserting “(1)” after “COMPTROLLER.—”; and

(2) by adding at the end the following new paragraph (2):

“(2) The regulations prescribed under paragraph (1) shall, at a minimum, provide for—

“(A) the submission of proposals by the Secretaries concerned or heads of Defense Agencies or other elements of the Department of Defense to the Comptroller for the use of Defense

Modernization Account funds for purposes set forth in subsection (d);

“(B) the use of a competitive process for the evaluation of such proposals and the selection of programs, projects, and activities to be funded out of the Defense Modernization Account from among those proposed for such funding; and

“(C) the calculation of—

“(i) the savings to be derived from projects described in subsection (d)(1) that are to be funded out of the Defense Modernization Account; and

“(ii) the amounts to be reimbursed to the Defense Modernization Account out of such savings pursuant to subsection (c)(1)(B)(iii).”.

(e) ANNUAL REPORT.—Subsection (i) of such section is amended—

(1) by striking “QUARTERLY REPORTS.—(1) Not later than 15 days after the end of each calendar quarter,” and inserting “ANNUAL REPORT.—(1) Not later than 15 days after the end of each fiscal year,”; and

(2) in paragraph (1), by striking “quarter” in subparagraphs (A), (B), and (C), and inserting “fiscal year”.

(f) CODIFICATION AND EXTENSION OF EXPIRATION OF AUTHORITY.—(1) Such section is further amended by adding at the end the following new subsection:

“(k) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under subsection (c) to transfer funds into the Defense Modernization Account terminates at the close of September 30, 2006.

“(2) Three years after the termination date specified in paragraph (1), the Defense Modernization Account shall be closed and any remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.”.

(2) Subsection (c) of section 912 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410; 10 U.S.C. 2216 note) is repealed.

SEC. 1009. PROVISIONS RELATING TO DEFENSE TRAVEL CARDS.

(a) MANDATORY DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY TO TRAVEL CARD CREDITORS.—Section 2784a(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “The Secretary of Defense may require” and inserting “The Secretary of Defense shall require”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

“(2) The Secretary of Defense may waive the requirement for a direct payment to a travel care issuer under paragraph (1) in any case the Secretary determines appropriate.”.

(b) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—Section 2784a of title 10, United States Code, is amended—

(1) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

“(d) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—(1) The Secretary of Defense shall evaluate the creditworthiness of an employee of the Department of Defense or a member of armed forces before issuing a Defense travel card to such an employee or member. The evaluation may include an examination of the individual’s credit history in available credit records.

“(2) An individual may not be issued a Defense travel card if the individual is found not creditworthy as a result of the evaluation required under paragraph (1).”

(c) DISCIPLINARY ACTIONS AND ASSESSING PENALTIES FOR MISUSE OF DEFENSE TRAVEL CARDS.—

(1) REQUIREMENT FOR REGULATIONS.—Section 2784a of title 10, United States Code, is further amended by inserting after subsection (d) (as added by subsection (b)) the following new subsection (e):

“(e) REGULATIONS ON DISCIPLINARY ACTION.—(1) The Secretary of Defense shall prescribe regulations for making determinations regarding the taking of disciplinary action, including assessment of penalties, against Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

“(2) The regulations prescribed under paragraph (1) shall—

“(A) provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a Defense travel card, including removal in appropriate cases; and

“(B) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).”

Deadline.

(2) REPORT.—Not later than February 1, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the regulations prescribed under section 2784a(e) of title 10, United States Code, as added by paragraph (1). The report shall include the following:

(A) The regulations.

(B) A discussion of the implementation of the regulations.

(C) A discussion of any additional administrative action, or any recommended legislation, that the Secretary considers necessary to effectively take disciplinary action against and penalize Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

(3) DEFENSE TRAVEL CARD DEFINED.—In this subsection, the term “Defense travel card” has the meaning given such term in section 2784a(f)(1) of title 10, United States Code (as redesignated by subsection (b)).

Subtitle B—Naval Vessels and Shipyards**SEC. 1011. REPEAL OF REQUIREMENT REGARDING PRESERVATION OF SURGE CAPABILITY FOR NAVAL SURFACE COMBATANTS.**

(a) REPEAL.—Section 7296 of title 10, United States Code, is amended by striking subsection (b).

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) by striking “(3) Any notification under paragraph (1)(A)” and inserting “(b) CONTENT OF NOTIFICATION.—Any notification under subsection (a)(1)(A)”;

(2) by redesignating subparagraphs (A), (B), and (C) of subsection (b) (as redesignated by paragraph (1)) as paragraphs (1), (2), and (3), respectively; and

(3) by striking “subparagraph (B)” in subsection (b)(3) (as redesignated by paragraphs (1) and (2)) and inserting “paragraph (2)”.

SEC. 1012. ENHANCEMENT OF AUTHORITY RELATING TO USE FOR EXPERIMENTAL PURPOSES OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.

(a) ENVIRONMENTAL REMEDIATION.—Paragraph (1) of subsection (b) of section 7306a of title 10, United States Code, is amended—

(1) by inserting “AND ENVIRONMENTAL REMEDIATION OF” in the subsection heading after “STRIPPING”; and

(2) by inserting before the period at the end the following: “and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes”.

(b) SALE OF MATERIAL AND EQUIPMENT STRIPPED FROM VESSEL.—Subsection (b) of such section is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following new paragraph (2):

“(2) Material and equipment stripped from a vessel under paragraph (1) may be sold by the contractor or by a sales agent approved by the Secretary.”; and

(3) in paragraph (3), as redesignated by paragraph (1), by striking “scrapping services” and all that follows through the end of such subsection and inserting “services needed for such stripping and for environmental remediation required for the use of the vessel for experimental purposes. Amounts received in excess of amounts needed for reimbursement of those costs shall be deposited into the account from which the stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes.”.

(c) CLARIFICATION OF COVERED EXPERIMENTAL PURPOSES.—Such section is further amended by adding at the end the following new subsection:

“(c) USE FOR EXPERIMENTAL PURPOSES DEFINED.—In this section, the term ‘use for experimental purposes’, with respect to a vessel, includes use of the vessel in a Navy sink exercise or for target purposes.”.

SEC. 1013. TRANSFER OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER FOR USE AS ARTIFICIAL REEFS.

(a) **AUTHORITY TO MAKE TRANSFER.**—Chapter 633 of title 10, United States Code, is amended by inserting after section 7306a the following new section:

“§ 7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs

“(a) **AUTHORITY TO MAKE TRANSFER.**—The Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register to any State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, for use as provided in subsection (b).

“(b) **VESSEL TO BE USED AS ARTIFICIAL REEF.**—An agreement for the transfer of a vessel under subsection (a) shall require that—

“(1) the recipient use, site, construct, monitor, and manage the vessel only as an artificial reef in accordance with the requirements of the National Fishing Enhancement Act of 1984 (33 U.S.C. 2101 et seq.), except that the recipient may use the artificial reef to enhance diving opportunities if that use does not have an adverse effect on fishery resources (as that term is defined in section 2(14) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(14))); and

“(2) the recipient obtain, and bear all responsibility for complying with, applicable Federal, State, interstate, and local permits for using, siting, constructing, monitoring, and managing the vessel as an artificial reef.

“(c) **PREPARATION OF VESSEL FOR USE AS ARTIFICIAL REEF.**—The Secretary shall ensure that the preparation of a vessel transferred under subsection (a) for use as an artificial reef is conducted in accordance with—

“(1) the environmental best management practices developed pursuant to section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 16 U.S.C. 1220 note); and

“(2) any applicable environmental laws.

“(d) **COST SHARING.**—The Secretary may share with the recipient of a vessel transferred under subsection (a) any costs associated with transferring the vessel under that subsection, including costs of the preparation of the vessel under subsection (c).

“(e) **NO LIMITATION ON NUMBER OF VESSELS TRANSFERABLE TO PARTICULAR RECIPIENT.**—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may be the recipient of more than one vessel transferred under subsection (a).

“(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with a transfer authorized by subsection (a) as the Secretary considers appropriate.

“(g) **CONSTRUCTION.**—Nothing in this section shall be construed to establish a preference for the use as artificial reefs of vessels stricken from the Naval Vessel Register in lieu of other authorized uses of such vessels, including the domestic scrapping of such

vessels, or other disposals of such vessels, under this chapter or other applicable authority.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7306a the following new item:

“7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs.”.

SEC. 1014. PRIORITY FOR TITLE XI ASSISTANCE.

(a) IN GENERAL.—Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended—

(1) in subsection (i) (as added by section 3544 of this Act) by striking “PRIORITY” and inserting “PRIORITY FOR NATIONAL DEFENSE TANK VESSELS”; and

(2) by adding at the end the following:

“(j) PRIORITY FOR OTHER VESSELS SUITABLE FOR SERVICE AS A NAVAL AUXILIARY.—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall, after applying subsection (i), give priority to a guarantee or commitment for a vessel that is otherwise eligible for a guarantee under this section and that the Secretary of Defense determines—

“(1) is suitable for service as a naval auxiliary in time of war or national emergency; and

“(2) meets a shortfall in sealift capacity or capability.”.

(b) REPORT.—Within 180 days after the date of the enactment of this Act, the Secretary of Transportation and the Secretary of Defense shall transmit a report to the Senate Committee on Armed Services, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Armed Services that—

(1) sets forth the criteria to be used by the Secretary of Defense in making, for purposes of section 1103(j) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(j)), as amended by this section, the determinations described in paragraphs (1) and (2) of that section; and

(2) describes the procedure that the Secretary of Defense will follow—

(A) in reviewing applications for which priority treatment is sought under section 1103(j) of that Act; and

(B) in reporting to the Secretary of Transportation with respect to such applications.

SEC. 1015. SUPPORT FOR TRANSFERS OF DECOMMISSIONED VESSELS AND SHIPBOARD EQUIPMENT.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 7316. Support for transfers of decommissioned vessels and shipboard equipment

“(a) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the Navy may provide an entity described in subsection (b) with assistance in support of a transfer of a vessel or shipboard equipment described in such subsection that is being executed under section 2572, 7306, 7307, or 7545 of this title, or under any other authority.

“(b) COVERED VESSELS AND EQUIPMENT.—The authority under this section applies—

“(1) in the case of a decommissioned vessel that—

“(A) is owned and maintained by the Navy, is located at a Navy facility, and is not in active use; and

“(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the vessel; and

“(2) in the case of any shipboard equipment that—

“(A) is on a vessel described in paragraph (1)(A); and

“(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the equipment.

“(c) REIMBURSEMENT.—The Secretary may require a recipient of assistance under subsection (a) to reimburse the Navy for amounts expended by the Navy in providing the assistance.

“(d) DEPOSIT OF FUNDS RECEIVED.—Funds received in a fiscal year under subsection (c) shall be credited to the appropriation available for such fiscal year for operation and maintenance for the office of the Navy managing inactive ships, shall be merged with other sums in the appropriation that are available for such office, and shall be available for the same purposes and period as the sums with which merged.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“7316. Support for transfers of decommissioned vessels and shipboard equipment.”.

SEC. 1016. ADVANCED SHIPBUILDING ENTERPRISE.

(a) FINDINGS.—Congress makes the following findings:

(1) The President’s budget for fiscal year 2004, as submitted to Congress, includes \$10,300,000 for the Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program.

(2) The Advanced Shipbuilding Enterprise is an innovative program to encourage greater efficiency among shipyards in the defense industrial base.

(3) The leaders of the Nation’s shipbuilding industry have embraced the Advanced Shipbuilding Enterprise as a method of exploring and collaborating on innovation in shipbuilding and ship repair that collectively benefits all manufacturers in the industry.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the Congress strongly supports the innovative Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program that has yielded new processes and techniques to reduce the cost of building and repairing ships in the United States;

(2) the Congress is concerned that the future-years defense program submitted to Congress for fiscal year 2004 does not reflect any funding for the Advanced Shipbuilding Enterprise after fiscal year 2004; and

(3) the Secretary of Defense and the Secretary of the Navy should continue funding the Advanced Shipbuilding Enterprise at a sustaining level through the future-years defense program to support subsequent rounds of research that reduce the cost of designing, building, and repairing ships.

SEC. 1017. REPORT ON NAVY PLANS FOR BASING AIRCRAFT CARRIERS.

(a) FINDINGS.—Congress finds that—

(1) the Committee on Armed Services of the Senate, in its report to accompany the bill S. 2514 of the 107th Congress (Senate Report 107–151, filed May 15, 2002), at page 442 of that report directed that the Chief of Naval Operations submit to the congressional defense committees, not later than 180 days after enactment of the defense authorization Act for fiscal year 2003, a report on plans of the Navy for basing aircraft carriers through 2015;

(2) the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) was enacted on December 2, 2002; and

(3) as of October 24, 2003, the Chief of Naval Operations has not submitted the report referred to in paragraph (1).

(b) REPORT ON AIRCRAFT CARRIER BASING PLANS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on plans of the Navy for basing aircraft carriers through 2020.

Deadline.

SEC. 1018. LIMITATION ON DISPOSAL OF OBSOLETE NAVAL VESSEL.

The Secretary of the Navy may not dispose of the decommissioned destroyer ex-Forrest Sherman (DD–931) before October 1, 2004, to an entity that is not a nonprofit organization unless the Secretary first determines that there is no nonprofit organization that meets the criteria for donation of that vessel under section 7306(a)(3) of title 10, United States Code.

Subtitle C—Counterdrug Matters**SEC. 1021. EXPANSION AND EXTENSION OF AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES.**

(a) GENERAL EXTENSION OF AUTHORITY.—Subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is amended—

(1) by inserting “(1)” before “Subject to”;

(2) by striking “either or both” and inserting “any”; and

(3) by inserting after the second sentence the following new paragraph:

“(2) The authority to provide support to a government under this section expires September 30, 2006.”.

Expiration date.

(b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section is amended by adding at the end the following new paragraphs:

“(3) The Government of Afghanistan.

“(4) The Government of Bolivia.

“(5) The Government of Ecuador.

“(6) The Government of Pakistan.

“(7) The Government of Tajikistan.

“(8) The Government of Turkmenistan.

“(9) The Government of Uzbekistan.”.

(c) TYPES OF SUPPORT.—Subsection (c) of such section is amended—

(1) in paragraph (2), by striking “riverine”; and

(2) in paragraph (3), by inserting “or upgrade” after “maintenance and repair”.

(d) **MAXIMUM ANNUAL AMOUNT OF SUPPORT.**—Subsection (e)(2) of such section is amended by striking “\$20,000,000 during any of the fiscal years 1999 through 2006” and inserting “\$20,000,000 during any of the fiscal years 1999 through 2003, or \$40,000,000 during any of the fiscal years 2004 through 2006”.

(e) **COUNTER-DRUG PLAN.**—(1) Subsection (h) of such section is amended—

(A) in the subsection caption, by striking “RIVERINE”;

(B) in the matter preceding paragraph (1)—

(i) by striking “fiscal year 1998” and inserting “fiscal year 2004”; and

(ii) by striking “riverine”; and

(C) by striking “riverine” each place it appears in paragraphs (2), (7), (8), and (9).

(2) Subsection (f)(2)(A) of such section is amended by striking “riverine”.

(f) **CLERICAL AND CONFORMING AMENDMENTS.**—(1) Subsection (b) of such section is further amended—

(A) in paragraph (1), by striking “, for fiscal years 1998 through 2002”; and

(B) in paragraph (2), by striking “, for fiscal years 1998 through 2006”.

(2) The heading for such section is amended by striking “**PERU AND COLOMBIA**” and inserting “**OTHER COUNTRIES**”.

10 USC 371 note.

SEC. 1022. AUTHORITY FOR JOINT TASK FORCES TO PROVIDE SUPPORT TO LAW ENFORCEMENT AGENCIES CONDUCTING COUNTER-TERRORISM ACTIVITIES.

(a) **AUTHORITY.**—A joint task force of the Department of Defense that provides support to law enforcement agencies conducting counter-drug activities may also provide, subject to all applicable laws and regulations, support to law enforcement agencies conducting counter-terrorism activities.

(b) **CONDITIONS.**—Any support provided under subsection (a) may only be provided in the geographic area of responsibility of the joint task force.

SEC. 1023. USE OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

(a) **AUTHORITY.**—(1) In fiscal year 2004, funds available to the Department of Defense to provide assistance to the Government of Colombia may be used by the Secretary of Defense to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations, such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC).

(2) The authority to provide assistance for a campaign under this subsection includes authority to take actions to protect human health and welfare in emergency circumstances, including the undertaking of rescue operations.

(b) **APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.**—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Sections 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8077 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 115 Stat. 2267).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 575), as amended by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2131).

(c) **LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.**—No United States Armed Forces personnel, United States civilian employees, or United States civilian contractor personnel employed by the United States may participate in any combat operation in connection with assistance using funds pursuant to the authority in subsection (a), except for the purpose of acting in self defense or of rescuing any United States citizen, including any United States Armed Forces personnel, United States civilian employee, or civilian contractor employed by the United States.

(d) **RELATION TO OTHER AUTHORITY.**—The authority provided by subsection (a) is in addition to any other authority in law to provide assistance to the Government of Colombia.

SEC. 1024. SENSE OF CONGRESS ON RECONSIDERATION OF DECISION TO TERMINATE BORDER AND SEAPORT INSPECTION DUTIES OF NATIONAL GUARD UNDER NATIONAL GUARD DRUG INTERDICTION AND COUNTER-DRUG MISSION.

(a) **FINDINGS.**—Congress makes the following findings:

(1) The counter-drug inspection mission of the National Guard is highly important in preventing the entry of illegal narcotics into the United States.

(2) The expertise of members of the National Guard in conducting vehicle inspections at United States borders and seaports has contributed to the identification and seizure of illegal narcotics being smuggled into the United States.

(3) The support provided by the National Guard to the United States Customs Service and the Bureau of Border Security of the Department of Homeland Security greatly enhances the capability of these agencies to perform counter-terrorism surveillance and other border protection duties.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the Secretary of Defense should reconsider the decision of the Department of Defense to terminate the border inspection and seaport inspection duties of the National Guard as part of the drug interdiction and counter-drug mission of the National Guard.

Subtitle D—Reports

SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) **TITLE 10, UNITED STATES CODE.**—Title 10, United States Code, is amended as follows:

(1) Section 117(e) is amended by striking “each month” and all that follows through “subsection (d)” and inserting “each quarter submit to the congressional defense committees a report in writing containing the results of the most recent joint readiness review under subsection (d)(1)(A)”.

(2) Section 127(d) is amended to read as follows:

“(d) ANNUAL REPORT.—Not later than December 1 each year, the Secretary of Defense shall submit to the congressional defense committees a report on expenditures during the preceding fiscal year under subsections (a) and (b).”.

(3) Section 127a is amended by striking subsection (d).

(4) Section 128 is amended by striking subsection (d).

(5) Section 226(a) is amended—

(A) by striking “December 15” and inserting “January 15”; and

(B) by striking “in the following year” in paragraph (1) and inserting “in that year”.

(6)(A) Section 228 is amended—

(i) in subsection (a)—

(I) by striking “MONTHLY” in the subsection heading and inserting “QUARTERLY”;

(II) by striking “monthly” and inserting “quarterly”; and

(III) by striking “month” and inserting “fiscal-year quarter”; and

(ii) in subsection (c), by striking “month” each place it appears and inserting “quarter”.

(B)(i) The heading of such section is amended to read as follows:

“§ 228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities”.

(ii) The item relating to section 228 in the table of sections at the beginning of chapter 9 is amended to read as follows:

“228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities.”.

(7) Section 437 is amended—

(A) by striking the second sentence of subsection (b); and

(B) in subsection (c)—

(i) by striking “report)—” in the matter preceding paragraph (1) and inserting “report) the following:”;

(ii) by striking “a” in paragraphs (1), (2), and (3) after the paragraph designation and inserting “A”;

(iii) by striking the semicolon at the end of paragraph (1) and inserting a period;

(iv) by striking “; and” at the end of paragraph (2) and inserting a period; and

(v) by adding at the end the following new paragraph:

“(4) A description of each corporation, partnership, or other legal entity that was established.”.

(8)(A) Section 520c is amended—

(i) by striking subsection (b);

(ii) by striking “(a) PROVISION OF MEALS AND REFRESHMENTS.—”; and

(iii) by striking the heading for such section and inserting the following:

“§ 520c. Recruiting functions: provision of meals and refreshments”.

(B) The item relating to such section in the table of sections at the beginning of chapter 31 is amended to read as follows:

“520c. Recruiting functions: provision of meals and refreshments.”.

(9) Section 1060 is amended by striking subsection (d).

(10)(A) Section 1130 is amended—

(i) in subsection (a), by striking “and the other determinations necessary to comply with subsection (b)”; and

(ii) in subsection (b), by striking “to the requesting” and all that follows and inserting “to the requesting Member of Congress a detailed discussion of the rationale supporting the determination.”.

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 57, are each amended by striking the last two words.

(11)(A) Section 1563 is amended—

(i) in subsection (a), by striking “and the other determinations necessary to comply with subsection (b)”; and

(ii) in subsection (b), by striking “notice in writing” and all that follows and inserting “a detailed discussion of the rationale supporting the determination.”.

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 80, are each amended by striking the last two words.

(12) Section 2224 is amended by striking subsection (e).

(13) Section 2255(b) is amended—

(A) by striking paragraph (2);

(B) by striking “(1)” after “(b) EXCEPTION.—”;

(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(D) by redesignating clauses (i), (ii), and (iii) of paragraph (1), as redesignated by subparagraph (C), as subparagraphs (A), (B), and (C), respectively.

(14) Section 2282 is amended by inserting “through 2008” after “March 1 of each year”.

(15) Section 2323(i) is amended by striking paragraph (3).

(16) Section 2327(c)(1) is amended—

(A) in subparagraph (A), by striking “after the date on which such head of an agency submits to Congress a report on the contract” and inserting “if in the best interests of the Government”;

(B) in subparagraph (B), by striking “A report under subparagraph (A)” and inserting “The Secretary shall maintain records of each contract entered into by reason of subparagraph (A). Such records”; and

(C) by striking subparagraph (C).

(17) Section 2350a is amended by striking subsection (f).

(18) Section 2350j(e)(2) is amended by inserting before the period the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of that report is provided in an electronic medium pursuant to section 480 of this title”.

(19) Section 2371(h) is amended by adding at the end the following new paragraph:

“(3) No report is required under this subsection for a fiscal year after fiscal year 2006.”.

(20) Section 2374a(e) is amended by inserting “during which one or more prizes are awarded under the program under subsection (a)” in the first sentence after “each fiscal year”.

(21) Section 2410m(c) is amended—

(A) by striking “REPORTING REQUIREMENT.—Each year” and inserting “ANNUAL REPORT.—Not later than 60 days after the end of each fiscal year”;

(B) by inserting “at the end of such fiscal year” in paragraph (1) before the period;

(C) by striking “during the year preceding the year in which the report is submitted” in paragraph (2) and inserting “under this section during that fiscal year”;

(D) by striking “in such preceding year” in paragraph (3) and inserting “under this section during that fiscal year”; and

(E) by striking “in such preceding year” in paragraph (4) and inserting “under this section during that fiscal year”.

(22) Section 2457 is amended by striking subsection (d).

(23) Section 2515(d) is amended—

(A) by striking “ANNUAL” in the subsection heading and inserting “BIENNIAL”; and

(B) in paragraph (1)—

(i) in the first sentence, by striking “an annual report” and inserting “a biennial report”;

(ii) in the second sentence, by striking “each year” and inserting “each even-numbered year”; and

(iii) in the third sentence, by striking “during the fiscal year” and inserting “during the two fiscal years”.

(24) Section 2521 is amended by striking subsection (e).

(25) Section 2541d is amended—

(A) by striking subsection (b); and

(B) in subsection (a), by striking “(a)” and all that follows through “The Secretary of Defense” and inserting “The Secretary of Defense”.

(26) Section 2645 is amended—

(A) in subsection (d)—

(i) by striking “to Congress” and all that follows through “notification of the loss” in paragraph (1) and inserting “to Congress notification of the loss”;

(ii) by striking “loss; and” and inserting “loss.”; and

(iii) by striking paragraph (2); and

(B) by striking subsection (g).

(27) Section 2662 is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively, and by designating the sentences following subparagraph (F), as so redesignated, as paragraph (2);

(ii) in paragraph (2), as so designated, by striking “clause (1) or (2)” and inserting “subparagraph (A) or (B) of paragraph (1)” and by striking “clause (5)” and inserting “subparagraph (E)”;

(iii) by inserting “(1)” before “The Secretary”;

(iv) by striking “after the expiration of 30 days” and all that follows through “is submitted” and inserting “the Secretary submits a report, subject to paragraph (3),”;

(v) by striking “\$500,000” each place it appears and inserting “\$750,000”; and

(vi) by adding at the end the following new paragraphs:

“(3) The authority of the Secretary of a military department to enter into a transaction described in paragraph (1) commences only after—

“(A) the end of the 30-day period beginning on the first day of the month with respect to which the report containing the facts concerning such transaction, and all other such proposed transactions for that month, is submitted under paragraph (1); or

“(B) the end of the 14-day period beginning on the first day of that month when a copy of the report is provided in an electronic medium pursuant to section 480 of this title on or before the first day of that month.

“(4) The report for a month under this subsection may not be submitted later than the first day of that month.”;

(B) in subsection (b), by striking “more than” and all that follows through “\$500,000” and inserting “more than \$250,000, but not more than \$750,000”; and

(C) in subsection (e)—

(i) by striking “\$500,000” and inserting “\$750,000”; and

(ii) by striking “the expiration” and all that follows through the period at the end and inserting the following: “the end of the 30-day period beginning on the date on which a report of the facts concerning the proposed occupancy is submitted to the congressional committees named in subsection (a) or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.”.

(28) Section 2667a(c)(2) is amended—

(A) by striking “Not later than 45 days before” and inserting “Before”; and

(B) by adding at the end the following new sentence: “The Secretary may then enter into the lease only after the end of the 30-day period beginning on the date on which the report is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.”.

(29) Section 2672a is amended—

(A) in subsection (a)(1), by striking “he or his designee” and inserting “the Secretary”;

(B) in subsection (b), by striking the last sentence; and

(C) by adding at the end the following new subsection:

“(c) Not later than 10 days after the date on which the Secretary of a military department determines to acquire an interest in land under the authority of this section, the Secretary shall submit

Deadline.

to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives written notice containing a description of the property and interest to be acquired and the reasons for the acquisition.”.

(30) Section 2676(d) is amended by inserting before the period at the end of the last sentence the following: “or, if over sooner, a period of 14 days elapses from the date on which a copy of that notification is provided in an electronic medium pursuant to section 480 of this title”.

(31) Section 2680 is amended by striking subsection (e).

(32) Section 2688(e) is amended to read as follows:

Deadline.

“(e) QUARTERLY REPORT.—Not later than 30 days after the end of each quarter of a fiscal year, the Secretary shall submit to the congressional defense committees a report on the conveyances made under subsection (a) during such fiscal quarter. The report shall include, for each such conveyance, an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

“(1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States; and

“(2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned.”.

(33) Section 2696 is amended—

(A) in subsection (b)—

(i) in paragraph (1), by inserting “and Congress” after “the Secretary concerned” the second place it appears; and

(ii) in paragraph (2), by inserting “and Congress” after “the Secretary concerned” the first place it appears;

(B) by striking subsection (c); and

(C) by striking subsection (d) and inserting the following new subsection (d):

“(d) EFFECT OF SUBMISSION OF NOTICE.—If the Administrator of General Services submits notice under subsection (b)(1) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.”.

(34) Section 2803(b) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(35) Section 2804(b) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(36) Section 2805(b)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date

on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(37) Section 2807 is amended—

(A) in subsection (b)—

(i) by striking “\$500,000” and inserting “\$1,000,000”;

(ii) by striking “not less than 21 days”; and

(iii) by adding at the end the following new sentence: “The Secretary may then obligate funds for such services only after the end of the 21-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.”; and

(B) in subsection (c)(2), by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has elapsed from the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(38) Section 2809(f)(2) is amended—

(A) by striking “calendar”; and

(B) by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title”.

(39) Section 2812(c)(1)(B) is amended by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title”.

(40) Section 2813(c) is amended—

(A) by striking “the end of the 30-day period beginning on the date”; and

(B) by adding at the end the following new sentence: “After the notification is transmitted, the Secretary may then enter into the contract only after the end of the 30-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 21-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.”.

(41) Section 2825 is amended—

(A) in subsection (b)(1)—

(i) by striking “(i)” in the last sentence; and

(ii) by striking “, and (ii)” and all that follows and inserting a period and the following new sentence: “If the Secretary concerned makes a determination under the preceding sentence with respect to an improvement, the waiver under that sentence with respect to that improvement may take effect only after the Secretary transmits a notice of the proposed waiver, together with an economic analysis demonstrating that the improvement will be cost effective, to the appropriate committees of Congress and a period of 21 days has elapsed after the date on which the

notification is received by those committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title.”; and

(B) in subsection (c)(1)(D), by inserting before the period at the end the following: “or, if over sooner, a period of 14 days elapses after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title”.

(42) Section 2827(b)(2) is amended by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(43) Section 2836(f)(2) is amended—

(A) by striking “21 calendar days” and inserting “21 days”; and

(B) by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has expired following the date on which a copy of the economic analysis is provided in an electronic medium pursuant to section 480 of this title”.

(44) Section 2837(c)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(45) Section 2854(b) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(46) Section 2854a(c)(2) is amended—

(A) by striking “calendar”; and

(B) by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the justification is provided in an electronic medium pursuant to section 480 of this title”.

(47) Section 2865(e)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(48) Section 2866(c)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(49) Section 2867(c) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(50) Section 2875(e) is amended by inserting before the period at the end the following: “or, if earlier, the end of

the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title”.

(51) Section 2883(f) is amended by inserting before the period at the end the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title”.

(52) Section 2902(g) is amended—

(A) by striking paragraph (2); and

(B) by striking “(1)” after “(g)”.

(53) Section 4342(h) is amended by striking “Secretary of the Army” and inserting “Superintendent”.

(54) Section 4357(c) is amended by inserting before the period at the end the following: “or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(55) Section 6954(f) is amended by striking “Secretary of the Navy” and inserting “Superintendent of the Naval Academy”.

(56) Section 6975(c) is amended by inserting before the period at the end the following: “or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(57) Section 7049(c) is amended—

(A) by striking “CERTIFICATION” in the subsection heading and inserting “DETERMINATION”; and

(B) by striking “, and certifies to” and all that follows through “House of Representatives,”.

(58) Section 9342(h) is amended by striking “Secretary of the Air Force” and inserting “Superintendent”.

(59) Section 9356(c) is amended by inserting before the period at the end the following: “or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(60) Section 9514 is amended—

(A) in subsection (c)—

(i) by striking “to Congress” and all that follows through “notification of the loss” in paragraph (1) and inserting “to Congress notification of the loss”;

(ii) by striking “loss; and” and inserting “loss.”; and

(iii) by striking paragraph (2); and

(B) by striking subsection (f).

(61) Section 12302 is amended by striking subsection (d).

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 2921(g) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in paragraph (1), by striking “Not less than 30 days before” and inserting “Before”;

(2) in paragraph (2), by striking “Not less than 30 days before” and inserting “Before”; and

(3) by adding at the end the following new paragraph:

“(3) When the Secretary submits a notification of a proposed agreement under paragraph (1) or (2), the Secretary may then enter into the agreement described in the notification only after the end of the 30-day period beginning on the date on which the notification is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of title 10, United States Code.”.

(c) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993.—The National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190) is amended as follows:

(1) Section 734 (10 U.S.C. 1074 note) is amended by striking subsection (c).

Deadline.

(2) Section 2868(a) (10 U.S.C. 2802 note) is amended by striking “The Secretary of Defense” and all that follows through “is to be authorized” and inserting “Not later than 30 days after the date on which a decision is made selecting the site or sites for the permanent basing of a new weapon system, the Secretary of Defense shall submit to Congress”.

(d) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended as follows:

(1) Section 324 (10 U.S.C. 2701 note) is amended—

(A) by striking “(a) SENSE OF CONGRESS.—”; and

(B) by striking subsection (b).

(2) Section 1082(b)(1) (10 U.S.C. 113 note) is amended by striking “the Secretary of Defense—” and all that follows and inserting “the Secretary of Defense determines that it is in the national security interests of the United States for the military departments to do so.”.

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 721 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 10 U.S.C. 1074 note) is amended by striking subsection (h).

(f) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) is amended as follows:

(1) Section 324 (10 U.S.C. 2706 note) is amended by striking subsection (c).

(2) Section 1065(b) (10 U.S.C. 113 note) is amended—

(A) by striking “(1)” before “Notwithstanding”; and

(B) by striking paragraph (2).

(g) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—The Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261) is amended as follows:

(1) Section 745(e) (10 U.S.C. 1071 note) is amended—

(A) by striking “(1)” before “The Secretary of Defense”; and

(B) by striking paragraph (2).

(2) Section 1223 (22 U.S.C. 1928 note) is repealed.

(h) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000.—The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65) is amended as follows:

(1) Section 212 (10 U.S.C. 2501 note) is amended by striking subsection (c).

(2) Section 724 (10 U.S.C. 1092 note) is amended by striking subsection (e).

(3) Section 1039 (10 U.S.C. 113 note) is amended by striking subsection (b).

(i) MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2001.—Section 125 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 517), is repealed.

(j) DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002.—Section 8009 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2249; 10 U.S.C. 401 note), is amended by striking “, and these obligations shall be reported to the Congress”.

SEC. 1032. PLAN FOR PROMPT GLOBAL STRIKE CAPABILITY.

10 USC 113 note.

(a) INTEGRATED PLAN FOR PROMPT GLOBAL STRIKE CAPABILITY.—The Secretary of Defense shall establish an integrated plan for developing, deploying, and sustaining a prompt global strike capability in the Armed Forces. The Secretary shall update the plan annually.

Establishment.

(b) ANNUAL REPORTS.—(1) Not later than April 1 of each of 2004, 2005, and 2006, the Secretary shall submit to the congressional defense committees a report on the plan established under subsection (a).

(2) Each report under paragraph (1) shall include the following:

(A) A description and assessment of the targets against which long-range strike assets might be directed and the conditions under which those assets might be used.

(B) The role of, and plans for ensuring, sustainment and modernization of current long-range strike assets, including bombers, intercontinental ballistic missiles, and submarine-launched ballistic missiles.

(C) A description of the capabilities desired for advanced long-range strike assets and plans to achieve those capabilities.

(D) A description of the capabilities desired for advanced conventional munitions and the plans to achieve those capabilities.

(E) An assessment of advanced nuclear concepts that could contribute to the prompt global strike mission.

(F) An assessment of the command, control, and communications capabilities necessary to support prompt global strike capabilities.

(G) An assessment of intelligence, surveillance, and reconnaissance capabilities necessary to support prompt global strike capabilities.

(H) A description of how prompt global strike capabilities are to be integrated with theater strike capabilities.

(I) An estimated schedule for achieving the desired prompt global strike capabilities.

(J) The estimated cost of achieving the desired prompt global strike capabilities.

(K) A description of ongoing and future studies necessary for updating the plan appropriately.

SEC. 1033. ANNUAL REPORT CONCERNING DISMANTLING OF STRATEGIC NUCLEAR WARHEADS.

22 USC 5959 note.

(a) ANNUAL REPORT.—Concurrent with the submission of the President’s budget request to Congress each year, the Director of Central Intelligence shall submit to the committees specified

in subsection (e) a report concerning dismantlement of Russian strategic nuclear warheads under the Moscow Treaty. Each such report shall discuss nuclear weapons dismantled by Russia during the prior fiscal year and the Director's projections for nuclear weapons to be dismantled by Russia during the current fiscal year and the fiscal year covered by the budget.

(b) CLASSIFICATION.—The annual report under this section shall be transmitted in an unclassified form when possible and classified form as necessary.

(c) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit an annual report under this section terminates when the Moscow Treaty is no longer in effect.

(d) MOSCOW TREATY DEFINED.—For purposes of this section, the term “Moscow Treaty” means the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions, done at Moscow on May 24, 2002.

(e) COMMITTEES SPECIFIED.—The committees to which annual reports are to be submitted under this section are the following:

(1) The Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate.

(2) The Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on International Relations of the House of Representatives.

SEC. 1034. REPORT ON USE OF UNMANNED AERIAL VEHICLES FOR SUPPORT OF HOMELAND SECURITY MISSIONS.

Deadline.

(a) REQUIREMENT FOR REPORT.—Not later than April 1, 2004, the President shall submit to Congress a report on the potential uses of unmanned aerial vehicles for support of the performance of homeland security missions.

(b) CONTENT.—The report shall, at a minimum, include the following matters:

(1) An assessment of the potential for using unmanned aerial vehicles for monitoring activities in remote areas along the northern and southern borders of the United States.

(2) An assessment of the potential for using long-endurance, land-based unmanned aerial vehicles for supporting the Coast Guard in the performance of its—

(A) homeland security missions;

(B) drug interdiction missions; and

(C) other maritime missions along the approximately 95,000 miles of inland waterways in the United States.

(3) An assessment of the potential for using unmanned aerial vehicles for monitoring the safety and integrity of critical infrastructure within the territory of the United States, including the following:

(A) Oil and gas pipelines.

(B) Long-distance power transmission lines.

(C) Hydroelectric and nuclear power plants.

(D) Dams and drinking water utilities.

(4) An assessment of the potential for using unmanned aerial vehicles for monitoring the transportation of hazardous cargo.

(5) A discussion of the safety issues involved in—

(A) the use of unmanned aerial vehicles by agencies other than the Department of Defense; and

(B) the operation of unmanned aerial vehicles over populated areas of the United States.

(6) A discussion of—

(A) the effects on privacy and civil liberties that could result from the monitoring uses of unmanned aerial vehicles operated over the territory of the United States; and

(B) any restrictions on the domestic use of unmanned aerial vehicles that should be imposed, or any other actions that should be taken, to prevent any adverse effect of such a use of unmanned aerial vehicles on privacy or civil liberties.

(7) A discussion of what, if any, legislation and organizational changes may be necessary to accommodate the use of unmanned aerial vehicles of the Department of Defense in support of the performance of homeland security missions, including any amendment of section 1385 of title 18, United States Code (popularly referred to as the “Posse Comitatus Act”).

(8) An evaluation of the capabilities of manufacturers of unmanned aerial vehicles to produce such vehicles at higher rates if necessary to meet any increased requirements for homeland security and homeland defense missions.

(c) REFERRAL TO COMMITTEES.—The report under subsection (a) shall—

(1) upon receipt in the Senate, be referred to the Committee on Armed Services of the Senate and other committees, as appropriate; and

(2) upon receipt in the House of Representatives, be referred to the Committee on Armed Services of the House of Representatives and other committees, as appropriate.

Subtitle E—Codifications, Definitions, and Technical Amendments

SEC. 1041. CODIFICATION AND REVISION OF DEFENSE COUNTERINTELLIGENCE POLYGRAPH PROGRAM AUTHORITY.

(a) CODIFICATION.—(1) Chapter 80 of title 10, United States Code, is amended by inserting after section 1564 the following new section:

“§ 1564a. Counterintelligence polygraph program

“(a) AUTHORITY FOR PROGRAM.—The Secretary of Defense may carry out a program for the administration of counterintelligence polygraph examinations to persons described in subsection (b). The program shall be based on Department of Defense Directive 5210.48, dated December 24, 1984.

“(b) PERSONS COVERED.—Except as provided in subsection (c), the following persons whose duties involve access to information that has been classified at the level of top secret or designated as being within a special access program under section 4.4(a) of Executive Order 12958 (or a successor Executive order) are subject to this section:

“(1) Military and civilian personnel of the Department of Defense.

“(2) Personnel of defense contractors.

“(3) A person assigned or detailed to the Department of Defense.

“(4) An applicant for a position in the Department of Defense.

“(c) EXCEPTIONS FROM COVERAGE FOR CERTAIN INTELLIGENCE AGENCIES AND FUNCTIONS.—This section does not apply to the following persons:

“(1) A person assigned or detailed to the Central Intelligence Agency or to an expert or consultant under a contract with the Central Intelligence Agency.

“(2) A person who is—

“(A) employed by or assigned or detailed to the National Security Agency;

“(B) an expert or consultant under contract to the National Security Agency;

“(C) an employee of a contractor of the National Security Agency; or

“(D) a person applying for a position in the National Security Agency.

“(3) A person assigned to a space where sensitive cryptographic information is produced, processed, or stored.

“(4) A person employed by, or assigned or detailed to, an office within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs or a contractor of such an office.

“(d) OVERSIGHT.—(1) The Secretary shall establish a process to monitor responsible and effective application of polygraph examinations within the Department of Defense.

“(2) The Secretary shall make information on the use of polygraphs within the Department of Defense available to the congressional defense committees.

“(e) POLYGRAPH RESEARCH PROGRAM.—The Secretary shall carry out a continuing research program to support the polygraph examination activities of the Department of Defense. The program shall include—

“(1) an on-going evaluation of the validity of polygraph techniques used by the Department;

“(2) research on polygraph countermeasures and anti-countermeasures; and

“(3) developmental research on polygraph techniques, instrumentation, and analytic methods.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1564 the following new item:

“1564a. Counterintelligence polygraph program.”.

(b) CONFORMING REPEAL.—Section 1121 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 113 note), is repealed.

SEC. 1042. GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS OF DEPARTMENT OF DEFENSE.

(a) GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS.—Section 101 of title 10, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

“(e) FACILITIES AND OPERATIONS.—The following definitions relating to facilities and operations apply in this title:

“(1) RANGE.—The term ‘range’, when used in a geographic sense, means a designated land or water area that is set aside, managed, and used for range activities of the Department of Defense. Such term includes the following:

“(A) Firing lines and positions, maneuver areas, firing lanes, test pads, detonation pads, impact areas, electronic scoring sites, buffer zones with restricted access, and exclusionary areas.

“(B) Airspace areas designated for military use in accordance with regulations and procedures prescribed by the Administrator of the Federal Aviation Administration.

“(2) RANGE ACTIVITIES.—The term ‘range activities’ means—

“(A) research, development, testing, and evaluation of military munitions, other ordnance, and weapons systems; and

“(B) the training of members of the armed forces in the use and handling of military munitions, other ordnance, and weapons systems.

“(3) OPERATIONAL RANGE.—The term ‘operational range’ means a range that is under the jurisdiction, custody, or control of the Secretary of Defense and—

“(A) that is used for range activities, or

“(B) although not currently being used for range activities, that is still considered by the Secretary to be a range and has not been put to a new use that is incompatible with range activities.

“(4) MILITARY MUNITIONS.—(A) The term ‘military munitions’ means all ammunition products and components produced for or used by the armed forces for national defense and security, including ammunition products or components under the control of the Department of Defense, the Coast Guard, the Department of Energy, and the National Guard.

“(B) Such term includes the following:

“(i) Confined gaseous, liquid, and solid propellants.

“(ii) Explosives, pyrotechnics, chemical and riot control agents, smokes, and incendiaries, including bulk explosives, and chemical warfare agents.

“(iii) Chemical munitions, rockets, guided and ballistic missiles, bombs, warheads, mortar rounds, artillery ammunition, small arms ammunition, grenades, mines, torpedoes, depth charges, cluster munitions and dispensers, and demolition charges.

“(iv) Devices and components of any item specified in clauses (i) through (iii).

“(C) Such term does not include the following:

“(i) Wholly inert items.

“(ii) Improvised explosive devices.

“(iii) Nuclear weapons, nuclear devices, and nuclear components, other than nonnuclear components of nuclear devices that are managed under the nuclear weapons program of the Department of Energy after all required

sanitization operations under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) have been completed.

“(5) UNEXPLODED ORDNANCE.—The term ‘unexploded ordnance’ means military munitions that—

“(A) have been primed, fused, armed, or otherwise prepared for action;

“(B) have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard to operations, installations, personnel, or material; and

“(C) remain unexploded, whether by malfunction, design, or any other cause.”.

(b) REFERENCES TO MILITARY MUNITIONS, ETC.—Section 2710(e) of such title is amended—

(1) by striking paragraphs (3), (5), and (9); and

(2) by redesignating paragraphs (4), (6), (7), (8), and (10) as paragraphs (3), (4), (5), (6), and (7), respectively.

SEC. 1043. ADDITIONAL DEFINITIONS FOR PURPOSES OF TITLE 10, UNITED STATES CODE.

(a) GENERAL DEFINITIONS.—Section 101(a) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

“(16) The term ‘congressional defense committees’ means—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

“(17) The term ‘base closure law’ means the following:

“(A) Section 2687 of this title.

“(B) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

“(C) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).”.

(b) REFERENCES TO CONGRESSIONAL DEFENSE COMMITTEES.—Title 10, United States Code, is further amended as follows:

(1) Section 135(e) is amended—

(A) by striking “(1)”; and

(B) by striking “each congressional committee specified in paragraph (2)” and inserting “each of the congressional defense committees”; and

(C) by striking paragraph (2).

(2) Section 153(c) is amended—

(A) in paragraph (1), by striking “committees of Congress named in paragraph (2)” and inserting “congressional defense committees”;

(B) by striking paragraph (2); and

(C) by designating the second sentence of paragraph (1) as paragraph (2) and in that paragraph (as so designated) by striking “The report” and inserting “Each report under paragraph (1)”.

(3) Section 181(d)(2) is amended—

(A) by striking “subsection:” and all that follows through “oversight” and inserting “subsection, the term ‘oversight’”; and

(B) by striking subparagraph (B).

- (4) Section 224 is amended by striking subsection (f).
 - (5) Section 228(e) is amended—
 - (A) by striking “DEFINITIONS” and all that follows through “(1) The term” and inserting “O&M BUDGET ACTIVITY DEFINED.—In this section, the term”; and
 - (B) by striking paragraph (2).
 - (6) Section 229 is amended by striking subsection (f).
 - (7) Section 1107(f)(4) is amended by striking subparagraph (C).
 - (8) Section 2216(j) is amended by striking paragraph (3).
 - (9) Section 2218(l) is amended—
 - (A) by striking paragraph (4); and
 - (B) by redesignating paragraph (5) as paragraph (4).
 - (10) Section 2306b(l) is amended—
 - (A) by striking paragraph (9); and
 - (B) by redesignating paragraph (10) as paragraph (9).
 - (11) Section 2308(e)(2) is amended—
 - (A) by striking subparagraph (A); and
 - (B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.
 - (12) Section 2350j is amended—
 - (A) in subsection (e), by striking “congressional committees specified in subsection (g)” in paragraphs (1) and (3) and inserting “congressional defense committees”; and
 - (B) by striking subsection (g).
 - (13) Section 2366(e) is amended—
 - (A) by striking paragraph (7); and
 - (B) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.
 - (14) Section 2399(h) is amended—
 - (A) by striking “DEFINITIONS.—” and all that follows through “(1) The term” and inserting “OPERATIONAL TEST AND EVALUATION DEFINED.—In this section, the term”;
 - (B) by striking paragraph (2);
 - (C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; and
 - (D) by realigning those paragraphs (as so redesignated) so as to be indented two ems from the left margin.
 - (15) Section 2667(h) is amended by striking paragraph (1).
 - (16) Section 2801(c)(4) is amended by striking “the Committee on” the first place it appears and all that follows through “House of Representatives” and inserting “the congressional defense committees”.
- (c) REFERENCES TO BASE CLOSURE LAWS.—Title 10, United States Code, is further amended as follows:
- (1) Section 2306c(h) is amended by striking “ADDITIONAL” and all that follows through “(2) The term” and inserting “MILITARY INSTALLATION DEFINED.—In this section, the term”.
 - (2) Section 2490a(f) is amended—
 - (A) by striking “DEFINITIONS.—” and all that follows through “(1) The term” and inserting “NONAPPROPRIATED FUND INSTRUMENTALITY DEFINED.—In this section, the term”; and
 - (B) by striking paragraph (2).

(3) Section 2667(h), as amended by subsection (b)(15), is further amended by striking “section:” and all that follows through “(3) The term” and inserting “section, the term”.

(4) Section 2696(e) is amended—

(A) by striking paragraphs (1), (2), (3), and (4) and inserting the following:

“(1) A base closure law.”; and

(B) by redesignating paragraphs (5) and (6) as paragraphs (2) and (3), respectively.

(5) Section 2705 is amended by striking subsection (h).

(6) Section 2871 is amended by striking paragraph (2).

SEC. 1044. INCLUSION OF ANNUAL MILITARY CONSTRUCTION AUTHORIZATION REQUEST IN ANNUAL DEFENSE AUTHORIZATION REQUEST.

(a) INCLUSION OF MILITARY CONSTRUCTION REQUEST.—Section 113a(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

“(3) Authority to carry out military construction projects, as required by section 2802 of this title.”.

(b) REPEAL OF SEPARATE TRANSMISSION OF REQUEST.—(1) Section 2859 of such title is repealed.

(2) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2859.

SEC. 1045. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are amended by striking “2701” in the item relating to chapter 160 and inserting “2700”.

(2) Section 101(a)(9)(D) is amended by striking “Transportation” and inserting “Homeland Security”.

(3) Section 1115(c)(1)(B) is amended by striking “and other than members” and inserting “(other than members)”.

(4) Section 2002(a)(2) is amended by striking “Foreign Service Institute” and inserting “George P. Schultz National Foreign Affairs Training Center”.

(5)(A) Section 2248 is repealed.

(B) The table of sections at the beginning of subchapter I of chapter 134 is amended by striking the item relating to section 2248.

(6) Section 2432(h)(1) is amended by inserting “program” in the first sentence after “for such”.

(7) Section 7305(d) is amended by inserting “such” before “title III” the second place it appears.

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 323(a) is amended by striking “1 year” in paragraphs (1) and (2) and inserting “one year”.

(2) Section 402 is amended—

(A) in subsection (b)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(iii) in paragraph (1) (as so redesignated), by striking “On and after January 1, 2002, the” and inserting “The”; and

(iv) in paragraph (3) (as so redesignated), by striking “paragraph (2)” and inserting “paragraph (1)”; and

(B) in subsection (d), by striking “subsection (b)(2)” and inserting “subsection (b)(1)”.

(c) FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001.—The Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) is amended as follows:

(1) Section 814(g)(1) is amended by striking “the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106)” and inserting “subtitle III of title 40, United States Code”.

(2) Section 1308(c) (22 U.S.C. 5959) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by redesignating the second paragraph (6) as paragraph (7).

(d) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—Section 819(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2089) is amended by striking “section 201(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(c)),” and inserting “section 503 of title 40, United States Code,”.

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—Section 1084(e) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2675) is amended by striking “98–515” and inserting “98–525”. The amendment made by the preceding sentence shall take effect as if included in Public Law 104–201.

22 USC 1928.

(f) FEDERAL ACQUISITION STREAMLINING ACT OF 1994.—Subsection (d) of section 1004 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3253) is amended by striking “under—” and all that follows through the end of paragraph (2) and inserting “under chapter 11 of title 40, United States Code.”.

10 USC 2304a note.

(g) ARMED FORCES RETIREMENT HOME ACT OF 1991.—Section 1520(b)(1)(C) of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 420(b)(1)(C)) is amended by inserting “Armed Forces” before “Retirement Home Trust Fund”.

Subtitle F—Other Matters

SEC. 1051. ASSESSMENT OF EFFECTS OF SPECIFIED STATUTORY LIMITATIONS ON THE GRANTING OF SECURITY CLEARANCES.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an assessment of the effects of the provisions of section 986 of title 10, United States

Deadline.

Code (relating to limitations on security clearances), on the granting (or renewal) of security clearances for Department of Defense personnel and defense contractor personnel. The assessment shall review the effects of the disqualification factors specified in subsection (c) of that section and shall include such recommendations for legislation or administrative steps as the Secretary considers necessary.

10 USC 2572
note.

SEC. 1052. ACQUISITION OF HISTORICAL ARTIFACTS THROUGH EXCHANGE OF OBSOLETE OR SURPLUS PROPERTY.

(a) **ACQUISITION AUTHORIZED.**—The Secretary of a military department may use the authority provided by section 2572 of title 10, United States Code, to acquire an historical artifact that directly benefits the historical collection of the Armed Forces in exchange for any obsolete or surplus property held by that military department, without regard to whether the property is described in subsection (c) of such section.

Applicability.

(b) **DURATION OF AUTHORITY.**—The authority provided by subsection (a) applies during fiscal years 2004 and 2005.

SEC. 1053. CONVEYANCE OF SURPLUS T-37 AIRCRAFT TO AIR FORCE AVIATION HERITAGE FOUNDATION, INCORPORATED.

(a) **AUTHORITY TO CONVEY.**—The Secretary of the Air Force may convey to the Air Force Aviation Heritage Foundation, Incorporated, of Georgia (in this section referred to as the “Foundation”), all right, title, and interest of the United States in and to one surplus T-37 “Tweet” aircraft for the sole purpose of permitting the Foundation to use the aircraft in a static display. The conveyance shall be made by means of a conditional deed of gift.

(b) **CONDITION OF AIRCRAFT.**—(1) The Secretary may not convey the aircraft under subsection (a) until the aircraft has been demilitarized in such manner as the Secretary determines necessary to ensure that the aircraft is permanently unfit for flight and does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have.

(2) The Foundation shall be responsible for the costs of demilitarizing the aircraft, as required by paragraph (1). Demilitarization shall be carried out in a manner intended to preserve the historical and display value of the aircraft.

(c) **CONDITIONS FOR CONVEYANCE.**—(1) The conveyance of a T-37 aircraft under this section shall be subject to the following conditions:

(A) That the Foundation not convey any right, title, or interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary of the Air Force.

(B) That the Foundation not alter the aircraft to restore it to flyable condition.

(C) That if the Secretary of the Air Force determines at any time that the Foundation has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, or has failed to comply with the condition set forth in subparagraph (B), all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(2) The Secretary shall include the conditions under paragraph (1) in the instrument of conveyance of the T–37 aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—Any conveyance of a T–37 aircraft under this section shall be made at no cost to the United States. Any costs associated with such conveyance, costs of determining compliance by the Foundation with the conditions in subsection (b), and costs of restoration and maintenance of the aircraft conveyed shall be borne by the Foundation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) DURATION OF CONVEYANCE AUTHORITY.—The authority to make the conveyance to the Foundation authorized by this section expires on September 30, 2005.

Expiration date.

SEC. 1054. DEPARTMENT OF DEFENSE BIENNIAL STRATEGIC PLAN FOR MANAGEMENT OF ELECTROMAGNETIC SPECTRUM.

(a) REQUIREMENT FOR PLAN.—Chapter 23 of title 10, United States Code, is amended by inserting after section 487 the following new section:

“§ 488. Management of electromagnetic spectrum: biennial strategic plan

“(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (b), the Secretary of Defense shall prepare a strategic plan for the management of the electromagnetic spectrum to ensure the accessibility and efficient use of that spectrum needed to support the mission of the Department of Defense.

“(b) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 487 the following new item:

“488. Management of electromagnetic spectrum: biennial strategic plan.”.

SEC. 1055. REVISION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO MANAGEMENT AND USE OF RADIO FREQUENCY SPECTRUM.

Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall revise and reissue Department of Defense Directive 4650.1, relating to management and use of the radio frequency spectrum, last issued on June 24, 1987, to update the procedures applicable to Department of Defense management and use of the radio frequency spectrum and to ensure the consideration of requirements for usage of such spectrum by a system as early as practicable in the acquisition program for such system.

Deadline.

**SEC. 1056. SENSE OF CONGRESS ON DEPLOYMENT OF AIRBORNE
CHEMICAL AGENT MONITORING SYSTEMS AT CHEMICAL
STOCKPILE DISPOSAL SITES IN THE UNITED STATES.**

(a) FINDINGS.—The Congress makes the following findings:

(1) Over 23,700 tons of lethal chemical agents in assembled chemical weapons and bulk storage containers are stored and awaiting destruction at eight chemical agent disposal facilities and stockpile storage sites in the United States. Some of these weapons and storage containers contain GB or VX nerve agents, while others contain blister agents such as HD (mustard agent).

(2) Approximately 960,000 persons live in the vicinity of the eight chemical weapons disposal facilities and stockpile storage sites.

(3) Airborne-agent chemical monitoring systems are currently deployed at each of the chemical demilitarization facilities and stockpile storage sites to provide continuous and near-real-time monitoring of the presence of chemical agents.

(4) The National Research Council has determined that monitoring levels used at the demilitarization facilities are very conservative and highly protective of workers and public health and safety and that the conservative monitoring levels are a contributing factor in false positive alarms.

(5) The National Research Council has expressed repeated concern about relatively frequent false positive alarms and the lack of real-time monitoring for airborne agents and has noted the poor state of agent monitoring technology for liquid waste streams and solid materials suspected of possible agent contamination.

(6) The National Research Council has concluded that, although the Program Manager for Chemical Demilitarization has made some efforts to develop better agent-monitoring technology, results to date have been disappointing.

(7) The National Research Council has concluded that development and deployment of airborne-agent monitors with shorter response time and lower false alarm rates would enhance safety and reduce the tendency to discount agent alarms, and has recommended that the Program Manager for Chemical Demilitarization and the relevant Department of Defense research and development agencies should invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Army—

(1) should, in coordination with relevant Department of Defense research and development agencies, invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time; and

(2) should deploy improved chemical agent monitors in order to ensure the maximum protection of the general public, personnel involved in the chemical demilitarization program, and the environment.

**SEC. 1057. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PRO-
GRAM OF UNITED STATES FIRE ADMINISTRATION.**

The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is amended by redesignating the second section 33

and section 34 as sections 35 and 36, respectively, and by inserting after the first section 33 the following new section:

15 USC 2230,
2231.

“SEC. 34. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PROGRAM.

15 USC 2229a.

“(a) EXPANDED AUTHORITY TO MAKE GRANTS.—

“(1) HIRING GRANTS.—(A) The Administrator shall make grants directly to career, volunteer, and combination fire departments, in consultation with the chief executive of the State in which the applicant is located, for the purpose of increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments that antedate the creation of the Department of Homeland Security.

“(B)(i) Grants made under this paragraph shall be for 4 years and be used for programs to hire new, additional firefighters.

“(ii) Grantees are required to commit to retaining for at least 1 year beyond the termination of their grants those firefighters hired under this paragraph.

“(C) In awarding grants under this subsection, the Administrator may give preferential consideration to applications that involve a non-Federal contribution exceeding the minimums under subparagraph (E).

“(D) The Administrator may provide technical assistance to States, units of local government, Indian tribal governments, and to other public entities, in furtherance of the purposes of this section.

“(E) The portion of the costs of hiring firefighters provided by a grant under this paragraph may not exceed—

“(i) 90 percent in the first year of the grant;

“(ii) 80 percent in the second year of the grant;

“(iii) 50 percent in the third year of the grant; and

“(iv) 30 percent in the fourth year of the grant.

“(F) Notwithstanding any other provision of law, any firefighter hired with funds provided under this subsection shall not be discriminated against for, or be prohibited from, engaging in volunteer activities in another jurisdiction during off-duty hours.

“(G) All grants made pursuant to this subsection shall be awarded on a competitive basis through a neutral peer review process.

“(H) At the beginning of the fiscal year, the Administrator shall set aside 10 percent of the funds appropriated for carrying out this paragraph for departments with majority volunteer or all volunteer personnel. After awards have been made, if less than 10 percent of the funds appropriated for carrying out this paragraph are not awarded to departments with majority volunteer or all volunteer personnel, the Administrator shall transfer from funds appropriated for carrying out this paragraph to funds available for carrying out paragraph (2) an amount equal to the difference between the amount that is provided to such fire departments and 10 percent.

“(2) RECRUITMENT AND RETENTION GRANTS.—In addition to any amounts transferred under paragraph (1)(H), the Administrator shall direct at least 10 percent of the total

amount of funds appropriated pursuant to this section annually to a competitive grant program for the recruitment and retention of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response. Eligible entities shall include volunteer or combination fire departments, and organizations on a local or statewide basis that represent the interests of volunteer firefighters.

“(b) APPLICATIONS.—(1) No grant may be made under this section unless an application has been submitted to, and approved by, the Administrator.

“(2) An application for a grant under this section shall be submitted in such form, and contain such information, as the Administrator may prescribe.

“(3) At a minimum, each application for a grant under this section shall—

“(A) explain the applicant’s inability to address the need without Federal assistance;

“(B) in the case of a grant under subsection (a)(1), explain how the applicant plans to meet the requirements of subsection (a)(1)(B)(ii) and (F);

“(C) specify long-term plans for retaining firefighters following the conclusion of Federal support provided under this section; and

“(D) provide assurances that the applicant will, to the extent practicable, seek, recruit, and hire members of racial and ethnic minority groups and women in order to increase their ranks within firefighting.

“(c) LIMITATION ON USE OF FUNDS.—(1) Funds made available under this section to fire departments for salaries and benefits to hire new, additional firefighters shall not be used to supplant State or local funds, or, in the case of Indian tribal governments, funds supplied by the Bureau of Indian Affairs, but shall be used to increase the amount of funds that would, in the absence of Federal funds received under this section, be made available from State or local sources, or in the case of Indian tribal governments, from funds supplied by the Bureau of Indian Affairs.

“(2) No grant shall be awarded pursuant to this section to a municipality or other recipient whose annual budget at the time of the application for fire-related programs and emergency response has been reduced below 80 percent of the average funding level in the 3 years prior to the date of enactment of this section.

“(3) Funds appropriated by the Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing firefighting functions on any Indian lands may be used to provide the non-Federal share of the cost of programs or projects funded under this section.

“(4)(A) Total funding provided under this section over 4 years for hiring a firefighter may not exceed \$100,000.

“(B) The \$100,000 cap shall be adjusted annually for inflation beginning in fiscal year 2005.

“(d) PERFORMANCE EVALUATION.—The Administrator may require a grant recipient to submit any information the Administrator considers reasonably necessary to evaluate the program.

“(e) SUNSET AND REPORTS.—The authority under this section to make grants shall lapse at the conclusion of 10 years from the date of enactment of this section. Not later than 6 years after the date of the enactment of this section, the Administrator shall

submit a report to Congress concerning the experience with, and effectiveness of, such grants in meeting the objectives of this section. The report may include any recommendations the Administrator may have for amendments to this section and related provisions of law.

“(f) REVOCATION OR SUSPENSION OF FUNDING.—If the Administrator determines that a grant recipient under this section is not in substantial compliance with the terms and requirements of an approved grant application submitted under this section, the Administrator may revoke or suspend funding of that grant, in whole or in part.

“(g) ACCESS TO DOCUMENTS.—(1) The Administrator shall have access for the purpose of audit and examination to any pertinent books, documents, papers, or records of a grant recipient under this section and to the pertinent books, documents, papers, or records of State and local governments, persons, businesses, and other entities that are involved in programs, projects, or activities for which assistance is provided under this section.

“(2) Paragraph (1) shall apply with respect to audits and examinations conducted by the Comptroller General of the United States or by an authorized representative of the Comptroller General.

Applicability.

“(h) DEFINITIONS.—In this section, the term—

“(1) ‘firefighter’ has the meaning given the term ‘employee in fire protection activities’ under section 3(y) of the Fair Labor Standards Act (29 U.S.C. 203(y)); and

“(2) ‘Indian tribe’ means a tribe, band, pueblo, nation, or other organized group or community of Indians, including an Alaska Native village (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section—

“(1) \$1,000,000,000 for fiscal year 2004;

“(2) \$1,030,000,000 for fiscal year 2005;

“(3) \$1,061,000,000 for fiscal year 2006;

“(4) \$1,093,000,000 for fiscal year 2007;

“(5) \$1,126,000,000 for fiscal year 2008;

“(6) \$1,159,000,000 for fiscal year 2009; and

“(7) \$1,194,000,000 for fiscal year 2010.”.

SEC. 1058. REVIEW AND ENHANCEMENT OF EXISTING AUTHORITIES FOR USING AIR FORCE AND AIR NATIONAL GUARD MODULAR AIRBORNE FIRE-FIGHTING SYSTEMS AND OTHER DEPARTMENT OF DEFENSE ASSETS TO FIGHT WILDFIRES.

31 USC 1535 note.

(a) REVIEW REQUIRED.—The Director of the Office of Management and Budget shall conduct a review of existing authorities regarding the use of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems units and other Department of Defense assets to fight wildfires to ensure that, in accordance with applicable legal requirements, such assets are available in the most expeditious manner to fight wildfires on Federal lands or non-Federal lands at the request of a Federal agency or State

government. In conducting the review, the Director shall specifically consider—

(1) any adverse impact caused by the restrictions contained in section 1535(a)(4) of title 31, United States Code, or caused by the interpretation of such restrictions, on the ability of the Forest Service and other Federal agencies to procure such firefighting services; and

(2) whether the authorities under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), including section 403(c) of such Act (42 U.S.C. 5170b), are being properly utilized to facilitate an expeditious Department of Defense response to State requests under, and consistent with, such Act for firefighting services.

(b) DETERMINATION REQUIRED.—On the basis of the review, the Director shall make a determination regarding whether existing authorities are being used in a manner consistent with using the available capabilities of Department of Defense assets to fight wildfires in the most expeditious and efficacious way to minimize the risk to public safety.

(c) EXPEDITED ECONOMY ACT REVIEW PROCESS.—If the Director determines under subsection (b) that existing authorities are adequate for the deployment of Department of Defense assets to fight wildfires, the Director shall develop and implement, subject to subsection (f), such modifications to the process for conducting the cost comparison required by section 1535(a)(4) of title 31, United States Code, as the Director considers appropriate to further expedite the procurement of such firefighting services.

(d) DEVELOPMENT AND IMPLEMENTATION OF REVISED POLICIES.—If the Director determines under subsection (b) that the existing authorities or their use is inadequate or can be improved, the Director shall develop and implement, subject to subsection (f), such regulations, policies, and interagency procedures as may be necessary to improve the ability of the Department of Defense to respond to a request by a Federal agency or State government to assist in fighting wildfires on Federal lands or non-Federal lands under section 1535(a) of title 31, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), or both.

Deadline.

(e) REPORTING REQUIREMENT.—Not later than 120 days after the date of the enactment of this Act, the Director shall transmit to Congress a report—

(1) containing the results of the review conducted under subsection (a) and the determination made under subsection (b); and

(2) based on such determination, describing the modifications proposed to be made to existing authorities under subsection (c) or (d), including whether there is a need for legislative changes to further improve the procedures for using Department of Defense assets to fight wildfires.

(f) DELAYED IMPLEMENTATION.—The modifications described in the report prepared under subsection (e) to be made to existing authorities under subsection (c) or (d) shall not take effect until the end of the 30-day period beginning on the date on which the report is transmitted to Congress.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Subtitle A—Department of Defense National Security Personnel System

Sec. 1101. Department of Defense national security personnel system.

Subtitle B—Department of Defense Civilian Personnel Generally

- Sec. 1111. Pilot program for improved civilian personnel management.
- Sec. 1112. Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures.
- Sec. 1113. Military leave for mobilized Federal civilian employees.
- Sec. 1114. Restoration of annual leave for certain Department of Defense employees.
- Sec. 1115. Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation.
- Sec. 1116. Extension of authority for experimental personnel program for scientific and technical personnel.

Subtitle C—Other Federal Government Civilian Personnel Matters

- Sec. 1121. Modification of the overtime pay cap.
- Sec. 1122. Common occupational and health standards for differential payments as a consequence of exposure to asbestos.
- Sec. 1123. Increase in annual student loan repayment authority.
- Sec. 1124. Authorization for cabinet secretaries, secretaries of military departments, and heads of executive agencies to be paid on a biweekly basis.
- Sec. 1125. Senior Executive Service and performance.
- Sec. 1126. Design elements of pay-for-performance systems in demonstration projects.
- Sec. 1127. Federal flexible benefits plan administrative costs.
- Sec. 1128. Employee surveys.
- Sec. 1129. Human capital performance fund.

Subtitle A—Department of Defense National Security Personnel System

SEC. 1101. DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM.

(a) IN GENERAL.—(1) Subpart I of part III of title 5, United States Code, is amended by adding at the end the following new chapter:

“CHAPTER 99—DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM

“Sec.

“9901. Definitions.

“9902. Establishment of human resources management system.

“9903. Attracting highly qualified experts.

“9904. Special pay and benefits for certain employees outside the United States.

“§ 9901. Definitions

“For purposes of this chapter—

“(1) the term ‘Director’ means the Director of the Office of Personnel Management; and

“(2) the term ‘Secretary’ means the Secretary of Defense.

“§ 9902. Establishment of human resources management system

“(a) IN GENERAL.—Notwithstanding any other provision of this part, the Secretary may, in regulations prescribed jointly with the

Director, establish, and from time to time adjust, a human resources management system for some or all of the organizational or functional units of the Department of Defense. The human resources management system established under authority of this section shall be referred to as the ‘National Security Personnel System’.

“(b) SYSTEM REQUIREMENTS.—Any system established under subsection (a) shall—

“(1) be flexible;

“(2) be contemporary;

“(3) not waive, modify, or otherwise affect—

“(A) the public employment principles of merit and fitness set forth in section 2301, including the principles of hiring based on merit, fair treatment without regard to political affiliation or other nonmerit considerations, equal pay for equal work, and protection of employees against reprisal for whistleblowing;

“(B) any provision of section 2302, relating to prohibited personnel practices;

“(C)(i) any provision of law referred to in section 2302(b)(1), (8), and (9); or

“(ii) any provision of law implementing any provision of law referred to in section 2302(b)(1), (8), and (9) by—

“(I) providing for equal employment opportunity through affirmative action; or

“(II) providing any right or remedy available to any employee or applicant for employment in the public service;

“(D) any other provision of this part (as described in subsection (d)); or

“(E) any rule or regulation prescribed under any provision of law referred to in this paragraph;

“(4) ensure that employees may organize, bargain collectively as provided for in this chapter, and participate through labor organizations of their own choosing in decisions which affect them, subject to the provisions of this chapter and any exclusion from coverage or limitation on negotiability established pursuant to law;

“(5) not be limited by any specific law or authority under this title, or by any rule or regulation prescribed under this title, that is waived in regulations prescribed under this chapter, subject to paragraph (3); and

“(6) include a performance management system that incorporates the following elements:

“(A) Adherence to merit principles set forth in section 2301.

“(B) A fair, credible, and transparent employee performance appraisal system.

“(C) A link between the performance management system and the agency’s strategic plan.

“(D) A means for ensuring employee involvement in the design and implementation of the system.

“(E) Adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the performance management system.

“(F) A process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and

employees throughout the appraisal period, and setting timetables for review.

“(G) Effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance.

“(H) A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the performance management system.

“(I) A pay-for-performance evaluation system to better link individual pay to performance, and provide an equitable method for appraising and compensating employees.

“(c) PERSONNEL MANAGEMENT AT DEFENSE LABORATORIES.—(1) The National Security Personnel System shall not apply with respect to a laboratory under paragraph (2) before October 1, 2008, and shall apply on or after October 1, 2008, only to the extent that the Secretary determines that the flexibilities provided by the National Security Personnel System are greater than the flexibilities provided to those laboratories pursuant to section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721) and section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note), respectively.

“(2) The laboratories to which this subsection applies are—

“(A) the Aviation and Missile Research Development and Engineering Center;

“(B) the Army Research Laboratory;

“(C) the Medical Research and Materiel Command;

“(D) the Engineer Research and Development Command;

“(E) the Communications-Electronics Command;

“(F) the Soldier and Biological Chemical Command;

“(G) the Naval Sea Systems Command Centers;

“(H) the Naval Research Laboratory;

“(I) the Office of Naval Research; and

“(J) the Air Force Research Laboratory.

“(d) OTHER NONWAIVABLE PROVISIONS.—The other provisions of this part referred to in subsection (b)(3)(D) are (to the extent not otherwise specified in this title)—

“(1) subparts A, B, E, G, and H of this part; and

“(2) chapters 41, 45, 47, 55 (except subchapter V thereof, apart from section 5545b), 57, 59, 71, 72, 73, and 79, and this chapter.

“(e) LIMITATIONS RELATING TO PAY.—(1) Nothing in this section shall constitute authority to modify the pay of any employee who serves in an Executive Schedule position under subchapter II of chapter 53.

“(2) Except as provided for in paragraph (1), the total amount in a calendar year of allowances, differentials, bonuses, awards, or other similar cash payments paid under this title to any employee who is paid under section 5376 or 5383 or under title 10 or under other comparable pay authority established for payment of Department of Defense senior executive or equivalent employees may not exceed the total annual compensation payable to the Vice President under section 104 of title 3.

“(3) To the maximum extent practicable, the rates of compensation for civilian employees at the Department of Defense shall be adjusted at the same rate, and in the same proportion, as are rates of compensation for members of the uniformed services.

“(4) To the maximum extent practicable, for fiscal years 2004 through 2008, the overall amount allocated for compensation of the civilian employees of an organizational or functional unit of the Department of Defense that is included in the National Security Personnel System shall not be less than the amount that would have been allocated for compensation of such employees for such fiscal year if they had not been converted to the National Security Personnel System, based on, at a minimum—

“(A) the number and mix of employees in such organizational or functional unit prior to the conversion of such employees to the National Security Personnel System; and

“(B) adjusted for normal step increases and rates of promotion that would have been expected, had such employees remained in their previous pay schedule.

“(5) To the maximum extent practicable, the regulations implementing the National Security Personnel System shall provide a formula for calculating the overall amount to be allocated for fiscal years after fiscal year 2008 for compensation of the civilian employees of an organization or functional unit of the Department of Defense that is included in the National Security Personnel System. The formula shall ensure that in the aggregate, employees are not disadvantaged in terms of the overall amount of pay available as a result of conversion to the National Security Personnel System, while providing flexibility to accommodate changes in the function of the organization, changes in the mix of employees performing those functions, and other changed circumstances that might impact pay levels.

“(f) PROVISIONS TO ENSURE COLLABORATION WITH EMPLOYEE REPRESENTATIVES.—(1) In order to ensure that the authority of this section is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the planning, development, and implementation of the National Security Personnel System, the Secretary and the Director shall provide for the following:

“(A) The Secretary and the Director shall, with respect to any proposed system—

“(i) provide to the employee representatives representing any employees who might be affected a written description of the proposed system or adjustment (including the reasons why it is considered necessary);

“(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review and make recommendations with respect to the proposal; and

“(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration in deciding whether or how to proceed with the proposal.

“(B) Following receipt of recommendations, if any, from such employee representatives with respect to a proposal described in subparagraph (A), the Secretary and the Director shall accept such modifications to the proposal in response to the recommendations as they determine advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

“(i) notify Congress of those parts of the proposal, together with the recommendations of the employee representatives;

Notification.

“(ii) meet and confer for not less than 30 calendar days with the employee representatives, in order to attempt to reach agreement on whether or how to proceed with those parts of the proposal; and

“(iii) at the Secretary’s option, or if requested by a majority of the employee representatives participating, use the services of the Federal Mediation and Conciliation Service during such meet and confer period to facilitate the process of attempting to reach agreement.

“(C)(i) Any part of the proposal as to which the representatives do not make a recommendation, or as to which the recommendations are accepted by the Secretary and the Director, may be implemented immediately.

“(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted by the Secretary and the Director, at any time after 30 calendar days have elapsed since the initiation of the congressional notification, consultation, and mediation procedures set forth in subparagraph (B), if the Secretary, in his discretion, determines that further consultation and mediation is unlikely to produce agreement, the Secretary may implement any or all of such parts (including any modifications made in response to the recommendations as the Secretary determines advisable), but only after 30 days have elapsed after notifying Congress of the decision to implement the part or parts involved (as so modified, if applicable).

“(iii) The Secretary shall notify Congress promptly of the implementation of any part of the proposal and shall furnish with such notice an explanation of the proposal, any changes made to the proposal as a result of recommendations from the employee representatives, and of the reasons why implementation is appropriate under this subparagraph.

Notification.

“(D) If a proposal described in subparagraph (A) is implemented, the Secretary and the Director shall—

“(i) develop a method for the employee representatives to participate in any further planning or development which might become necessary; and

“(ii) give the employee representatives adequate access to information to make that participation productive.

“(2) The Secretary may, at the Secretary’s discretion, engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

“(3) In the case of any employees who are not within a unit with respect to which a labor organization is accorded exclusive recognition, the Secretary and the Director may develop procedures for representation by any appropriate organization which represents a substantial percentage of those employees or, if none, in such other manner as may be appropriate, consistent with the purposes of this subsection.

“(4) The procedures under this subsection are the exclusive procedures for the participation of employee representatives in the planning, development, implementation, or adjustment of the National Security Personnel System.

“(g) PROVISIONS REGARDING NATIONAL LEVEL BARGAINING.—

(1) The National Security Personnel System implemented or modified under this chapter may include employees of the Department of Defense from any bargaining unit with respect to which a labor

organization has been accorded exclusive recognition under chapter 71.

“(2) For any bargaining unit so included under paragraph (1), the Secretary may bargain with a labor organization at an organizational level above the level of exclusive recognition. The decision to bargain at a level above the level of exclusive recognition shall not be subject to review or to statutory third-party dispute resolution procedures outside the Department of Defense. Any such bargaining shall—

“(A) be binding on all subordinate bargaining units of the labor organization at the level of recognition and their exclusive representatives, and the Department of Defense and its subcomponents, without regard to levels of recognition;

“(B) supersede all other collective bargaining agreements of the labor organization, including collective bargaining agreements negotiated with an exclusive representative at the level of recognition, except as otherwise determined by the Secretary;

“(C) not be subject to further negotiations with the labor organizations for any purpose, including bargaining at the level of recognition, except as provided for by the Secretary; and

“(D) be subject to review by an independent third party only to the extent provided and pursuant to procedures established under paragraph (6) of subsection (m).

“(3) The National Guard Bureau and the Army and Air Force National Guard are excluded from coverage under this subsection.

“(4) Any bargaining completed pursuant to this subsection with a labor organization not otherwise having national consultation rights with the Department of Defense or its subcomponents shall not create any obligation on the Department of Defense or its subcomponents to confer national consultation rights on such a labor organization.

“(h) PROVISIONS RELATING TO APPELLATE PROCEDURES.—(1) The Secretary—

“(A) may establish an appeals process that provides employees of the Department of Defense organizational and functional units that are included in the National Security Personnel System fair treatment in any appeals that they bring in decisions relating to their employment; and

“(B) shall in prescribing regulations for any such appeals process—

“(i) ensure that employees in the National Security Personnel System are afforded the protections of due process; and

“(ii) toward that end, be required to consult with the Merit Systems Protection Board before issuing any such regulations.

“(2) Regulations implementing the appeals process may establish legal standards and procedures for personnel actions, including standards for applicable relief, to be taken on the basis of employee misconduct or performance that fails to meet expectations. Such standards shall be consistent with the public employment principles of merit and fitness set forth in section 2301.

“(3) Legal standards and precedents applied before the effective date of this section by the Merit Systems Protection Board and the courts under chapters 43, 75, and 77 of this title shall apply to employees of organizational and functional units included in the National Security Personnel System, unless such standards

and precedents are inconsistent with legal standards established under this subsection.

“(4) An employee who—

“(A) is removed, suspended for more than 14 days, furloughed for 30 days or less, reduced in pay, or reduced in pay band (or comparable reduction) by a final decision under the appeals process established under paragraph (1);

“(B) is not serving under probationary period as defined under regulations established under paragraph (2); and

“(C) would otherwise be eligible to appeal a performance-based or adverse action under chapter 43 or 75, as applicable, to the Merit Systems Protection Board,

shall have the right to petition the full Merit Systems Protection Board for review of the record of that decision pursuant to regulations established under paragraph (2). The Board may dismiss any petition that, in the view of the Board, does not raise substantial questions of fact or law. No personnel action shall be stayed and no interim relief shall be granted during the pendency of the Board’s review unless specifically ordered by the Board.

“(5) The Board may order such corrective action as the Board considers appropriate only if the Board determines that the decision was—

“(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

“(B) obtained without procedures required by law, rule, or regulation having been followed; or

“(C) unsupported by substantial evidence.

“(6) An employee who is adversely affected by a final order or decision of the Board may obtain judicial review of the order or decision as provided in section 7703. The Secretary of Defense, after notifying the Director, may obtain judicial review of any final order or decision of the Board under the same terms and conditions as provided an employee.

“(7) Nothing in this subsection shall be construed to authorize the waiver of any provision of law, including an appeals provision providing a right or remedy under section 2302(b) (1), (8) or (9), that is not otherwise waivable under subsection (a).

“(8) The right of an employee to petition the Merit Systems Protection Board of the Department’s final decision on an action covered by paragraph (4) of this subsection, and the right of the Merit Systems Protection Board to review such action or to order corrective action pursuant to paragraph (5), is provisional for 7 years after the date of the enactment of this chapter, and shall become permanent unless Congress acts to revise such provisions.

“(i) PROVISIONS RELATED TO SEPARATION AND RETIREMENT INCENTIVES.—(1) The Secretary may establish a program within the Department of Defense under which employees may be eligible for early retirement, offered separation incentive pay to separate from service voluntarily, or both. This authority may be used to reduce the number of personnel employed by the Department of Defense or to restructure the workforce to meet mission objectives without reducing the overall number of personnel. This authority is in addition to, and notwithstanding, any other authorities established by law or regulation for such programs.

“(2)(A) The Secretary may not authorize the payment of voluntary separation incentive pay under paragraph (1) to more than 25,000 employees in any fiscal year, except that employees who

receive voluntary separation incentive pay as a result of a closure or realignment of a military installation under the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) shall not be included in that number.

“(B) The Secretary shall prepare a report each fiscal year setting forth the number of employees who received such pay as a result of a closure or realignment of a military base as described under subparagraph (A).

Reports.

“(C) The Secretary shall submit the report under subparagraph (B) to the Committee on Armed Services and the Committee on Governmental Affairs of the Senate, and the Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

“(3) For purposes of this section, the term ‘employee’ means an employee of the Department of Defense, serving under an appointment without time limitation, except that such term does not include—

“(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84, or another retirement system for employees of the Federal Government;

“(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A); or

“(C) for purposes of eligibility for separation incentives under this section, an employee who is in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

“(4) An employee who is at least 50 years of age and has completed 20 years of service, or has at least 25 years of service, may, pursuant to regulations promulgated under this section, apply and be retired from the Department of Defense and receive benefits in accordance with chapter 83 or 84 if the employee has been employed continuously within the Department of Defense for more than 30 days before the date on which the determination to conduct a reduction or restructuring within 1 or more Department of Defense components is approved.

“(5)(A) Separation pay shall be paid in a lump sum or in installments and shall be equal to the lesser of—

“(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c), if the employee were entitled to payment under such section; or

“(ii) \$25,000.

“(B) Separation pay shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit. Separation pay shall not be taken into account for the purpose of determining the amount of any severance pay to which an individual may be entitled under section 5595, based on any other separation.

“(C) Separation pay, if paid in installments, shall cease to be paid upon the recipient’s acceptance of employment by the Federal Government, or commencement of work under a personal services contract as described in paragraph (6).

“(6)(A) An employee who receives separation pay under such program may not be reemployed by the Department of Defense for a 12-month period beginning on the effective date of the

employee's separation, unless this prohibition is waived by the Secretary on a case-by-case basis.

“(B) An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Restructuring Act of 1994 (Public Law 103-236; 108 Stat. 111) and accepts employment with the Government of the United States, or who commences work through a personal services contract with the United States within 5 years after the date of the separation on which payment of the separation pay is based, shall be required to repay the entire amount of the separation pay to the Department of Defense. If the employment is with an Executive agency (as defined by section 105) other than the Department of Defense, the Director may, at the request of the head of that agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is within the Department of Defense, the Secretary may waive the repayment if the individual involved is the only qualified applicant available for the position. If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

“(7) Under this program, early retirement and separation pay may be offered only pursuant to regulations established by the Secretary, subject to such limitations or conditions as the Secretary may require.

“(j) PROVISIONS RELATING TO REEMPLOYMENT.—If an annuitant receiving an annuity from the Civil Service Retirement and Disability Fund becomes employed in a position within the Department of Defense, his annuity shall continue. An annuitant so reemployed shall not be considered an employee for purposes of chapter 83 or 84.

“(k) ADDITIONAL PROVISIONS RELATING TO PERSONNEL MANAGEMENT.—(1) Notwithstanding subsection (d), the Secretary of Defense, in establishing and implementing the National Security Personnel System under subsection (a), shall not be limited by any provision of this title or any rule or regulation prescribed under this title in establishing and implementing regulations relating to—

“(A) the methods of establishing qualification requirements for, recruitment for, and appointments to positions;

“(B) the methods of assigning, reassigning, detailing, transferring, or promoting employees; and

“(C) the methods of reducing overall agency staff and grade levels, except that performance, veterans' preference, tenure of employment, length of service, and such other factors as the Secretary considers necessary and appropriate shall be considered in decisions to realign or reorganize the Department's workforce.

“(2) In implementing this subsection, the Secretary shall comply with the provisions of section 2302(b)(11), regarding veterans' preference requirements, as provided for in subsection (b)(3).

“(1) PHASE-IN.—The Secretary may apply the National Security Personnel System—

“(1) to an organizational or functional unit that includes up to 300,000 civilian employees of the Department of Defense, without having to make a determination described in paragraph (2); and

“(2) to an organizational or functional unit that includes more than 300,000 civilian employees of the Department of Defense, if the Secretary determines in accordance with subsection (a) that the Department has in place a performance management system that meets the criteria specified in subsection (b).

“(m) LABOR MANAGEMENT RELATIONS IN THE DEPARTMENT OF DEFENSE.—(1) Notwithstanding section 9902(d)(2), the Secretary, together with the Director, may establish and from time to time adjust a labor relations system for the Department of Defense to address the unique role that the Department’s civilian workforce plays in supporting the Department’s national security mission.

“(2) The system developed or adjusted under paragraph (1) would allow for a collaborative issue-based approach to labor management relations.

“(3) In order to ensure that the authority of this section is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the development and implementation of the labor management relations system or adjustments to such system under this section, the Secretary shall provide for the following:

“(A) The Secretary and the Director shall, with respect to any proposed system or adjustment—

“(i) afford employee representatives and management the opportunity to have meaningful discussions concerning the development of the new system;

“(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review the proposal for the system and make recommendations with respect to it; and

“(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration.

“(B) Following receipt of recommendations, if any, from such employee representatives with respect to a proposal described in subparagraph (A), the Secretary and the Director shall accept such modifications to the proposal in response to the recommendations as are determined advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

“(i) meet and confer for not less than 30 calendar days with the employee representatives, in order to attempt to reach agreement on whether or how to proceed with those parts of the proposal; and

“(ii) at the Secretary’s option, or if requested by a majority of the employee representatives participating, use the services of the Federal Mediation and Conciliation Service during such meet and confer period to facilitate the process of attempting to reach agreement.

“(C)(i) Any part of the proposal described in subparagraph (A) as to which employee representatives do not make a recommendation, or as to which the recommendations are accepted under subparagraph (B), may be implemented immediately.

“(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted, at any time after 30 calendar days have elapsed since the consultation and mediation procedures set forth in subparagraph (B), if the Secretary, in his discretion, determines that further consultation and mediation is unlikely to produce agreement, the Secretary may implement any or all of such parts (including any modifications made in response to the recommendations as the Secretary determines advisable), but only after 30 days have elapsed after notifying Congress of the decision to implement the part or parts involved (as so modified, if applicable).

“(D) The process for collaborating with employee representatives provided for under this subsection shall begin no later than 60 calendar days after the date of enactment of this subsection.

Deadline.

“(4) The Secretary may engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

“(5) The system developed or adjusted under this subsection may incorporate the authority to bargain at a level above the level of exclusion recognition provided for in subsection (g) of this section, but may not abrogate or modify the authority provided for in that subsection. Notwithstanding this subsection, the Secretary may, at his discretion, implement the authority in subsection (g) immediately upon enactment of this subsection.

“(6) The labor relations system developed or adjusted under this subsection shall provide for independent third party review of decisions, including defining what decisions are reviewable by the third party, what third party would conduct the review, and the standard or standards for that review.

“(7) Nothing in this section, including the authority provided to waive, modify, or otherwise affect provisions of law not listed in subsections (b) and (c) as nonwaivable, shall be construed to expand the scope of bargaining under chapter 71 or this subsection with respect to any provision of this title that may be waived, modified, or otherwise affected under this section.

“(8) The labor relations system developed or adjusted under this subsection shall be binding on all bargaining units within the Department of Defense, all employee representatives of such units, and the Department of Defense and its subcomponents, and shall supersede all other collective bargaining agreements for bargaining units in the Department of Defense, including collective bargaining agreements negotiated with employee representatives at the level of recognition, except as otherwise determined by the Secretary.

“(9) Unless it is extended or otherwise provided for in law, the authority to establish, implement and adjust the labor relations system developed under this subsection shall expire six years after the date of enactment of this subsection, at which time the provisions of chapter 71 will apply.

“§ 9903. Attracting highly qualified experts

“(a) IN GENERAL.—The Secretary may carry out a program using the authority provided in subsection (b) in order to attract highly qualified experts in needed occupations, as determined by the Secretary.

“(b) AUTHORITY.—Under the program, the Secretary may—

“(1) appoint personnel from outside the civil service and uniformed services (as such terms are defined in section 2101) to positions in the Department of Defense without regard to any provision of this title governing the appointment of employees to positions in the Department of Defense;

“(2) prescribe the rates of basic pay for positions to which employees are appointed under paragraph (1) at rates not in excess of the maximum rate of basic pay authorized for senior-level positions under section 5376, as increased by locality-based comparability payments under section 5304, notwithstanding any provision of this title governing the rates of pay or classification of employees in the executive branch; and

“(3) pay any employee appointed under paragraph (1) payments in addition to basic pay within the limits applicable to the employee under subsection (d).

“(c) LIMITATION ON TERM OF APPOINTMENT.—(1) Except as provided in paragraph (2), the service of an employee under an appointment made pursuant to this section may not exceed 5 years.

“(2) The Secretary may, in the case of a particular employee, extend the period to which service is limited under paragraph (1) by up to 1 additional year if the Secretary determines that such action is necessary to promote the Department of Defense’s national security missions.

“(d) LIMITATIONS ON ADDITIONAL PAYMENTS.—(1) The total amount of the additional payments paid to an employee under this section for any 12-month period may not exceed the lesser of the following amounts:

“(A) \$50,000 in fiscal year 2004, which may be adjusted annually thereafter by the Secretary, with a percentage increase equal to one-half of 1 percentage point less than the percentage by which the Employment Cost Index, published quarterly by the Bureau of Labor Statistics, for the base quarter of the year before the preceding calendar year exceeds the Employment Cost Index for the base quarter of the second year before the preceding calendar year.

“(B) The amount equal to 50 percent of the employee’s annual rate of basic pay.

For purposes of this paragraph, the term ‘base quarter’ has the meaning given such term by section 5302(3).

“(2) An employee appointed under this section is not eligible for any bonus, monetary award, or other monetary incentive for service except for payments authorized under this section.

“(3) Notwithstanding any other provision of this subsection or of section 5307, no additional payments may be paid to an employee under this section in any calendar year if, or to the extent that, the employee’s total annual compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

“(e) LIMITATION ON NUMBER OF HIGHLY QUALIFIED EXPERTS.—The number of highly qualified experts appointed and retained

by the Secretary under subsection (b)(1) shall not exceed 2,500 at any time.

“(f) SAVINGS PROVISIONS.—In the event that the Secretary terminates this program, in the case of an employee who, on the day before the termination of the program, is serving in a position pursuant to an appointment under this section—

“(1) the termination of the program does not terminate the employee’s employment in that position before the expiration of the lesser of—

“(A) the period for which the employee was appointed;

or

“(B) the period to which the employee’s service is limited under subsection (c), including any extension made under this section before the termination of the program; and

“(2) the rate of basic pay prescribed for the position under this section may not be reduced as long as the employee continues to serve in the position without a break in service.

“§ 9904. Special pay and benefits for certain employees outside the United States

“The Secretary may provide to certain civilian employees of the Department of Defense assigned to activities outside the United States as determined by the Secretary to be in support of Department of Defense activities abroad hazardous to life or health or so specialized because of security requirements as to be clearly distinguishable from normal Government employment—

“(1) allowances and benefits—

“(A) comparable to those provided by the Secretary of State to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (Public Law 96–465, 22 U.S.C. 4081 et seq.) or any other provision of law; or

“(B) comparable to those provided by the Director of Central Intelligence to personnel of the Central Intelligence Agency; and

“(2) special retirement accrual benefits and disability in the same manner provided for by the Central Intelligence Agency Retirement Act (50 U.S.C. 2001 et seq.) and in section 18 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403r).”.

(2) The table of chapters for part III of such title is amended by adding at the end of subpart I the following new item:

“99. Department of Defense National Security Personnel System 9901”.

(b) IMPACT ON DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL.—(1) Any exercise of authority under chapter 99 of such title (as added by subsection (a)), including under any system established under such chapter, shall be in conformance with the requirements of this subsection.

5 USC 9901 note.

(2) No other provision of this Act or of any amendment made by this Act may be construed or applied in a manner so as to limit, supersede, or otherwise affect the provisions of this section, except to the extent that it does so by specific reference to this section.

Subtitle B—Department of Defense Civilian Personnel Generally

5 USC 9902 note. **SEC. 1111. PILOT PROGRAM FOR IMPROVED CIVILIAN PERSONNEL MANAGEMENT.**

(a) PILOT PROGRAM.—The Secretary of Defense may carry out a pilot program using an automated workforce management system to demonstrate improved efficiency in the performance of civilian personnel management. The automated workforce management system used for the pilot program shall be capable of automating the following workforce management functions:

- (1) Job definition.
- (2) Position management.
- (3) Recruitment.
- (4) Staffing.
- (5) Performance management.

(b) AUTHORITIES UNDER PILOT PROGRAM.—Under the pilot program, the Secretary of Defense shall provide the Secretary of each military department with the authority for the following:

(1) To use an automated workforce management system for the civilian workforce of that military department to assess the potential of such a system to do the following:

- (A) Substantially reduce hiring cycle times.
- (B) Lower labor costs.
- (C) Increase efficiency.
- (D) Improve performance management.
- (E) Provide better management reporting.

(F) Enable that system to make operational new personnel management flexibilities granted under the civilian personnel transformation program.

(2) Identify at least one regional civilian personnel center (or equivalent) in that military department for participation in the pilot program.

Deadline.

(c) DURATION OF PILOT PROGRAM.—The Secretary of Defense may carry out the pilot program under this section at each selected regional civilian personnel center for a period of two years beginning not later than March 1, 2004.

SEC. 1112. CLARIFICATION AND REVISION OF AUTHORITY FOR DEMONSTRATION PROJECT RELATING TO CERTAIN ACQUISITION PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is amended—

(1) in subsection (b), by striking paragraph (3) and inserting the following:

“(3) CONDITIONS.—Paragraph (2) shall not apply with respect to a demonstration project unless—

“(A) for each organization or team participating in the demonstration project—

“(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and

“(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; and

“(B) the demonstration project commences before October 1, 2007.”;

(2) in subsection (d), by striking “95,000” and inserting “120,000”;

(3) by redesignating subsection (e) as subsection (f); and

(4) by inserting after subsection (d) the following:

“(e) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.”.

SEC. 1113. MILITARY LEAVE FOR MOBILIZED FEDERAL CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Subsection (b) of section 6323 of title 5, United States Code, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and at the end of clause (ii), as so redesignated, by inserting “or”; and

(B) by inserting “(A)” after “(2)”; and

(2) by inserting the following before the text beginning with “is entitled”:

“(B) performs full-time military service as a result of a call or order to active duty in support of a contingency operation as defined in section 101(a)(13) of title 10;”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to military service performed on or after the date of the enactment of this Act.

5 USC 6323 note.

SEC. 1114. RESTORATION OF ANNUAL LEAVE FOR CERTAIN DEPARTMENT OF DEFENSE EMPLOYEES.

5 USC 6304 note.

(a) RESTORATION OF ANNUAL LEAVE.—During the period October 1, 1992, through December 31, 1997, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3) of title 5, United States Code, to another Department of Defense installation or activity—

(1) may be deemed eligible by the Secretary of Defense for automatic restoration of forfeited annual leave under section 6304(d)(3) of title 5, United States Code, during the year of transfer; and

(2) may be deemed by the Secretary of Defense to have used all forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code, within the appropriate time limits, only if such restored annual leave was used by the employee or paid to the employee in the form of a lump sum payment under section 5551(a) of title 5, United States Code, by the last day of the 2001 leave year.

(b) **PAYMENT OF RESTORED ANNUAL LEAVE.**—(1) On or after September 23, 1996, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3)(A) of title 5, United States Code, to another Department of Defense installation or activity who, upon transfer, were entitled to payment of a lump sum payment under section 5551(c) of title 5, United States Code, for forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code—

(A) may be paid only for any such restored annual leave currently remaining to their credit at the hourly rate payable on the date of transfer with appropriate back pay interest; and

(B) shall be deemed paid for all such restored annual leave to which that employee was entitled to payment upon transfer, but subsequently used or was otherwise paid for upon separation.

(2) This subsection shall take effect on the date of the enactment of this Act.

SEC. 1115. AUTHORITY TO EMPLOY CIVILIAN FACULTY MEMBERS AT THE WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

Section 1595(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(6) The Western Hemisphere Institute for Security Cooperation.”.

5 USC 3104 note.

SEC. 1116. EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

(a) **EXTENSION OF PROGRAM.**—Subsection (e)(1) of section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2139; 5 U.S.C. 3104 note) is amended by striking “October 16, 2005” and inserting “September 30, 2008”.

(b) **COMMENSURATE EXTENSION OF REQUIREMENT FOR ANNUAL REPORT.**—Subsection (g) of such section is amended by striking “2006” and inserting “2009”.

Subtitle C—Other Federal Government Civilian Personnel Matters

SEC. 1121. MODIFICATION OF THE OVERTIME PAY CAP.

Section 5542(a)(2) of title 5, United States Code, is amended—

(1) by inserting “the greater of” before “one and one-half”; and

(2) by inserting “or the hourly rate of basic pay of the employee” after “law” the second place it appears.

SEC. 1122. COMMON OCCUPATIONAL AND HEALTH STANDARDS FOR DIFFERENTIAL PAYMENTS AS A CONSEQUENCE OF EXPOSURE TO ASBESTOS.

(a) **PREVAILING RATE SYSTEMS.**—Section 5343(c)(4) of title 5, United States Code, is amended by inserting before the semicolon at the end the following: “, and for any hardship or hazard related

to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970”.

(b) **GENERAL SCHEDULE PAY RATES.**—Section 5545(d) of such title is amended by inserting before the period at the end of the first sentence the following: “, and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970”.

(c) **APPLICABILITY.**—Subject to any vested constitutional property rights, any administrative or judicial determination after the date of the enactment of this Act concerning backpay for a differential established under sections 5343(c)(4) or 5545(d) of such title shall be based on occupational safety and health standards described in the amendments made by subsections (a) and (b).

5 USC 5343 note.

SEC. 1123. INCREASE IN ANNUAL STUDENT LOAN REPAYMENT AUTHORITY.

(a) **INCREASE.**—Section 5379(b)(2)(A) of title 5, United States Code, is amended by striking “\$6,000” and inserting “\$10,000”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on January 1, 2004.

SEC. 1124. AUTHORIZATION FOR CABINET SECRETARIES, SECRETARIES OF MILITARY DEPARTMENTS, AND HEADS OF EXECUTIVE AGENCIES TO BE PAID ON A BIWEEKLY BASIS.

(a) **AUTHORIZATION.**—Section 5504 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by striking the last sentence of both subsection (a) and subsection (b); and

(3) by inserting after subsection (b) the following:

“(c) For the purposes of this section:

“(1) The term ‘employee’ means—

“(A) an employee in or under an Executive agency;

“(B) an employee in or under the Office of the Architect of the Capitol, the Botanic Garden, and the Library of Congress, for whom a basic administrative workweek is established under section 6101(a)(5) of this title; and

“(C) an individual employed by the government of the District of Columbia.

“(2) The term ‘employee’ does not include—

“(A) an employee on the Isthmus of Panama in the service of the Panama Canal Commission; or

“(B) an employee or individual excluded from the definition of employee in section 5541(2) of this title other than an employee or individual excluded by clauses (ii), (iii), and (xiv) through (xvii) of such section.

“(3) Notwithstanding paragraph (2), an individual who otherwise would be excluded from the definition of employee shall be deemed to be an employee for purposes of this section if the individual’s employing agency so elects, under guidelines in regulations promulgated by the Office of Personnel Management under subsection (d)(2).”.

(b) **GUIDELINES.**—Subsection (d) of section 5504 of such title, as redesignated by subsection (a), is amended—

(1) by inserting “(1)” after “(d)”; and

(2) by adding at the end the following new paragraph:

“(2) The Office of Personnel Management shall provide guidelines by regulation for exemptions to be made by the heads of agencies under subsection (c)(3). Such guidelines shall provide for such exemptions only under exceptional circumstances.”.

SEC. 1125. SENIOR EXECUTIVE SERVICE AND PERFORMANCE.

(a) **SENIOR EXECUTIVE PAY.**—Chapter 53 of title 5, United States Code, is amended—

(1) in section 5304—

(A) in subsection (g)(2)—

(i) in subparagraph (A) by striking “subparagraphs (A)–(E)” and inserting “subparagraphs (A)–(D)”; and

(ii) in subparagraph (B) by striking “subsection (h)(1)(F)” and inserting “subsection (h)(1)(D)”; and

(B) in subsection (h)(1)—

(i) by striking subparagraphs (B) and (C);

(ii) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (B), (C), and (D), respectively;

(iii) in clause (ii) by striking “or” at the end;

(iv) in clause (iii) by striking the period and inserting a semicolon; and

(v) by adding at the end the following new clauses:

“(iv) a Senior Executive Service position under section 3132;

“(v) a position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service under section 3151; or

“(vi) a position in a system equivalent to the system in clause (iv), as determined by the President’s Pay Agent designated under subsection (d).”; and

(C) in subsection (h)(2)(B)—

(i) in clause (i)—

(I) by striking “subparagraphs (A) through (E)” and inserting “subparagraphs (A) through (C)”; and

(II) by striking “clause (i) or (ii)” and inserting “clause (i), (ii), (iii), (iv), (v), or (vi)”; and

(ii) in clause (ii)—

(I) by striking “paragraph (1)(F)” and inserting “paragraph (1)(D)”; and

(II) by striking “clause (i) or (ii)” and inserting “clause (i), (ii), (iii), (iv), (v), or (vi)”; and

(2) by amending section 5382 to read as follows:

“§ 5382. Establishment of rates of pay for the Senior Executive Service

“(a) Subject to regulations prescribed by the Office of Personnel Management, there shall be established a range of rates of basic pay for the Senior Executive Service, and each senior executive shall be paid at one of the rates within the range, based on individual performance, contribution to the agency’s performance, or both, as determined under a rigorous performance management system. The lowest rate of the range shall not be less than the minimum rate of basic pay payable under section 5376, and the

highest rate, for any position under this system or an equivalent system as determined by the President's Pay Agent designated under section 5304(d), shall not exceed the rate for level III of the Executive Schedule. The payment of the rates shall not be subject to the pay limitation of section 5306(e) or 5373.

“(b) Notwithstanding the provisions of subsection (a), the applicable maximum shall be level II of the Executive Schedule for any agency that is certified under section 5307 as having a performance appraisal system which, as designed and applied, makes meaningful distinctions based on relative performance.

“(c) No employee may suffer a reduction in pay by reason of transfer from an agency with an applicable maximum rate of pay prescribed under subsection (b) to an agency with an applicable maximum rate of pay prescribed under subsection (a).”; and

(3) in section 5383—

(A) in subsection (a) by striking “which of the rates established under section 5382 of this title” and inserting “which of the rates within a range established under section 5382”; and

(B) in subsection (c) by striking “for any pay adjustment under section 5382 of this title” and inserting “as provided in regulations prescribed by the Office under section 5385”.

(b) POST-EMPLOYMENT RESTRICTIONS.—(1) Clause (ii) of section 207(c)(2)(A) of title 18, United States Code, is amended to read as follows:

“(ii) employed in a position which is not referred to in clause (i) and for which that person is paid at a rate of basic pay which is equal to or greater than 86.5 percent of the rate of basic pay for level II of the Executive Schedule, or, for a period of 2 years following the enactment of the National Defense Authorization Act for Fiscal Year 2004, a person who, on the day prior to the enactment of that Act, was employed in a position which is not referred to in clause (i) and for which the rate of basic pay, exclusive of any locality-based pay adjustment under section 5304 or section 5304a of title 5, was equal to or greater than the rate of basic pay payable for level 5 of the Senior Executive Service on the day prior to the enactment of that Act.”.

(2) Subchapter I of chapter 73 of title 5, United States Code, is amended by inserting at the end the following new section:

“§ 7302. Post-employment notification

“(a) Not later than the effective date of the amendments made by section 1106 of the National Defense Authorization Act for Fiscal Year 2004, or 180 days after the date of the enactment of that Act, whichever is later, the Office of Personnel Management shall, in consultation with the Attorney General and the Office of Government Ethics, promulgate regulations requiring that each Executive branch agency notify any employee of that agency who is subject to the provisions of section 207(c)(1) of title 18, as a result of the amendment to section 207(c)(2)(A)(ii) of that title by that Act.

Deadline.

“(b) The regulations shall require that notice be given before, or as part of, the action that affects the employee's coverage under section 207(c)(1) of title 18, by virtue of the provisions of section

207(c)(2)(A)(ii) of that title, and again when employment or service in the covered position is terminated.”.

(3) The table of sections for chapter 73 of title 5, United States Code, is amended by adding after the item relating to section 7301 the following:

“7302. Post-employment notification.”.

5 USC 5304 note.

(c) **EFFECTIVE DATE AND APPLICABILITY.**—(1) The amendments made by this section shall take effect on the first day of the first pay period beginning on or after the first January 1 following the date of the enactment of this section.

(2) The amendments made by subsection (a) may not result in a reduction in the rate of basic pay for any senior executive during the first year after the effective date of those amendments.

(3) For the purposes of paragraph (2), the rate of basic pay for a senior executive shall be deemed to be the rate of basic pay set for the senior executive under section 5383 of title 5, United States Code, plus applicable locality pay paid to that senior executive, as of the date of the enactment of this Act.

(4) Until otherwise provided by law, or except as otherwise provided by this section, any reference in a provision of law to a rate of basic pay that is above the minimum payable and below the maximum payable to a member of the Senior Executive Service shall be considered a reference to the rate of basic pay payable for level IV of the Executive Schedule.

5 USC 4701 note.

SEC. 1126. DESIGN ELEMENTS OF PAY-FOR-PERFORMANCE SYSTEMS IN DEMONSTRATION PROJECTS.

A pay-for-performance system may not be initiated under chapter 47 of title 5, United States Code, after the date of the enactment of this Act, unless it incorporates the following elements:

(1) Adherence to merit principles set forth in section 2301 of such title.

(2) A fair, credible, and transparent employee performance appraisal system.

(3) A link between elements of the pay-for-performance system, the employee performance appraisal system, and the agency’s strategic plan.

(4) A means for ensuring employee involvement in the design and implementation of the system.

(5) Adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system.

(6) A process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review.

(7) Effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance.

(8) A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system.

5 USC 1101 note.

SEC. 1127. FEDERAL FLEXIBLE BENEFITS PLAN ADMINISTRATIVE COSTS.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, an agency or other employing entity of the Government which

provides or plans to provide a flexible spending account option for its employees shall not impose any fee with respect to any of its employees in order to defray the administrative costs associated therewith.

(b) **OFFSET OF ADMINISTRATIVE COSTS.**—Each such agency or employing entity that offers a flexible spending account option under a program established or administered by the Office of Personnel Management shall periodically forward to such Office, or entity designated by such Office, the amount necessary to offset the administrative costs of such program which are attributable to such agency.

(c) **REPORTS.**—(1) The Office shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate no later than March 31, 2004, specifying the administrative costs associated with the Governmentwide program (referred to in subsection (b)) for fiscal year 2003, as well as the projected administrative costs of such program for each of the 5 fiscal years thereafter.

Deadline.

(2) At the end of each of the first 3 calendar years in which an agency or other employing entity offers a flexible spending account option under this section, such agency or entity shall submit a report to the Office of Management and Budget showing the amount of its employment tax savings in such year which are attributable to such option, net of administrative fees paid under subsection (b).

SEC. 1128. EMPLOYEE SURVEYS.

5 USC 7101 note.

(a) **IN GENERAL.**—Each agency shall conduct an annual survey of its employees (including survey questions unique to the agency and questions prescribed under subsection (b)) to assess—

(1) leadership and management practices that contribute to agency performance; and

(2) employee satisfaction with—

(A) leadership policies and practices;

(B) work environment;

(C) rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission;

(D) opportunity for professional development and growth; and

(E) opportunity to contribute to achieving organizational mission.

(b) **REGULATIONS.**—The Office of Personnel Management shall issue regulations prescribing survey questions that should appear on all agency surveys under subsection (a) in order to allow a comparison across agencies.

(c) **AVAILABILITY OF RESULTS.**—The results of the agency surveys under subsection (a) shall be made available to the public and posted on the website of the agency involved, unless the head of such agency determines that doing so would jeopardize or negatively impact national security.

(d) **AGENCY DEFINED.**—For purposes of this section, the term “agency” means an Executive agency (as defined by section 105 of title 5, United States Code).

SEC. 1129. HUMAN CAPITAL PERFORMANCE FUND.

(a) **IN GENERAL.**—Subpart D of part III of title 5, United States Code, is amended by inserting after chapter 53 the following:

“CHAPTER 54—HUMAN CAPITAL PERFORMANCE FUND

“Sec.

“5401. Purpose.

“5402. Definitions.

“5403. Human Capital Performance Fund.

“5404. Human capital performance payments.

“5405. Regulations.

“5406. Agency plan.

“5407. Nature of payment.

“5408. Appropriations.

“§ 5401. Purpose

“The purpose of this chapter is to promote, through the creation of a Human Capital Performance Fund, greater performance in the Federal Government. Monies from the Fund will be used to reward agencies’ highest performing and most valuable employees. This Fund will offer Federal managers a new tool to recognize employee performance that is critical to the achievement of agency missions.

“§ 5402. Definitions

“For the purpose of this chapter—

“(1) ‘agency’ means an Executive agency under section 105, but does not include the General Accounting Office;

“(2) ‘employee’ includes—

“(A) an individual paid under a statutory pay system defined in section 5302(1);

“(B) a prevailing rate employee, as defined in section 5342(a)(2); and

“(C) a category of employees included by the Office of Personnel Management following the review of an agency plan under section 5403(b)(1);

but does not include—

“(i) an individual paid at an annual rate of basic pay for a level of the Executive Schedule, under subchapter II of chapter 53, or at a rate provided for one of those levels under another provision of law;

“(ii) a member of the Senior Executive Service paid under subchapter VIII of chapter 53, or an equivalent system;

“(iii) an administrative law judge paid under section 5372;

“(iv) a contract appeals board member paid under section 5372a;

“(v) an administrative appeals judge paid under section 5372b; and

“(vi) an individual in a position which is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character; and

“(3) ‘Office’ means the Office of Personnel Management.

“§ 5403. Human Capital Performance Fund

Establishment.

“(a) There is hereby established the Human Capital Performance Fund, to be administered by the Office for the purpose of this chapter.

“(b)(1)(A) An agency shall submit a plan as described in section 5406 to be eligible for consideration by the Office for an allocation

under this section. An allocation shall be made only upon approval by the Office of an agency's plan.

“(B)(i) After the reduction for training required under section 5408, ninety percent of the remaining amount appropriated to the Fund may be allocated by the Office to the agencies. Of the amount to be allocated, an agency's pro rata distribution may not exceed its pro rata share of Executive branch payroll.

“(ii) If the Office does not allocate an agency's full pro rata share, the undistributed amount remaining from that share will become available for distribution to other agencies, as provided in subparagraph (C).

“(C)(i) After the reduction for training under section 5408, ten percent of the remaining amount appropriated to the Fund, as well as the amount of the pro rata share not distributed because of an agency's failure to submit a satisfactory plan, shall be allocated among agencies with exceptionally high-quality plans.

“(ii) An agency with an exceptionally high-quality plan is eligible to receive an additional distribution in addition to its full pro rata distribution.

“(2) Each agency is required to provide to the Office such payroll information as the Office specifies necessary to determine the Executive branch payroll.

“§ 5404. Human capital performance payments

“(a)(1) Notwithstanding any other provision of law, the Office may authorize an agency to provide human capital performance payments to individual employees based on exceptional performance contributing to the achievement of the agency mission.

“(2) The number of employees in an agency receiving payments from the Fund, in any year, shall not be more than the number equal to 15 percent of the agency's average total civilian full- and part-time permanent employment for the previous fiscal year.

“(b)(1) A human capital performance payment provided to an individual employee from the Fund, in any year, shall not exceed 10 percent of the employee's rate of basic pay.

“(2) The aggregate of an employee's rate of basic pay, adjusted by any locality-based comparability payments, and human capital performance pay, as defined by regulation, may not exceed the rate of basic pay for Executive Level IV in any year.

“(3) Any human capital performance payment provided to an employee from the Fund is in addition to any annual pay adjustment (under section 5303 or any similar provision of law) and any locality-based comparability payment that may apply.

“(c) No monies from the Human Capital Performance Fund may be used to pay for a new position, for other performance-related payments, or for recruitment or retention incentives paid under sections 5753 and 5754.

“(d)(1) An agency may finance initial human capital performance payments using monies from the Human Capital Performance Fund, as available.

“(2) In subsequent years, continuation of previously awarded human capital performance payments shall be financed from other agency funds available for salaries and expenses.

“§ 5405. Regulations

“The Office shall issue such regulations as it determines to be necessary for the administration of this chapter, including the

administration of the Fund. The Office's regulations shall include criteria governing—

- “(1) an agency plan under section 5406;
- “(2) the allocation of monies from the Fund to agencies;
- “(3) the nature, extent, duration, and adjustment of, and approval processes for, payments to individual employees under this chapter;
- “(4) the relationship to this chapter of agency performance management systems;
- “(5) training of supervisors, managers, and other individuals involved in the process of making performance distinctions; and
- “(6) the circumstances under which funds may be allocated by the Office to an agency in amounts below or in excess of the agency's pro rata share.

“§ 5406. Agency plan

“(a) To be eligible for consideration by the Office for an allocation under this section, an agency shall—

“(1) develop a plan that incorporates the following elements:

“(A) adherence to merit principles set forth in section 2301;

“(B) a fair, credible, and transparent employee performance appraisal system;

“(C) a link between the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan;

“(D) a means for ensuring employee involvement in the design and implementation of the system;

“(E) adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system;

“(F) a process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review;

“(G) effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance; and

“(H) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system;

“(2) upon approval, receive an allocation of funding from the Office;

“(3) make payments to individual employees in accordance with the agency's approved plan; and

“(4) provide such information to the Office regarding payments made and use of funds received under this section as the Office may specify.

“(b) The Office, in consultation with the Chief Human Capital Officers Council, shall review and approve an agency's plan before the agency is eligible to receive an allocation of funding from the Office.

“(c) The Chief Human Capital Officers Council shall include in its annual report to Congress under section 1303(d) of the Homeland Security Act of 2002 an evaluation of the formulation and implementation of agency performance management systems.

“§ 5407. Nature of payment

“Any payment to an employee under this section shall be part of the employee’s basic pay for the purposes of subchapter III of chapter 83, and chapters 84 and 87, and for such other purposes (other than chapter 75) as the Office shall determine by regulation.

“§ 5408. Appropriations

“There is authorized to be appropriated \$500,000,000 for fiscal year 2004, and, for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this chapter. In the first year of implementation, up to 10 percent of the amount appropriated to the Fund shall be available to participating agencies to train supervisors, managers, and other individuals involved in the appraisal process on using performance management systems to make meaningful distinctions in employee performance and on the use of the Fund.”

(b) CLERICAL AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by inserting after the item relating to chapter 53 the following:

“54. Human Capital Performance Fund 5401”.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to Iraq

- Sec. 1201. Medical assistance to Iraqi children injured during Operation Iraqi Freedom.
- Sec. 1202. Report on the conduct of Operation Iraqi Freedom.
- Sec. 1203. Report on Department of Defense security and reconstruction activities in Iraq.
- Sec. 1204. Report on acquisition by Iraq of advanced weapons.
- Sec. 1205. Sense of Congress on use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq.

Subtitle B—Matters Relating to Export Protections

- Sec. 1211. Review of export protections for military superiority resources.
- Sec. 1212. Report on Department of Defense costs relating to national security controls on satellite exports.

Subtitle C—Administrative Requirements and Authorities

- Sec. 1221. Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.
- Sec. 1222. Recognition of superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals.
- Sec. 1223. Expansion of authority to waive charges for costs of attendance at George C. Marshall European Center for Security Studies.
- Sec. 1224. Authority for check cashing and currency exchange services to be provided to foreign military members participating in certain activities with United States forces.
- Sec. 1225. Depot maintenance and repair work on certain types of trainer aircraft to be transferred to foreign countries as excess aircraft.

Subtitle D—Other Reports and Sense of Congress Statements

- Sec. 1231. Annual report on the NATO Prague Capabilities Commitment and the NATO Response Force.
- Sec. 1232. Report on actions that could be taken regarding countries that initiate certain legal actions against United States officials or members of the Armed Forces.
- Sec. 1233. Sense of Congress on redeployment of United States forces in Europe.
- Sec. 1234. Sense of Congress concerning Navy port calls in Israel.

Subtitle A—Matters Relating to Iraq

SEC. 1201. MEDICAL ASSISTANCE TO IRAQI CHILDREN INJURED DURING OPERATION IRAQI FREEDOM.

(a) ASSISTANCE.—Subject to subsections (c) and (d), the Secretary of Defense shall, to the maximum extent practicable, provide all necessary health care and related support to provide needed medical assistance to Iraqi children who, as determined by the Secretary of Defense, were injured during and as a result of Operation Iraqi Freedom. Such assistance shall be provided in an expeditious manner.

(b) RELATED SUPPORT.—Related support under subsection (a) includes transportation on aeromedical evacuation aircraft of the Department of Defense on a space-available basis.

(c) LIMITATIONS RELATING TO MEDICAL CARE.—Assistance may be provided to a child under subsection (a)—

(1) only if adequate treatment from other sources in Iraq or neighboring countries is not available; and

(2) only after completion of an evaluation by a physician or other appropriate medical personnel of the United States Armed Forces.

(d) LIMITATION RELATING TO UNITED STATES MILITARY OPERATIONS.—Assistance may be provided to a child under subsection (a) only if the provision of such assistance would not adversely affect military operations of the United States.

SEC. 1202. REPORT ON THE CONDUCT OF OPERATION IRAQI FREEDOM.

Deadline.

(a) REPORT REQUIRED.—(1) Not later than March 31, 2004, the Secretary of Defense shall submit to the congressional defense committees and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the preparation for and conduct of military operations under Operation Iraqi Freedom from March 19, 2003, to May 1, 2003.

(2) The report shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the commander of the United States Central Command, and such other officers and officials as the Secretary considers appropriate.

(b) CONTENT.—The report shall include a discussion, with a particular emphasis on accomplishments and shortcomings and on near-term and long-term corrective actions to address those shortcomings, of the following:

(1) The military objectives of the international coalition conducting Operation Iraqi Freedom, the military strategy selected to achieve the objectives, and an assessment of the execution of the military strategy.

(2) The deployment process, including the adaptability of the process to unforeseen contingencies and changing requirements.

(3) The effectiveness of the reserve component forces used in Operation Iraqi Freedom, including the reserve component mobilization process, the timeliness of mobilization notification, training, operational effectiveness in theater, and subsequent demobilization.

(4) The use and performance of major items of United States military equipment, weapon systems, and munitions

(including items classified under special access procedures and items drawn from prepositioned stocks) and any expected effects of the experience with the use and performance of those items on the doctrinal and tactical employment of such items and on plans for continuing the acquisition of such items.

(5) The effectiveness of joint air operations, including the doctrine for the employment of close air support in the varied environments of Operation Iraqi Freedom, and the effectiveness of attack helicopter operations.

(6) The use of special operations forces, including operational and intelligence uses classified under special access procedures.

(7) The scope of logistics support, including support from other nations.

(8) The incidence of accidental fratricide, together with a discussion of the effectiveness of the tracking of friendly forces and of the combat identification systems in mitigating friendly fire incidents.

(9) The adequacy of spectrum and bandwidth to transmit all necessary information to operational forces and assets, including unmanned aerial vehicles, ground vehicles, and individual soldiers.

(10) The effectiveness of information operations, including the effectiveness of Commando Solo and other psychological operations assets, in achieving established objectives, together with a description of technological and other restrictions on the use of psychological operations capabilities.

(11) The adequacy of United States and coalition intelligence and counterintelligence systems and personnel, including contributions regarding bomb damage assessments and particularly including United States tactical intelligence and related activities (TIARA) programs and the Joint Military Intelligence Program (JMIP), as well as the adequacy of such support to facilitate searches for weapons of mass destruction.

(12) The rapid insertion and integration, if any, of developmental but mission-essential equipment during all phases of the operation.

(13) The most critical lessons learned that could lead to long-term doctrinal, organizational, and technological changes (including new equipment, weapons systems, and munitions) and the probable effects that an implementation of those changes would have on current visions, goals, and plans for transformation of the Armed Forces and for joint and combined operations.

(14) The role of the law of armed conflict in the planning and execution of military operations by United States forces and the other coalition forces and the effects on operations of Iraqi compliance or noncompliance with the law of armed conflict.

(15) The policies and procedures relating to the media, including the use of embedded media.

(16) The results of a study, carried out by the Secretary of Defense, regarding the availability of family support services provided for the dependents of members of the National Guard and other reserve components of the Armed Forces who are called or ordered to active duty.

(17) The direct and indirect cost of military operations, including an assessment of the total incremental expenditures made by the Department of Defense as a result of Operation Iraqi Freedom.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1203. REPORT ON DEPARTMENT OF DEFENSE SECURITY AND RECONSTRUCTION ACTIVITIES IN IRAQ.

Deadline.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the security and reconstruction activities of the Department of Defense in Iraq.

(b) REPORT ELEMENTS.—The report shall discuss the range of infrastructure reconstruction, civil administration, humanitarian assistance, interim governance, and political development activities undertaken in Iraq by officials of the Department and by those civilians reporting to the Secretary of Defense and the missions undertaken in Iraq by United States military forces. In particular, the report shall include a discussion of the following:

(1) The evolution of the organizational structure of the civilian groups reporting to the Secretary, including the Office of Reconstruction and Humanitarian Assistance and the Office of the Coalition Provisional Authority, on issues of Iraqi administration and reconstruction and the factors influencing that evolution.

(2) The relationship of the Department of Defense with other United States departments and agencies involved in administration and reconstruction planning and execution in Iraq.

(3) The relationship of Department of Defense entities, including the Office of Reconstruction and Humanitarian Assistance and the Office of the Coalition Provisional Authority, with intergovernmental and nongovernmental organizations contributing to the reconstruction and governance efforts.

(4) Progress made to the date of the report in—

(A) rebuilding Iraqi infrastructure;

(B) providing for the humanitarian needs of the Iraqi people;

(C) reconstituting the Iraqi governmental bureaucracy and its provision of services;

(D) developing mechanisms of fully transitioning Iraq to representative self-government; and

(E) recruiting, training, and fielding Iraqi police and military forces.

(5) Progress made to the date of the report by Department of Defense civilians and military personnel in accounting for any Iraqi weapons of mass destruction and associated weapons capabilities.

(6) Progress made to the date of the report by United States military personnel in providing security in Iraq and in transferring security functions to a reconstituted Iraqi police force and military.

(7) The Secretary's assessment of the scope of the ongoing needed commitment of United States military forces and of the remaining tasks to be completed by Department of Defense civilian personnel in the governance and reconstruction areas,

including an estimate of the total expenditures the Department of Defense expects to make for security and reconstruction activities in Iraq.

(8) The Secretary's assessment of the effect that the United States military presence in Iraq will have on replacement and unit rotation policies, including the overall effect on global United States military deployments.

SEC. 1204. REPORT ON ACQUISITION BY IRAQ OF ADVANCED WEAPONS.

10 USC 113 note.

(a) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and International Relations of the House of Representatives a report on the acquisition by Iraq of weapons of mass destruction and associated delivery systems and the acquisition by Iraq of advanced conventional weapons.

Deadline.

(b) **MATTERS TO BE INCLUDED.**—The report shall include the following:

(1) A description of any materials, technology, and know-how that Iraq was able to obtain for its nuclear, chemical, biological, ballistic missile, and unmanned aerial vehicle programs, and advanced conventional weapons programs, from 1979 through April 2003 from entities (including Iraqi citizens) outside of Iraq, as well as a description of how Iraq obtained these capabilities from those entities.

(2) An assessment of the degree to which United States, foreign, and multilateral export control regimes prevented acquisition by Iraq of weapons of mass destruction-related technology and materials and advanced conventional weapons and delivery systems since the commencement of international inspections in Iraq.

(3) An assessment of the effectiveness of United Nations sanctions at halting the flow of militarily-useful contraband to Iraq from 1991 until the end of Operation Iraqi Freedom.

(4) An assessment of how Iraq was able to evade International Atomic Energy Agency and United Nations inspections regarding chemical, nuclear, biological, and missile weapons and related capabilities.

(5) Identification and a catalog of the entities and countries that transferred militarily useful contraband and items described pursuant to paragraph (1) to Iraq between 1991 and the end of major combat operations of Operation Iraqi Freedom on May 1, 2003, and the nature of that contraband and of those items.

(c) **FORM OF REPORT.**—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1205. SENSE OF CONGRESS ON USE OF SMALL BUSINESSES, MINORITY-OWNED BUSINESSES, AND WOMEN-OWNED BUSINESSES IN EFFORTS TO REBUILD IRAQ.

It is the sense of Congress that the Secretary of Defense should ensure that outreach procedures are in place to provide information to small businesses, minority-owned businesses, and women-owned businesses regarding Department of Defense requirements and contract opportunities for the rebuilding of Iraq.

Subtitle B—Matters Relating to Export Protections

50 USC app.
2404 note.

SEC. 1211. REVIEW OF EXPORT PROTECTIONS FOR MILITARY SUPERIORITY RESOURCES.

(a) REVIEW REQUIRED.—The Secretary of Defense shall carry out a review—

(1) to identify goods or technology (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) that, if obtained by a potential adversary, could significantly undermine the military superiority or qualitative military advantage of the United States over potential adversaries or otherwise contribute to the acquisition of weapons of mass destruction and their delivery systems; and

(2) to determine whether any of the items or technologies identified under paragraph (1) are not currently controlled for export purposes on either the Commerce Control List or the United States Munitions List.

Deadlines.

(b) ANNUAL REPORTS.—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an unclassified report, with a classified annex as necessary, on the results of the review under subsection (a).

(2) For each of the next two years after the submission of the report under paragraph (1), the Secretary shall submit to those committees an update on that report. Such updates shall be submitted not later than March 1, 2005, and not later than March 1, 2006.

SEC. 1212. REPORT ON DEPARTMENT OF DEFENSE COSTS RELATING TO NATIONAL SECURITY CONTROLS ON SATELLITE EXPORTS.

(a) STUDY.—The Inspector General of the Department of Defense shall conduct a study of the costs incurred by the Department of Defense for each fiscal year from fiscal year 1999 through fiscal year 2003 relating to national security controls on satellite exports. As part of such study, the Inspector General shall identify for each such fiscal year the amounts expended by the Department of Defense (1) for the monitoring of launches of satellites and related items in a foreign country pursuant to section 1514 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 22 U.S.C. 2778 note), and (2) in connection with applications for licenses for the export of satellites and related items (as that term is defined in section 1516 of that Act).

Deadline.

(b) REPORT.—Not later than April 1, 2004, the Inspector General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study under subsection (a). The report shall include the following:

(1) An identification and assessment of the costs referred to in subsection (a), shown in the aggregate and separately, by fiscal year and by clauses (1) and (2) of that subsection.

(2) A review of the costs referred to in clause (1) of subsection (a) for which the Department of Defense has been reimbursed by the person or entity receiving the satellite launch

monitoring services involved, including the extent to which indirect costs were included in such reimbursement.

Subtitle C—Administrative Requirements and Authorities

SEC. 1221. AUTHORITY TO USE FUNDS FOR PAYMENT OF COSTS OF ATTENDANCE OF FOREIGN VISITORS UNDER REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) **AUTHORITY TO USE FUNDS.**—(1) Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program

“(a) **AUTHORITY TO USE FUNDS.**—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense may be used to pay any costs associated with the attendance of foreign military officers, ministry of defense officials, or security officials at United States military educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Counterterrorism Fellowship Program, including costs of transportation and travel and subsistence costs.

“(b) **LIMITATION.**—The total amount of funds used under the authority in subsection (a) in any fiscal year may not exceed \$20,000,000.

“(c) **ANNUAL REPORT.**—Not later than December 1 of each year, the Secretary of Defense shall submit to Congress a report on the administration of this section during the fiscal year ended in such year. The report shall include the following matters: Deadline.

“(1) A complete accounting of the expenditure of appropriated funds for purposes authorized under subsection (a), including—

“(A) the countries of the foreign officers and officials for whom costs were paid; and

“(B) for each such country, the total amount of the costs paid.

“(2) The training courses attended by the foreign officers and officials, including a specification of which, if any, courses were conducted in foreign countries.

“(3) An assessment of the effectiveness of the Regional Defense Counterterrorism Fellowship Program in increasing the cooperation of the governments of foreign countries with the United States in the global war on terrorism.

“(4) A discussion of any actions being taken to improve the program.”.

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.”.

(b) **NOTIFICATION OF CONGRESS.**—Not later than December 1, 2003, the Secretary of Defense shall—

Deadline.
10 USC 2249c
note.

(1) prescribe the final regulations for carrying out section 2249c of title 10, United States Code, as added by subsection (a); and

(2) notify the congressional defense committees of the prescription of such regulations.

SEC. 1222. RECOGNITION OF SUPERIOR NONCOMBAT ACHIEVEMENTS OR PERFORMANCE BY MEMBERS OF FRIENDLY FOREIGN FORCES AND OTHER FOREIGN NATIONALS.

(a) **AUTHORITY.**—Chapter 53 of title 10, United States Code, is amended by inserting after section 1051a the following new section:

“§ 1051b. Bilateral or regional cooperation programs: awards and mementos to recognize superior noncombat achievements or performance

“(a) **GENERAL AUTHORITY.**—The Secretary of Defense may present awards and mementos purchased with funds appropriated for operation and maintenance of the armed forces to recognize superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals that significantly enhance or support the National Security Strategy of the United States.

“(b) **ACTIVITIES THAT MAY BE RECOGNIZED.**—Activities that may be recognized under subsection (a) include superior achievement or performance that—

“(1) plays a crucial role in shaping the international security environment in ways that protect and promote United States interests;

“(2) supports or enhances United States overseas presence and peacetime engagement activities, including defense cooperation initiatives, security assistance training and programs, and training and exercises with the armed forces;

“(3) helps to deter aggression and coercion, build coalitions, and promote regional stability; or

“(4) serves as a role model for appropriate conduct by military forces in emerging democracies.

“(c) **LIMITATION.**—Expenditures for the purchase or production of mementos for award under this section may not exceed the minimal value in effect under section 7342(a)(5) of title 5.”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051a the following new item:

“1051b. Bilateral or regional cooperation programs: awards and mementos to recognize superior noncombat achievements or performance.”.

10 USC 113 note.

SEC. 1223. EXPANSION OF AUTHORITY TO WAIVE CHARGES FOR COSTS OF ATTENDANCE AT GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

Section 1306(b)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2892) is amended by striking “of cooperation partner states of the North Atlantic Council or the Partnership for Peace” and inserting “from states located in Europe or the territory of the former Soviet Union”.

SEC. 1224. AUTHORITY FOR CHECK CASHING AND CURRENCY EXCHANGE SERVICES TO BE PROVIDED TO FOREIGN MILITARY MEMBERS PARTICIPATING IN CERTAIN ACTIVITIES WITH UNITED STATES FORCES.

(a) **AUTHORITY.**—Subsection (b) of section 3342 of title 31, United States Code, is amended by adding at the end the following new paragraph:

“(8) A member of the military forces of an allied or coalition nation who is participating in a combined operation, combined exercise, or combined humanitarian or peacekeeping mission with the Armed Forces of the United States, but—

“(A) only if—

“(i) such disbursing official action for members of the military forces of that nation is approved by the senior United States military commander assigned to that operation, exercise, or mission; and

“(ii) that nation has guaranteed payment for any deficiency resulting from such disbursing official action; and

“(B) in the case of negotiable instruments, only for a negotiable instrument drawn on a financial institution located in the United States or on a foreign branch of such an institution.”.

(b) **TECHNICAL AMENDMENTS.**—That subsection is further amended—

(1) by striking “only for—” in the matter preceding paragraph (1) and inserting “only for the following:”;

(2) by striking “an” at the beginning of paragraph (1) and inserting “An”;

(3) by striking “personnel” in paragraphs (2) and (6) and inserting “Personnel”;

(4) by striking “a” at the beginning of paragraphs (3), (4), (5), and (7) and inserting “A”;

(5) by striking the semicolon at the end of paragraphs (1) through (5) and inserting a period;

(6) by striking “; or” at the end of paragraph (6) and inserting a period; and

(7) by striking “1752(1))” in paragraph (7) and inserting “1752(1))”.

SEC. 1225. DEPOT MAINTENANCE AND REPAIR WORK ON CERTAIN TYPES OF TRAINER AIRCRAFT TO BE TRANSFERRED TO FOREIGN COUNTRIES AS EXCESS AIRCRAFT.

(a) **DEPOT MAINTENANCE AND REPAIR WORK BEFORE TRANSFER.**—Before an excess trainer aircraft of a type specified in subsection (b) is transferred to a foreign country for the purpose of flight operations by that country, the Secretary of Defense shall make all reasonable efforts to ensure that the aircraft receives necessary depot maintenance and repair work and that such work is performed in the United States.

(b) **COVERED TYPES OF AIRCRAFT.**—Subsection (a) applies to the following types of trainer aircraft:

(1) T-2 Buckeye aircraft.

(2) T-37 Tweet aircraft.

(c) **WORK TO BE PERFORMED AT NO COST TO DOD.**—Any work referred to in subsection (a) shall be performed at no cost to the Department of Defense.

Subtitle D—Other Reports and Sense of Congress Statements

22 USC 1928
note.

SEC. 1231. ANNUAL REPORT ON THE NATO PRAGUE CAPABILITIES COMMITMENT AND THE NATO RESPONSE FORCE.

(a) FINDINGS.—Congress makes the following findings:

(1) At the meeting of the North Atlantic Council held in Prague in November 2002, the heads of states and governments of the North Atlantic Treaty Organization (NATO) launched a Prague Capabilities Commitment and decided to create a NATO Response Force.

(2) The Prague Capabilities Commitment is part of the continuing NATO effort to improve and develop new military capabilities for modern warfare in a high-threat environment. As part of this commitment, individual NATO allies have made firm and specific political commitments to improve their capabilities in the areas of—

(A) chemical, biological, radiological, and nuclear defense;

(B) intelligence, surveillance, and target acquisition;

(C) air-to-ground surveillance;

(D) command, control, and communications;

(E) combat effectiveness, including precision guided munitions and suppression of enemy air defenses;

(F) strategic air and sea lift;

(G) air-to-air refueling; and

(H) deployable combat support and combat service support units.

(3) The NATO Response Force is envisioned to be a technologically advanced, flexible, deployable, interoperable, and sustainable force that includes land, sea, and air elements ready to move quickly to wherever needed, as determined by the North Atlantic Council. The NATO Response Force is also intended to be a catalyst for focusing and promoting improvements in NATO's military capabilities. It is expected to have initial operational capability by October 2004, and full operational capability by October 2006.

Deadline.

(b) ANNUAL REPORT.—(1) Not later than January 31 of each year through 2008, the Secretary of Defense shall submit to the congressional committees specified in paragraph (5) a report, to be prepared in consultation with the Secretary of State, on implementation of the Prague Capabilities Commitment and development of the NATO Response Force by the member nations of the North Atlantic Treaty Organization (NATO).

(2) The annual report under this subsection shall include the following matters:

(A) A description of the actions taken by NATO as a whole and by each member nation of NATO other than the United States to further the Prague Capabilities Commitment, including any actions taken to improve capability shortfalls in the areas identified for improvement.

(B) A description of the actions taken by NATO as a whole and by each member nation of NATO, including the United States, to create the NATO Response Force.

(C) A discussion of the relationship between NATO's efforts to improve capabilities through the Prague Capabilities

Commitment and those of the European Union to enhance European capabilities through the European Capabilities Action Plan, including the extent to which they are mutually reinforcing.

(D) A discussion of NATO decisionmaking on the implementation of the Prague Capabilities Commitment and the development of the NATO Response Force, including—

(i) an assessment of whether the Prague Capabilities Commitment and the NATO Response Force are the sole jurisdiction of the Defense Planning Committee, the North Atlantic Council, or the Military Committee;

(ii) a description of the circumstances which led to the defense, military, security, and nuclear decisions of NATO on matters such as the Prague Capabilities Commitment and the NATO Response Force being made in bodies other than the Defense Planning Committee;

(iii) a description of the extent to which any member that does not participate in the integrated military structure of NATO contributes to each of the component committees of NATO, including any and all committees relevant to the Prague Capabilities Commitment and the NATO Response Force;

(iv) a description of the extent to which any member that does not participate in the integrated military structure of NATO participates in deliberations and decisions of NATO on resource policy, contribution ceilings, infrastructure, force structure, modernization, threat assessments, training, exercises, deployments, and other issues related to the Prague Capabilities Commitment or the NATO Response Force;

(v) a description and assessment of the impediments, if any, that would preclude or limit NATO from conducting deliberations and making decisions on matters such as the Prague Capabilities Commitment or the NATO Response Force solely in the Defense Planning Committee; and

(vi) the recommendations of the Secretary of Defense on streamlining defense, military, and security decisionmaking within NATO relating to the Prague Capabilities Commitment, the NATO Response Force, and other matters, including an assessment of the feasibility and advisability of the greater utilization of the Defense Planning Committee for such purposes.

(3) In the case of a report under this subsection after the first such report, the information submitted in such report under any of clauses (i) through (vi) of subparagraph (D) of paragraph (2) may consist solely of an update of any information previously submitted under that clause in a preceding report under this subsection.

(4) Each report under this subsection shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

(5) The committees specified in this paragraph are—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

SEC. 1232. REPORT ON ACTIONS THAT COULD BE TAKEN REGARDING COUNTRIES THAT INITIATE CERTAIN LEGAL ACTIONS AGAINST UNITED STATES OFFICIALS OR MEMBERS OF THE ARMED FORCES.

(a) **FINDING.**—Congress finds that actions for or on behalf of a foreign government that constitute attempts to commence legal proceedings against, or attempts to compel the appearance of or production of documents from, any current or former official or employee of the United States or member of the Armed Forces of the United States relating to the performance of official duties, other than pursuant to a status of forces agreement or other international agreement to which the United States is a party, may have a negative effect on the ability of the United States to take necessary and timely military action.

Deadline.

(b) **REPORT.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on appropriate steps that could be taken by the Department of Defense (such as restrictions on military travel, limitations on military support and exchange programs, and consideration of relocating, or limiting funding for, United States or allied military commands, headquarters, or organizations) to respond to an action by a foreign government described in subsection (a).

SEC. 1233. SENSE OF CONGRESS ON REDEPLOYMENT OF UNITED STATES FORCES IN EUROPE.

(a) **FINDINGS.**—Congress makes the following findings:

(1) In March 1999, in its initial round of expansion, the North Atlantic Treaty Organization (NATO) admitted Poland, the Czech Republic, and Hungary to the Alliance.

(2) At the Prague Summit on November 21–22, 2002, the NATO heads of state and government invited the countries of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to join the Alliance.

(3) The countries admitted in the initial round of expansion referred to in paragraph (1) and the seven new invitee nations referred to in paragraph (2) will in combination significantly alter the nature of the Alliance.

(4) During the first 50 years of the Alliance, NATO materially contributed to the security and stability of Western Europe, bringing peace and prosperity to the member nations.

(5) The expansion of NATO is an opportunity to assist the invitee nations in gaining the capabilities to ensure peace, prosperity, and democracy for themselves during the next 50 years of the Alliance.

(6) The military structure and mission of NATO has changed, no longer being focused on the threat of a Soviet invasion, but evolving to handle new threats and new missions in the area of crisis management, peacekeeping, and peace-support in and beyond the Euro-Atlantic area of operations.

(b) **SENSE OF CONGRESS.**—In light of the findings in subsection (a), it is the sense of Congress that—

(1) the expansion of the North Atlantic Treaty Organization Alliance and the evolution of the military mission of that Alliance requires a fundamental reevaluation of the current posture of United States forces stationed in Europe; and

(2) the Secretary of Defense, in consultation with the Secretary of State, should—

(A) initiate a reevaluation referred to in paragraph (1); and

(B) in carrying out such a reevaluation, consider a military posture that takes maximum advantage of basing and training opportunities in the newly admitted and invitee states referred to in paragraphs (1) and (2), respectively, of subsection (a).

SEC. 1234. SENSE OF CONGRESS CONCERNING NAVY PORT CALLS IN ISRAEL.

It is the sense of Congress that—

(1) the United States has invested significant amounts of funds in expanding the capacity and security of the port of Haifa, Israel, and the United States Navy should be able to implement the necessary force protection measures that would enable it to take advantage of the repair, replenishment, and communications links available at that port;

(2) the Secretary of Defense and the Secretary of the Navy should conclude discussions with the Government of Israel and the Israel Defense Forces to establish appropriate and effective arrangements to ensure the safety of United States Navy vessels and personnel during port visits to Haifa, Israel; and

(3) upon such arrangements being made, the United States Navy should consider resumption of regular port visits to Haifa, Israel.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.

Sec. 1302. Funding allocations.

Sec. 1303. Limitation on use of funds until certain permits obtained.

Sec. 1304. Limitation on use of funds for biological research in the former Soviet Union.

Sec. 1305. Requirement for on-site managers.

Sec. 1306. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.

Sec. 1307. Annual certifications on use of facilities being constructed for Cooperative Threat Reduction projects or activities.

Sec. 1308. Authority to use Cooperative Threat Reduction funds outside the former Soviet Union.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

22 USC 5960
note.

(b) FISCAL YEAR 2004 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term “fiscal year 2004 Cooperative Threat Reduction funds” means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative

Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) **FUNDING FOR SPECIFIC PURPOSES.**—Of the \$450,800,000 authorized to be appropriated to the Department of Defense for fiscal year 2004 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, \$57,600,000.

(2) For strategic nuclear arms elimination in Ukraine, \$3,900,000.

(3) For nuclear weapons transportation security in Russia, \$23,200,000.

(4) For nuclear weapons storage security in Russia, \$48,000,000.

(5) For activities designated as Other Assessments/Administrative Support, \$13,100,000.

(6) For defense and military contacts, \$11,100,000.

(7) For chemical weapons destruction in Russia, \$200,300,000.

(8) For biological weapons proliferation prevention in the former Soviet Union, \$54,200,000.

(9) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, \$39,400,000.

(b) **REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.**—No fiscal year 2004 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (9) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2004 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) **LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.**—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2004 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (5) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

Notification.

**SEC. 1303. LIMITATION ON USE OF FUNDS UNTIL CERTAIN PERMITS
OBTAINED.** 22 USC 5960.

(a) **IN GENERAL.**—The Secretary of Defense shall seek to obtain all the permits required to complete each phase of construction of a project under Cooperative Threat Reduction programs before obligating significant amounts of funding for that phase of the project.

(b) **USE OF FUNDS FOR NEW CONSTRUCTION PROJECTS.**—Except as provided in subsection (e), with respect to a new construction project to be carried out by the Department of Defense under Cooperative Threat Reduction programs, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary of Defense—

(1) determines the number and type of permits that may be required for the lifetime of the project in the proposed location or locations of the project; and

(2) obtains from the State in which the project is to be located any permits that may be required to begin construction.

(c) **IDENTIFICATION OF REQUIRED PERMITS FOR ONGOING INCOMPLETE CONSTRUCTION PROJECTS.**—With respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs, the Secretary shall identify all the permits that are required for the lifetime of the project not later than 120 days after the date of the enactment of this Act.

Deadline.

(d) **USE OF FUNDS FOR CERTAIN INCOMPLETE CONSTRUCTION PROJECTS.**—Except as provided in subsection (e), with respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs for which construction has not yet commenced as of the date of the enactment of this Act, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary obtains from the State in which the project is located the permits required to commence construction on the project.

(e) **EXCEPTION TO LIMITATIONS ON USE OF FUNDS.**—The limitation in subsection (b) or (d) on the obligation of funds for a construction project otherwise covered by such subsection shall not apply with respect to the obligation of funds for a particular project if the Secretary—

(1) determines that it is necessary in the national interest to obligate funds for such project; and

(2) submits to the congressional defense committees a notification of the intent to obligate funds for such project, together with a complete discussion of the justification for doing so.

(f) **DEFINITIONS.**—In this section, with respect to a project under Cooperative Threat Reduction programs:

(1) **INCOMPLETE CONSTRUCTION PROJECT.**—The term “incomplete construction project” means a construction project for which funds have been obligated or expended before the date of the enactment of this Act and which is not completed as of such date.

(2) **NEW CONSTRUCTION PROJECT.**—The term “new construction project” means a construction project for which no funds

have been obligated or expended as of the date of the enactment of this Act.

(3) **PERMIT.**—The term “permit” means any local or national permit for development, general construction, environmental, land use, or other purposes that is required for purposes of major construction in a state of the former Soviet Union in which the construction project is being or is proposed to be carried out.

SEC. 1304. LIMITATION ON USE OF FUNDS FOR BIOLOGICAL RESEARCH IN THE FORMER SOVIET UNION.

(a) **LIMITATION ON USE OF FUNDS.**—Except as provided in subsection (b), none of the funds authorized to be appropriated pursuant to section 1302 for biological weapons proliferation prevention may be obligated to begin any collaborative biodefense research or bio-attack early warning and preparedness project under a Cooperative Threat Reduction program at a facility in a state of the former Soviet Union until the Secretary of Defense notifies Congress that the Secretary—

(1) has determined, through access to the facility, that no offensive biological weapons research prohibited by international law is being conducted at the facility; and

(2) has determined that appropriate security measures have begun to be, or will be, put in place at the facility to prevent theft of dangerous pathogens from the facility.

(b) **AVAILABILITY OF FUNDS FOR DETERMINATIONS.**—Of the funds referred to in subsection (a) that are available for projects referred to in that subsection, up to 25 percent of such funds may be obligated and expended for purposes of making determinations referred to in that subsection.

(c) **FACILITY DEFINED.**—In this section, the term “facility” means the buildings and areas at a location in which Cooperative Threat Reduction program work is actually being conducted.

22 USC 5961.

SEC. 1305. REQUIREMENT FOR ON-SITE MANAGERS.

(a) **ON-SITE MANAGER REQUIREMENT.**—Before obligating any Cooperative Threat Reduction funds for a project described in subsection (b), the Secretary of Defense shall appoint one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(b) **PROJECTS COVERED.**—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Defense is expected to exceed \$50,000,000.

(c) **DUTIES OF ON-SITE MANAGER.**—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the project, a list of those steps or activities critical to achieving the project’s disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled

step or activity on time, unless directed by the Secretary of Defense to resume United States participation.

(d) **AUTHORITY TO MANAGE MORE THAN ONE PROJECT.**—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed \$150,000,000.

(e) **STEPS OR ACTIVITIES.**—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in section 1303).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(f) **NOTIFICATION TO CONGRESS.**—In any case in which the Secretary of Defense directs an on-site manager to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

(g) **EFFECTIVE DATE.**—This section shall take effect six months after the date of the enactment of this Act.

SEC. 1306. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

(a) **TEMPORARY AUTHORITY.**—The conditions described in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 22 U.S.C. 5952 note) shall not apply to the obligation and expenditure of funds available for obligation during fiscal year 2004 for the planning, design, or construction of a chemical weapons destruction facility in Russia if the President submits to Congress a written certification that includes—

(1) a statement as to why the waiver of the conditions is important to the national security interests of the United States;

(2) a full and complete justification for the waiver of the conditions; and

(3) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(b) **EXPIRATION.**—The authority in subsection (a) shall expire on September 30, 2004.

SEC. 1307. ANNUAL CERTIFICATIONS ON USE OF FACILITIES BEING CONSTRUCTED FOR COOPERATIVE THREAT REDUCTION PROJECTS OR ACTIVITIES.

22 USC 5962.

(a) **CERTIFICATION ON USE OF FACILITIES BEING CONSTRUCTED.**—Not later than the first Monday of February each year, the Secretary of Defense shall submit to the congressional defense committees a certification for each facility for a Cooperative Threat Reduction project or activity for which construction occurred during the preceding fiscal year on matters as follows:

(1) Whether or not such facility will be used for its intended purpose by the government of the state of the former Soviet Union in which the facility is constructed.

(2) Whether or not the government of such state remains committed to the use of such facility for its intended purpose.

(3) Whether those actions needed to ensure security at the facility, including secure transportation of any materials, substances, or weapons to, from, or within the facility, have been taken.

(b) **APPLICABILITY.**—Subsection (a) shall apply to—

(1) any facility the construction of which commences on or after the date of the enactment of this Act; and

(2) any facility the construction of which is ongoing as of that date.

22 USC 5963.

SEC. 1308. AUTHORITY TO USE COOPERATIVE THREAT REDUCTION FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) **AUTHORITY.**—Subject to the provisions of this section, the President may obligate and expend Cooperative Threat Reduction funds for a fiscal year, and any Cooperative Threat Reduction funds for a fiscal year before such fiscal year that remain available for obligation, for a proliferation threat reduction project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Defense is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) **SCOPE OF AUTHORITY.**—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) **LIMITATION ON TOTAL AMOUNT OF OBLIGATION.**—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed \$50,000,000.

(d) **LIMITATION ON AVAILABILITY OF FUNDS.**—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) **ADDITIONAL LIMITATIONS AND REQUIREMENTS.**—Except as otherwise provided in subsections (a) and (b), the exercise of the

authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of Cooperative Threat Reduction funds or on Cooperative Threat Reduction projects or activities.

(2) Any limitation on the obligation or expenditure of Cooperative Threat Reduction funds.

(3) Any limitation on Cooperative Threat Reduction projects or activities.

TITLE XIV—SERVICES ACQUISITION REFORM

Services
Acquisition
Reform Act of
2003.

Sec. 1401. Short title.

Subtitle A—Acquisition Workforce and Training

Sec. 1411. Definition of acquisition.

Sec. 1412. Acquisition workforce training fund.

Sec. 1413. Acquisition workforce recruitment program.

Sec. 1414. Architectural and engineering acquisition workforce.

Subtitle B—Adaptation of Business Acquisition Practices

PART I—ADAPTATION OF BUSINESS MANAGEMENT PRACTICES

Sec. 1421. Chief Acquisition Officers.

Sec. 1422. Chief Acquisition Officers Council.

Sec. 1423. Statutory and regulatory review.

PART II—OTHER ACQUISITION IMPROVEMENTS

Sec. 1426. Extension of authority to carry out franchise fund programs.

Sec. 1427. Improvements in contracting for architectural and engineering services.

Sec. 1428. Authorization of telecommuting for Federal contractors.

Subtitle C—Acquisitions of Commercial Items

Sec. 1431. Additional incentive for use of performance-based contracting for services.

Sec. 1432. Authorization of additional commercial contract types.

Sec. 1433. Clarification of commercial services definition.

Subtitle D—Other Matters

Sec. 1441. Authority to enter into certain transactions for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.

Sec. 1442. Public disclosure of noncompetitive contracting for the reconstruction of infrastructure in Iraq.

Sec. 1443. Special emergency procurement authority.

SEC. 1401. SHORT TITLE.

41 USC 401 note.

This title may be cited as the “Services Acquisition Reform Act of 2003”.

Subtitle A—Acquisition Workforce and Training

SEC. 1411. DEFINITION OF ACQUISITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended by adding at the end the following:

“(16) The term ‘acquisition’—

“(A) means the process of acquiring, with appropriated funds, by contract for purchase or lease, property or services (including construction) that support the missions and

goals of an executive agency, from the point at which the requirements of the executive agency are established in consultation with the chief acquisition officer of the executive agency; and

“(B) includes—

“(i) the process of acquiring property or services that are already in existence, or that must be created, developed, demonstrated, and evaluated;

“(ii) the description of requirements to satisfy agency needs;

“(iii) solicitation and selection of sources;

“(iv) award of contracts;

“(v) contract performance;

“(vi) contract financing;

“(vii) management and measurement of contract performance through final delivery and payment; and

“(viii) technical and management functions directly related to the process of fulfilling agency requirements by contract.”.

SEC. 1412. ACQUISITION WORKFORCE TRAINING FUND.

41 USC 433 note.

(a) **PURPOSES.**—The purposes of this section are to ensure that the Federal acquisition workforce—

(1) adapts to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; and

(2) acquires new skills and a new perspective to enable it to contribute effectively in the changing environment of the 21st century.

(b) **ESTABLISHMENT OF FUND.**—Section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. 433) is amended by adding at the end of subsection (h) the following new paragraph:

“(3) **ACQUISITION WORKFORCE TRAINING FUND.**—(A) The Administrator of General Services shall establish an acquisition workforce training fund. The Administrator shall manage the fund through the Federal Acquisition Institute to support the training of the acquisition workforce of the executive agencies other than the Department of Defense. The Administrator shall consult with the Administrator for Federal Procurement Policy in managing the fund.

“(B) There shall be credited to the acquisition workforce training fund 5 percent of the fees collected by executive agencies (other than the Department of Defense) under the following contracts:

“(i) Governmentwide task and delivery-order contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i).

“(ii) Governmentwide contracts for the acquisition of information technology as defined in section 11101 of title 40, United States Code, and multiagency acquisition contracts for such technology authorized by section 11314 of such title.

“(iii) Multiple-award schedule contracts entered into by the Administrator of General Services.

“(C) The head of an executive agency that administers a contract described in subparagraph (B) shall remit to the

General Services Administration the amount required to be credited to the fund with respect to such contract at the end of each quarter of the fiscal year.

“(D) The Administrator of General Services, through the Office of Federal Acquisition Policy, shall ensure that funds collected for training under this section are not used for any purpose other than the purpose specified in subparagraph (A).

“(E) Amounts credited to the fund shall be in addition to funds requested and appropriated for education and training referred to in paragraph (1).

“(F) Amounts credited to the fund shall remain available to be expended only in the fiscal year for which credited and the two succeeding fiscal years.

“(G) This paragraph shall cease to be effective five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004.”.

(c) EXCEPTION.—This section and the amendments made by this section shall not apply to the acquisition workforce of the Department of Defense. Fees charged to the Department of Defense under contracts covered by section 37(h)(3) of the Office of Federal Procurement Policy Act, as added by subsection (b), shall be reduced by 5 percent to reflect the Department’s nonparticipation in the acquisition workforce training fund established by such section. 41 USC 433 note.

SEC. 1413. ACQUISITION WORKFORCE RECRUITMENT PROGRAM.

41 USC 433 note.

(a) DETERMINATION OF SHORTAGE CATEGORY POSITIONS.—For purposes of sections 3304, 5333, and 5753 of title 5, United States Code, the head of a department or agency of the United States (other than the Secretary of Defense) may determine, under regulations prescribed by the Office of Personnel Management, that certain Federal acquisition positions (as described in section 37(g)(1)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(g)(1)(A)) are shortage category positions in order to use the authorities in those sections to recruit and appoint highly qualified persons directly to such positions in the department or agency.

(b) TERMINATION OF AUTHORITY.—The head of a department or agency may not appoint a person to a position of employment under this section after September 30, 2007.

(c) REPORT.—Not later than March 31, 2007, the Director of the Office of Personnel Management, in consultation with the Administrator for Federal Procurement Policy, shall submit to Congress a report on the implementation of this section. The report shall include—

(1) a list of the departments and agencies that exercised the authority provided in this section, and whether the exercise of the authority was carried out in accordance with the regulations prescribed by the Office of Personnel Management;

(2) the Director’s assessment of the efficacy of the exercise of the authority provided in this section in attracting employees with unusually high qualifications to the acquisition workforce; and

(3) any recommendations considered appropriate by the Director on whether the authority to carry out the program should be extended.

41 USC 433 note. **SEC. 1414. ARCHITECTURAL AND ENGINEERING ACQUISITION WORKFORCE.**

The Administrator for Federal Procurement Policy, in consultation with the Secretary of Defense, the Administrator of General Services, and the Director of the Office of Personnel Management, shall develop and implement a plan to ensure that the Federal Government maintains the necessary capability with respect to the acquisition of architectural and engineering services to—

- (1) ensure that Federal Government employees have the expertise to determine agency requirements for such services;
- (2) establish priorities and programs (including acquisition plans);
- (3) establish professional standards;
- (4) develop scopes of work; and
- (5) award and administer contracts for such services.

Subtitle B—Adaptation of Business Acquisition Practices

PART I—ADAPTATION OF BUSINESS MANAGEMENT PRACTICES

SEC. 1421. CHIEF ACQUISITION OFFICERS.

(a) APPOINTMENT OF CHIEF ACQUISITION OFFICERS.—(1) Section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) is amended to read as follows:

“SEC. 16. CHIEF ACQUISITION OFFICERS AND SENIOR PROCUREMENT EXECUTIVES.

“(a) ESTABLISHMENT OF AGENCY CHIEF ACQUISITION OFFICERS.—(1) The head of each executive agency described in section 901(b)(1) (other than the Department of Defense) or section 901(b)(2)(C) of title 31, United States Code, with a Chief Financial Officer appointed or designated under section 901(a) of such title shall appoint or designate a non-career employee as Chief Acquisition Officer for the agency, who shall—

“(A) have acquisition management as that official’s primary duty; and

“(B) advise and assist the head of the executive agency and other agency officials to ensure that the mission of the executive agency is achieved through the management of the agency’s acquisition activities.

“(b) AUTHORITY AND FUNCTIONS OF AGENCY CHIEF ACQUISITION OFFICERS.—The functions of each Chief Acquisition Officer shall include—

“(1) monitoring the performance of acquisition activities and acquisition programs of the executive agency, evaluating the performance of those programs on the basis of applicable performance measurements, and advising the head of the executive agency regarding the appropriate business strategy to achieve the mission of the executive agency;

“(2) increasing the use of full and open competition in the acquisition of property and services by the executive agency by establishing policies, procedures, and practices that ensure that the executive agency receives a sufficient number of sealed

bids or competitive proposals from responsible sources to fulfill the Government's requirements (including performance and delivery schedules) at the lowest cost or best value considering the nature of the property or service procured;

"(3) increasing appropriate use of performance-based contracting and performance specifications;

"(4) making acquisition decisions consistent with all applicable laws and establishing clear lines of authority, accountability, and responsibility for acquisition decisionmaking within the executive agency;

"(5) managing the direction of acquisition policy for the executive agency, including implementation of the unique acquisition policies, regulations, and standards of the executive agency;

"(6) developing and maintaining an acquisition career management program in the executive agency to ensure that there is an adequate professional workforce; and

"(7) as part of the strategic planning and performance evaluation process required under section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code—

"(A) assessing the requirements established for agency personnel regarding knowledge and skill in acquisition resources management and the adequacy of such requirements for facilitating the achievement of the performance goals established for acquisition management;

"(B) in order to rectify any deficiency in meeting such requirements, developing strategies and specific plans for hiring, training, and professional development; and

"(C) reporting to the head of the executive agency on the progress made in improving acquisition management capability.

"(c) SENIOR PROCUREMENT EXECUTIVE.—(1) The head of each executive agency shall designate a senior procurement executive who shall be responsible for management direction of the procurement system of the executive agency, including implementation of the unique procurement policies, regulations, and standards of the executive agency.

"(2) In the case of an executive agency for which a Chief Acquisition Officer has been appointed or designated under subsection (a), the head of such executive agency shall either—

"(A) designate the Chief Acquisition Officer as the senior procurement executive for the executive agency; or

"(B) ensure that the senior procurement executive designated for the executive agency under paragraph (1) reports directly to the Chief Acquisition Officer without intervening authority."

(2) The item relating to section 16 in the table of contents in section 1(b) of such Act is amended to read as follows:

"Sec. 16. Chief Acquisition Officers and senior procurement executives."

(b) TECHNICAL CORRECTION.—Section 1115(a) of title 31, United States Code, is amended by striking "section 1105(a)(29)" and inserting "section 1105(a)(28)".

SEC. 1422. CHIEF ACQUISITION OFFICERS COUNCIL.

(a) ESTABLISHMENT OF COUNCIL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 16 the following new section:

41 USC 414b.

“SEC. 16A. CHIEF ACQUISITION OFFICERS COUNCIL.

“(a) ESTABLISHMENT.—There is established in the executive branch a Chief Acquisition Officers Council.

“(b) MEMBERSHIP.—The members of the Council shall be as follows:

“(1) The Deputy Director for Management of the Office of Management and Budget, who shall act as Chairman of the Council.

“(2) The Administrator for Federal Procurement Policy.

“(3) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

“(4) The chief acquisition officer of each executive agency that is required to have a chief acquisition officer under section 16 and the senior procurement executive of each military department.

“(5) Any other senior agency officer of each executive agency, appointed by the head of the agency in consultation with the Chairman, who can effectively assist the Council in performing the functions set forth in subsection (e) and supporting the associated range of acquisition activities.

“(c) LEADERSHIP; SUPPORT.—(1) The Administrator for Federal Procurement Policy shall lead the activities of the Council on behalf of the Deputy Director for Management.

“(2)(A) The Vice Chairman of the Council shall be selected by the Council from among its members.

“(B) The Vice Chairman shall serve a 1-year term, and may serve multiple terms.

“(3) The Administrator of General Services shall provide administrative and other support for the Council.

“(d) PRINCIPAL FORUM.—The Council is designated the principal interagency forum for monitoring and improving the Federal acquisition system.

“(e) FUNCTIONS.—The Council shall perform functions that include the following:

“(1) Develop recommendations for the Director of the Office of Management and Budget on Federal acquisition policies and requirements.

“(2) Share experiences, ideas, best practices, and innovative approaches related to Federal acquisition.

“(3) Assist the Administrator in the identification, development, and coordination of multiagency projects and other innovative initiatives to improve Federal acquisition.

“(4) Promote effective business practices that ensure the timely delivery of best value products to the Federal Government and achieve appropriate public policy objectives.

“(5) Further integrity, fairness, competition, openness, and efficiency in the Federal acquisition system.

“(6) Work with the Office of Personnel Management to assess and address the hiring, training, and professional development needs of the Federal Government related to acquisition.

“(7) Work with the Administrator and the Federal Acquisition Regulatory Council to promote the business practices referred to in paragraph (4) and other results of the functions carried out under this subsection.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 16 the following new item:

“Sec. 16A. Chief Acquisition Officers Council.”.

SEC. 1423. STATUTORY AND REGULATORY REVIEW.

41 USC 405 note.

(a) ESTABLISHMENT.—Not later than 90 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall establish an advisory panel to review laws and regulations regarding the use of commercial practices, performance-based contracting, the performance of acquisition functions across agency lines of responsibility, and the use of Governmentwide contracts.

Deadline.

(b) MEMBERSHIP.—The panel shall be composed of at least nine individuals who are recognized experts in acquisition law and Government acquisition policy. In making appointments to the panel, the Administrator shall—

(1) consult with the Secretary of Defense, the Administrator of General Services, the Committees on Armed Services and Government Reform of the House of Representatives, and the Committees on Armed Services and Governmental Affairs of the Senate; and

(2) ensure that the members of the panel reflect the diverse experiences in both the public and private sectors, including academia.

(c) DUTIES.—The panel shall—

(1) review all Federal acquisition laws and regulations, and, to the extent practicable, government-wide acquisition policies, with a view toward ensuring effective and appropriate use of commercial practices and performance-based contracting; and

(2) make any recommendations for the modification of such laws, regulations, or policies that are considered necessary as a result of such review—

(A) to protect the best interests of the Federal Government;

(B) to ensure the continuing financial and ethical integrity of acquisitions by the Federal Government; and

(C) to amend or eliminate any provisions in such laws, regulations, or policies that are unnecessary for the effective, efficient, and fair award and administration of contracts for the acquisition by the Federal Government of goods and services.

(d) REPORT.—Not later than one year after the establishment of the panel, the panel shall submit to the Administrator and to the Committees on Armed Services and Government Reform of the House of Representatives and the Committees on Armed Services and Governmental Affairs of the Senate a report containing a detailed statement of the findings, conclusions, and recommendations of the panel.

Deadline.

PART II—OTHER ACQUISITION IMPROVEMENTS

SEC. 1426. EXTENSION OF AUTHORITY TO CARRY OUT FRANCHISE FUND PROGRAMS.

Section 403(f) of the Federal Financial Management Act of 1994 (Public Law 103–356; 31 U.S.C. 501 note) is amended by striking “October 1, 2003” and inserting “December 31, 2004”.

SEC. 1427. IMPROVEMENTS IN CONTRACTING FOR ARCHITECTURAL AND ENGINEERING SERVICES.

(a) TITLE 10.—Section 2855(b) of title 10, United States Code, is amended in paragraph (2), by striking “\$85,000” and inserting “\$300,000”.

40 USC 1103
note.

(b) ARCHITECTURAL AND ENGINEERING SERVICES.—Architectural and engineering services (as defined in section 1102 of title 40, United States Code) shall not be offered under multiple-award schedule contracts entered into by the Administrator of General Services or under Governmentwide task and delivery order contracts entered into under sections 2304a and 2304b of title 10, United States Code, or sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i) unless such services—

(1) are performed under the direct supervision of a professional architect or engineer licensed, registered, or certified in the State, territory (including the Commonwealth of Puerto Rico), possession, or Federal District in which the services are to be performed; and

(2) are awarded in accordance with the selection procedures set forth in chapter 11 of title 40, United States Code.

41 USC 253a
note.

SEC. 1428. AUTHORIZATION OF TELECOMMUTING FOR FEDERAL CON- TRACTORS.

Deadline.

(a) AMENDMENT TO THE FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) to permit telecommuting by employees of Federal Government contractors in the performance of contracts entered into with executive agencies.

(b) CONTENT OF AMENDMENT.—The regulation issued pursuant to subsection (a) shall, at a minimum, provide that solicitations for the acquisition of property or services may not set forth any requirement or evaluation criteria that would—

(1) render an offeror ineligible to enter into a contract on the basis of the inclusion of a plan of the offeror to permit the offeror’s employees to telecommute, unless the contracting officer concerned first determines that the requirements of the agency, including security requirements, cannot be met if the telecommuting is permitted and documents in writing the basis for that determination; or

(2) reduce the scoring of an offer on the basis of the inclusion in the offer of a plan of the offeror to permit the offeror’s employees to telecommute, unless the contracting officer concerned first determines that the requirements of the agency, including security requirements, would be adversely impacted

if telecommuting is permitted and documents in writing the basis for that determination.

(c) DEFINITION.—In this section, the term “executive agency” has the meaning given that term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

Subtitle C—Acquisitions of Commercial Items

SEC. 1431. ADDITIONAL INCENTIVE FOR USE OF PERFORMANCE-BASED CONTRACTING FOR SERVICES.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

“SEC. 41. INCENTIVES FOR EFFICIENT PERFORMANCE OF SERVICES CONTRACTS. 41 USC 437.

“(a) INCENTIVE FOR USE OF PERFORMANCE-BASED SERVICES CONTRACTS.—A performance-based contract for the procurement of services entered into by an executive agency or a performance-based task order for services issued by an executive agency may be treated as a contract for the procurement of commercial items if—

“(1) the value of the contract or task order is estimated not to exceed \$25,000,000;

“(2) the contract or task order sets forth specifically each task to be performed and, for each task—

“(A) defines the task in measurable, mission-related terms;

“(B) identifies the specific end products or output to be achieved; and

“(C) contains firm, fixed prices for specific tasks to be performed or outcomes to be achieved; and

“(3) the source of the services provides similar services to the general public under terms and conditions similar to those offered to the Federal Government.

“(b) REGULATIONS.—The regulations implementing this section shall require agencies to collect and maintain reliable data sufficient to identify the contracts or task orders treated as contracts for commercial items using the authority of this section. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

“(c) REPORT.—Not later than two years after the date of the enactment of this section, the Director of the Office of Management and Budget shall prepare and submit to the Committees on Governmental Affairs and on Armed Services of the Senate and the Committees on Government Reform and on Armed Services of the House of Representatives a report on the contracts or task orders treated as contracts for commercial items using the authority of this section. The report shall include data on the use of such authority both government-wide and for each department and agency. Deadline.

“(d) EXPIRATION.—The authority under this section shall expire 10 years after the date of the enactment of this section.”

(b) CENTER OF EXCELLENCE IN SERVICE CONTRACTING.—Not later than 180 days after the date of the enactment of this Act, Deadline. 41 USC 405 note.

the Administrator for Federal Procurement Policy shall establish a center of excellence in contracting for services. The center of excellence shall assist the acquisition community by identifying, and serving as a clearinghouse for, best practices in contracting for services in the public and private sectors.

(c) **REPEAL OF SUPERSEDED PROVISION.**—Subsection (b) of section 821 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–218; 10 U.S.C. 2302 note) is repealed.

(d) **CLERICAL AND TECHNICAL AMENDMENTS.**—(1) The table of contents in section 1(b) of such Act is amended by striking the last item and inserting the following:

“Sec. 40. Protection of constitutional rights of contractors.

“Sec. 41. Incentives for efficient performance of services contracts.”.

41 USC 436.

(2) The section before section 41 of such Act (as added by subsection (a)) is redesignated as section 40.

SEC. 1432. AUTHORIZATION OF ADDITIONAL COMMERCIAL CONTRACT TYPES.

Section 8002(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3387; 41 U.S.C. 264 note) is amended—

(1) by redesignating paragraph (1) as subparagraph (A) and in that subparagraph by striking “and”;

(2) by redesignating paragraph (2) as subparagraph (B) and in that subparagraph by striking the period at the end and inserting “; and”;

(3) by adding after subparagraph (B) (as so redesignated) the following new subparagraph:

“(C) subject to paragraph (2), authority for use of a time-and-materials contract or a labor-hour contract for the procurement of commercial services that are commonly sold to the general public through such contracts and are purchased by the procuring agency on a competitive basis.”;

(4) by striking “USE OF FIRM, FIXED PRICE CONTRACTS.—The” and inserting “PROVISIONS RELATING TO TYPES OF CONTRACTS FOR COMMERCIAL ITEMS.—(1)”;

(5) by adding at the end the following new paragraphs:

“(2) A time-and-materials contract or a labor-hour contract may be used pursuant to the authority referred to in paragraph (1)(C)—

“(A) only for a procurement of commercial services in a category of commercial services described in paragraph (3); and—

“(B) only if the contracting officer for such procurement—

“(i) executes a determination and findings that no other contract type is suitable;

“(ii) includes in the contract a ceiling price that the contractor exceeds at its own risk; and

“(iii) authorizes any subsequent change in the ceiling price only upon a determination, documented in the contract file, that it is in the best interest of the procuring agency to change such ceiling price.

“(3) The categories of commercial services referred to in paragraph (2) are as follows:

“(A) Commercial services procured for support of a commercial item, as described in section 4(12)(E) of the

Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(E)).

“(B) Any other category of commercial services that is designated by the Administrator for Federal Procurement Policy in the Federal Acquisition Regulation for the purposes of this paragraph on the basis that—

“(i) the commercial services in such category are of a type of commercial services that are commonly sold to the general public through use of time-and-materials or labor-hour contracts; and

“(ii) it would be in the best interests of the Federal Government to authorize use of time-and-materials or labor-hour contracts for purchases of the commercial services in such category.”.

SEC. 1433. CLARIFICATION OF COMMERCIAL SERVICES DEFINITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended in paragraph (12)(F) by inserting “or specific outcomes to be achieved” after “performed”.

Subtitle D—Other Matters

SEC. 1441. AUTHORITY TO ENTER INTO CERTAIN TRANSACTIONS FOR DEFENSE AGAINST OR RECOVERY FROM TERRORISM OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

41 USC 428a
note.

(a) AUTHORITY.—

(1) IN GENERAL.—The head of an executive agency who engages in basic research, applied research, advanced research, and development projects that—

(A) are necessary to the responsibilities of such official’s executive agency in the field of research and development, and

(B) have the potential to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack,

may exercise the same authority (subject to the same restrictions and conditions) with respect to such research and projects as the Secretary of Defense may exercise under section 2371 of title 10, United States Code, except for subsections (b) and (f) of such section 2371.

(2) PROTOTYPE PROJECTS.—The head of an executive agency may, under the authority of paragraph (1), carry out prototype projects that meet the requirements of subparagraphs (A) and (B) of paragraph (1) in accordance with the requirements and conditions provided for carrying out prototype projects under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note), including that, to the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a) of that section and that the period of authority to carry out projects under such subsection (a) terminates as provided in subsection (g) of that section.

(3) APPLICATION OF REQUIREMENTS AND CONDITIONS.—In applying the requirements and conditions of section 845 of

the National Defense Authorization Act for Fiscal Year 1994 under this subsection—

(A) subsection (c) of that section shall apply with respect to prototype projects carried out under this paragraph; and

(B) the Director of the Office of Management and Budget shall perform the functions of the Secretary of Defense under subsection (d) of that section.

(4) APPLICABILITY TO SELECTED EXECUTIVE AGENCIES.—

(A) OMB AUTHORIZATION REQUIRED.—The head of an executive agency may exercise authority under this subsection for a project only if authorized by the Director of the Office of Management and Budget to use the authority for such project.

(B) RELATIONSHIP TO AUTHORITY OF DEPARTMENT OF HOMELAND SECURITY.—The authority under this subsection shall not apply to the Secretary of Homeland Security while section 831 of the Homeland Security Act of 2002 (Public Law 107–296; 116 Stat. 2224) is in effect.

(b) ANNUAL REPORT.—The annual report of the head of an executive agency that is required under subsection (h) of section 2371 of title 10, United States Code, as applied to the head of the executive agency by subsection (a), shall be submitted to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(c) REGULATIONS.—The Director of the Office of Management and Budget shall prescribe regulations to carry out this section. No transaction may be conducted under the authority of this section before the date on which such regulations take effect.

(d) TERMINATION OF AUTHORITY.—The authority to carry out transactions under subsection (a) shall terminate on September 30, 2008.

41 USC 253 note.

SEC. 1442. PUBLIC DISCLOSURE OF NONCOMPETITIVE CONTRACTING FOR THE RECONSTRUCTION OF INFRASTRUCTURE IN IRAQ.

(a) DISCLOSURE REQUIRED.—

(1) PUBLICATION AND PUBLIC AVAILABILITY.—The head of an executive agency of the United States that enters into a contract for the repair, maintenance, or construction of infrastructure in Iraq without full and open competition shall publish in the Federal Register or Commerce Business Daily and otherwise make available to the public, not later than 30 days after the date on which the contract is entered into, the following information:

(A) The amount of the contract.

(B) A brief description of the scope of the contract.

(C) A discussion of how the executive agency identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers.

(D) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.

(2) INAPPLICABILITY TO CONTRACTS AFTER FISCAL YEAR 2005.—Paragraph (1) does not apply to a contract entered into after September 30, 2005.

Federal Register,
publication.
Deadline.

(b) CLASSIFIED INFORMATION.—

(1) AUTHORITY TO WITHHOLD.—The head of an executive agency may—

(A) withhold from publication and disclosure under subsection (a) any document that is classified for restricted access in accordance with an Executive order in the interest of national defense or foreign policy; and

(B) redact any part so classified that is in a document not so classified before publication and disclosure of the document under subsection (a).

(2) AVAILABILITY TO CONGRESS.—In any case in which the head of an executive agency withholds information under paragraph (1), the head of such executive agency shall make available an unredacted version of the document containing that information to the chairman and ranking member of each of the following committees of Congress:

(A) The Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(B) The Committees on Appropriations of the Senate and House of Representatives.

(C) Each committee that the head of the executive agency determines has legislative jurisdiction for the operations of such department or agency to which the information relates.

(c) FISCAL YEAR 2003 CONTRACTS.—This section shall apply to contracts entered into on or after October 1, 2002, except that, in the case of a contract entered into before the date of the enactment of this Act, subsection (a) shall be applied as if the contract had been entered into on the date of the enactment of this Act.

Applicability.

(d) RELATIONSHIP TO OTHER DISCLOSURE LAWS.—Nothing in this section shall be construed as affecting obligations to disclose United States Government information under any other provision of law.

(e) DEFINITIONS.—In this section, the terms “executive agency” and “full and open competition” have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

SEC. 1443. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

(a) PERMANENT AUTHORITY.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 32 the following new section:

“SEC. 32A. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

41 USC 428a.

“(a) APPLICABILITY.—The authorities provided in this section apply with respect to any procurement of property or services by or for an executive agency that, as determined by the head of such executive agency, are to be used—

“(1) in support of a contingency operation; or

“(2) to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the United States.

“(b) INCREASED THRESHOLDS.—For a procurement to which this section applies under subsection (a)—

“(1) the amount specified in subsections (c), (d), and (f) of section 32 shall be deemed to be \$15,000; and

“(2) the term ‘simplified acquisition threshold’ means—

“(A) \$250,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

“(B) \$500,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

“(c) INCREASED LIMITATION ON USE OF SIMPLIFIED ACQUISITION PROCEDURES.—For a procurement to which this section applies under subsection (a), the \$5,000,000 limitation in the following provisions of law shall be deemed to be \$10,000,000:

“(1) Section 31(a)(2) of this Act.

“(2) Section 2304(g)(1)(B) of title 10, United States Code.

“(3) Section 303(g)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(B)).

“(d) COMMERCIAL ITEMS AUTHORITY.—(1) The head of an executive agency carrying out a procurement of property or a service to which this section applies under subsection (a)(2) may treat such property or service as a commercial item for the purpose of carrying out such procurement.

“(2) A contract in an amount greater than \$15,000,000 that is awarded on a sole source basis for an item or service treated as a commercial item under paragraph (1) shall not be exempt from—

“(A) cost accounting standards promulgated pursuant to section 26 of this Act; or

“(B) cost or pricing data requirements (commonly referred to as truth in negotiating) under section 2306a of title 10, United States Code, and section 304A of title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b).

“(e) CONTINGENCY OPERATION DEFINED.—In this section, the term ‘contingency operation’ has the meaning given such term in section 101(a)(13) of title 10, United States Code.”.

(2) The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 32 the following new item:

“Sec. 32A. Special emergency procurement authority.”.

(b) CONTINUATION OF AUTHORITY FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Section 4202(e) of the Clinger-Cohen Act (division D of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304 note) is amended by striking “January 1, 2004” and inserting “January 1, 2006”.

38 USC 1101
note.

TITLE XV—VETERANS’ DISABILITY BENEFITS COMMISSION

Sec. 1501. Establishment of commission.

Sec. 1502. Duties of the commission.

Sec. 1503. Report.

Sec. 1504. Powers of the commission.

Sec. 1505. Personnel matters.

Sec. 1506. Termination of commission.

Sec. 1507. Funding.

SEC. 1501. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is hereby established a commission to be known as the Veterans’ Disability Benefits

Commission (hereinafter in this title referred to as the “commission”).

(b) MEMBERSHIP.—(1) The commission shall be composed of 13 members, appointed as follows:

(A) Two members appointed by the Speaker of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(B) Two members appointed by the minority leader of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(C) Two members appointed by the majority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(D) Two members appointed by the minority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(E) Five members appointed by the President, at least three of whom shall be veterans who were awarded a decoration specified in paragraph (2).

(2) A decoration specified in this paragraph is any of the following:

(A) The Medal of Honor.

(B) The Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(C) The Silver Star.

(3) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) The appointment of members of the commission under this subsection shall be made not later than 60 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT.—Members of the commission shall be appointed for the life of the commission. A vacancy in the commission shall not affect its powers.

(d) INITIAL MEETING.—The commission shall hold its first meeting not later than 30 days after the date on which a majority of the members of the commission have been appointed.

(e) MEETINGS.—The commission shall meet at the call of the chairman.

(f) QUORUM.—A majority of the members of the commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRMAN.—The President shall designate a member of the commission to be chairman of the commission.

SEC. 1502. DUTIES OF THE COMMISSION.

(a) STUDY.—The commission shall carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.

(b) SCOPE OF STUDY.—In carrying out the study, the commission shall examine and make recommendations concerning the following:

(1) The appropriateness of such benefits under the laws in effect on the date of the enactment of this Act.

(2) The appropriateness of the level of such benefits.

(3) The appropriate standard or standards for determining whether a disability or death of a veteran should be compensated.

(c) **CONTENTS OF STUDY.**—The study to be carried out by the commission under this section shall be a comprehensive evaluation and assessment of the benefits provided under the laws of the United States to compensate veterans and their survivors for disability or death attributable to military service, together with any related issues that the commission determines are relevant to the purposes of the study. The study shall include an evaluation and assessment of the following:

(1) The laws and regulations which determine eligibility for disability and death benefits, and other assistance for veterans and their survivors.

(2) The rates of such compensation, including the appropriateness of a schedule for rating disabilities based on average impairment of earning capacity.

(3) Comparable disability benefits provided to individuals by the Federal Government, State governments, and the private sector.

(d) **CONSULTATION WITH INSTITUTE OF MEDICINE.**—In carrying out the study under this section, the commission shall consult with the Institute of Medicine of the National Academy of Sciences with respect to the medical aspects of contemporary disability compensation policies.

SEC. 1503. REPORT.

Deadline.

Not later than 15 months after the date on which the commission first meets, the commission shall submit to the President and Congress a report on the study. The report shall include the following:

(1) The findings and conclusions of the commission, including its findings and conclusions with respect to the matters referred to in section 1502(c).

(2) The recommendations of the commission for revising the benefits provided by the United States to veterans and their survivors for disability and death attributable to military service.

(3) Other information and recommendations with respect to such benefits as the commission considers appropriate.

SEC. 1504. POWERS OF THE COMMISSION.

(a) **HEARINGS.**—The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out the purposes of this title.

(b) **INFORMATION FROM FEDERAL AGENCIES.**—In addition to the information referred to in section 1502(c), the commission may secure directly from any Federal department or agency such information as the commission considers necessary to carry out the provisions of this title. Upon request of the chairman of the commission, the head of such department or agency shall furnish such information to the commission.

(c) **POSTAL SERVICES.**—The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) **GIFTS.**—The commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 1505. PERSONNEL MATTERS.

(a) **COMPENSATION OF MEMBERS.**—Each member of the commission who is not an officer or employee of the United States shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the commission. All members of the commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) **TRAVEL EXPENSES.**—The members of the commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(c) **STAFF.**—(1) The chairman of the commission may, without regard to the civil service laws and regulations, appoint an executive director and such other personnel as may be necessary to enable the commission to perform its duties. The appointment of an executive director shall be subject to approval by the commission.

(2) The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) **DETAIL OF GOVERNMENT EMPLOYEES.**—Upon request of the chairman of the commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the commission to assist it in carrying out its duties.

(e) **PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.**—The chairman of the commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 1506. TERMINATION OF COMMISSION.

The commission shall terminate 60 days after the date on which the commission submits its report under section 1503.

SEC. 1507. FUNDING.

(a) **IN GENERAL.**—The Secretary of Veterans Affairs shall, upon the request of the chairman of the commission, make available to the commission such amounts as the commission may require to carry out its duties under this title.

(b) **AVAILABILITY.**—Any sums made available to the commission under subsection (a) shall remain available, without fiscal year limitation, until the termination of the commission.

TITLE XVI—DEFENSE BIOMEDICAL COUNTERMEASURES

Sec. 1601. Research and development of defense biomedical countermeasures.
 Sec. 1602. Procurement of defense biomedical countermeasures.
 Sec. 1603. Authorization for medical products for use in emergencies.

10 USC 2370a
note.

SEC. 1601. RESEARCH AND DEVELOPMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) **IN GENERAL.**—The Secretary of Defense (in this section referred to as the “Secretary”) shall carry out a program to accelerate the research, development and procurement of biomedical countermeasures, including but not limited to therapeutics and vaccines, for the protection of the Armed Forces from attack by one or more biological, chemical, radiological, or nuclear agents.

(b) **INTERAGENCY COOPERATION.**—(1) In carrying out the program under subsection (a), the Secretary may enter into interagency agreements and other collaborative undertakings with other Federal agencies.

(2) The Secretary, through regular, structured, and close consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall ensure that the activities of the Department of Defense in carrying out the program are coordinated with, complement, and do not unnecessarily duplicate activities of the Department of Health and Human Services or the Department of Homeland Security.

(c) **EXPEDITED PROCUREMENT AUTHORITY.**—(1) For any procurement of property or services for use (as determined by the Secretary) in performing, administering, or supporting biomedical countermeasures research and development, the Secretary may, when appropriate, use streamlined acquisition procedures and other expedited procurement procedures authorized in—

(A) section 32A of the Office of Federal Procurement Policy Act, as added by section 1443 of this Act; and

(B) section 2371 of title 10, United States Code, and section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note).

(2) Notwithstanding paragraph (1) and the provisions of law referred to in such paragraph, each of the following provisions shall apply to the procurements described in this subsection to the same extent that such provisions would apply to such procurements in the absence of paragraph (1):

(A) Chapter 37 of title 40, United States Code (relating to contract work hours and safety standards).

(B) Subsections (a) and (b) of section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57(a) and (b)).

(C) Section 2313 of title 10, United States Code (relating to the examination of contractor records).

(3) The Secretary shall institute appropriate internal controls for use of the authority under paragraph (1), including requirements for documenting the justification for each use of such authority.

(d) **DEPARTMENT OF DEFENSE FACILITIES AUTHORITY.**—(1) If the Secretary determines that it is necessary to acquire, lease, construct, or improve laboratories, research facilities, and other real property of the Department of Defense in order to carry out the program under this section, the Secretary may do so using the procedures set forth in paragraphs (2), (3), (4), and (5).

(2) The Secretary shall use existing construction authorities provided by subchapter I of chapter 169 of title 10, United States Code, to the maximum extent possible.

(3)(A) If the Secretary determines that use of authorities in paragraph (2) would prevent the Department from meeting a specific facility requirement for the program, the Secretary shall submit to the congressional defense committees advance notification, which shall include the following:

(i) Certification by the Secretary that use of existing construction authorities would prevent the Department from meeting the specific facility requirement.

(ii) A detailed explanation of the reasons why existing authorities cannot be used.

(iii) A justification of the facility requirement.

(iv) Construction project data and estimated cost.

(v) Identification of the source or sources of the funds proposed to be expended.

(B) The facility project may be carried out only after the end of the 21-day period beginning on the date the notification is received by the congressional defense committees.

(4) If the Secretary determines: (A) that the facility is vital to national security or to the protection of health, safety, or the quality of the environment; and (B) the requirement for the facility is so urgent that the advance notification in paragraph (3) and the subsequent 21-day deferral of the facility project would threaten the life, health, or safety of personnel, or would otherwise jeopardize national security, the Secretary may obligate funds for the facility and notify the congressional defense committees within seven days after the date on which appropriated funds are obligated with the information required in paragraph (3).

(5) The Secretary shall submit to the congressional defense committees a quarterly report detailing any use of the authority provided by paragraph (4), including costs incurred or to be incurred by the United States as a result of the use of the authority.

(6) Nothing in this section shall be construed to authorize the Secretary to acquire, construct, lease, or improve a facility having general utility beyond the specific purposes of the program.

(7) In this subsection, the term “facility” has the meaning given the term in section 2801(c) of title 10, United States Code.

(e) **AUTHORITY FOR PERSONAL SERVICES CONTRACTS.**—(1) Subject to paragraph (2), the authority provided by section 1091 of title 10, United States Code, for personal services contracts to carry out health care responsibilities in medical treatment facilities of the Department of Defense shall also be available, subject to the same terms and conditions, for personal services contracts to carry out research and development activities under this section. The number of individuals whose personal services are obtained under this subsection may not exceed 30 at any time.

(2) The authority provided by such section 1091 may not be used for a personal services contract unless the contracting officer for the contract ensures that—

(A) the services to be procured are urgent or unique; and

(B) it would not be practicable for the Department of Defense to obtain such services by other measures.

(f) **STREAMLINED PERSONNEL AUTHORITY.**—(1) The Secretary may appoint highly qualified experts, including scientific and technical personnel, to carry out research and development under this

section in accordance with the authorities provided in section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), and section 1101 of this Act.

(2) The Secretary may use the authority under paragraph (1) only upon a determination by the Secretary that use of such authority is necessary to accelerate the research and development under the program.

(3) The Secretary shall institute appropriate internal controls for each use of the authority under paragraph (1).

10 USC 2302
note.

SEC. 1602. PROCUREMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) DETERMINATION OF MATERIAL THREATS.—(1) The Secretary of Defense (in this section referred to as the “Secretary”) shall on an ongoing basis—

(A) assess current and emerging threats of use of biological, chemical, radiological, and nuclear agents; and

(B) identify, on the basis of such assessment, those agents that present a material risk of use against the Armed Forces.

(2) The Secretary shall on an ongoing basis—

(A) assess the potential consequences to the health of members of the Armed Forces of use against the Armed Forces of the agents identified under paragraph (1)(B); and

(B) identify, on the basis of such assessment, those agents for which countermeasures are necessary to protect the health of members of the Armed Forces.

(b) ASSESSMENT OF AVAILABILITY AND APPROPRIATENESS OF COUNTERMEASURES.—The Secretary shall on an ongoing basis assess the availability and appropriateness of specific countermeasures to address specific threats identified under subsection (a).

(c) SECRETARY’S DETERMINATION OF COUNTERMEASURES APPROPRIATE FOR PROCUREMENT.—(1) The Secretary, in accordance with paragraph (2), shall on an ongoing basis identify specific countermeasures that the Secretary determines to be appropriate for procurement for the Department of Defense stockpile of biomedical countermeasures.

(2) The Secretary may not identify a specific countermeasure under paragraph (1) unless the Secretary determines that—

(A) the countermeasure is a qualified countermeasure; and

(B) it is reasonable to expect that producing and delivering, within 5 years, the quantity of that countermeasure required to meet the needs of the Department (as determined by the Secretary) is feasible.

(d) INTERAGENCY COOPERATION.—(1) Activities of the Secretary under this section shall be carried out in regular, structured, and close consultation and coordination with the Secretaries of Homeland Security and Health and Human Services, including the activities described in subsections (a), (b), and (c) and those activities with respect to interagency agreements described in paragraph (2).

(2) The Secretary may enter into an interagency agreement with the Secretaries of Homeland Security and Health and Human Services to provide for acquisition by the Secretary of Defense

for use by the Armed Forces of biomedical countermeasures procured for the Strategic National Stockpile by the Secretary of Health and Human Services. The Secretary may transfer such funds to the Secretary of Health and Human Services as are necessary to carry out such agreements (including administrative costs of the Secretary of Health and Human Services), and the Secretary of Health and Human Services may expend any such transferred funds to procure such countermeasures for use by the Armed Forces, or to replenish the stockpile. The Secretaries are authorized to establish such terms and conditions for such agreements as the Secretaries determine to be in the public interest. The transfer authority provided under this paragraph is in addition to any other transfer authority available to the Secretary.

(e) DEFINITIONS.—In this section:

(1) The term “qualified countermeasure” means a biomedical countermeasure—

(A) that is approved under section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or licensed under section 351 of the Public Health Service Act (42 U.S.C. 262), or that is approved under section 515 or cleared under section 510(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e and 360) for use as such a countermeasure to a biological, chemical, radiological, or nuclear agent identified as a material threat under subsection (a); or

(B) with respect to which the Secretary of Health and Human Services makes a determination that sufficient and satisfactory clinical experience or research data (including data, if available, from preclinical and clinical trials) exists to support a reasonable conclusion that the product will qualify for such approval or licensing for use as such a countermeasure.

(2) The term “biomedical countermeasure” means a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1))), device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h))), or biological product (as defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))) that is—

(A) used to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent that may cause a military health emergency affecting the Armed Forces; or

(B) used to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug or biological product that is used as described in subparagraph (A).

(3) The term “Strategic National Stockpile” means the stockpile established under section 121(a) of the Public Health and Bioterrorism Preparedness and Response Act of 2002 (42 U.S.C. 300hh–12(a)).

(f) FUNDING.—Of the amount authorized to be appropriated for the Department of Defense and available within the transfer authority established under section 1001 of this Act for fiscal year 2004 and for each fiscal year thereafter, such sums are authorized

as may be necessary for the costs incurred by the Secretary in the procurement of countermeasures under this section.

SEC. 1603. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

(a) **IN GENERAL.**—Subchapter E of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb et seq.) is amended by adding at the end the following section:

21 USC 360bbb–
3.

“SEC. 564. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

“(a) IN GENERAL.—

“(1) EMERGENCY USES.—Notwithstanding sections 505, 510(k), and 515 of this Act and section 351 of the Public Health Service Act, and subject to the provisions of this section, the Secretary may authorize the introduction into interstate commerce, during the effective period of a declaration under subsection (b), of a drug, device, or biological product intended for use in an actual or potential emergency (referred to in this section as an ‘emergency use’).

“(2) APPROVAL STATUS OF PRODUCT.—An authorization under paragraph (1) may authorize an emergency use of a product that—

“(A) is not approved, licensed, or cleared for commercial distribution under a provision of law referred to in such paragraph (referred to in this section as an ‘unapproved product’); or

“(B) is approved, licensed, or cleared under such a provision, but which use is not under such provision an approved, licensed, or cleared use of the product (referred to in this section as an ‘unapproved use of an approved product’).

“(3) RELATION TO OTHER USES.—An emergency use authorized under paragraph (1) for a product is in addition to any other use that is authorized for the product under a provision of law referred to in such paragraph.

“(4) DEFINITIONS.—For purposes of this section:

“(A) The term ‘biological product’ has the meaning given such term in section 351 of the Public Health Service Act.

“(B) The term ‘emergency use’ has the meaning indicated for such term in paragraph (1).

“(C) The term ‘product’ means a drug, device, or biological product.

“(D) The term ‘unapproved product’ has the meaning indicated for such term in paragraph (2)(A).

“(E) The term ‘unapproved use of an approved product’ has the meaning indicated for such term in paragraph (2)(B).

“(b) DECLARATION OF EMERGENCY.—

“(1) IN GENERAL.—The Secretary may declare an emergency justifying the authorization under this subsection for a product on the basis of a determination by the Secretary of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to United States military forces of attack with a specified biological, chemical, radiological, or nuclear agent or agents.

“(2) TERMINATION OF DECLARATION.—

“(A) IN GENERAL.—A declaration under this subsection shall terminate upon the earlier of—

“(i) a determination by the Secretary, in consultation with the Secretary of Defense, that the circumstances described in paragraph (1) have ceased to exist; or

“(ii) the expiration of the one-year period beginning on the date on which the declaration is made.

“(B) RENEWAL.—Notwithstanding subparagraph (A), the Secretary may renew a declaration under this subsection, and this paragraph shall apply to any such renewal.

“(C) DISPOSITION OF PRODUCT.—If an authorization under this section with respect to an unapproved product ceases to be effective as a result of a termination under subparagraph (A) of this paragraph, the Secretary shall consult with the manufacturer of such product with respect to the appropriate disposition of the product.

“(3) ADVANCE NOTICE OF TERMINATION.—The Secretary shall provide advance notice that a declaration under this subsection will be terminated. The period of advance notice shall be a period reasonably determined to provide—

“(A) in the case of an unapproved product, a sufficient period for disposition of the product, including the return of such product (except such quantities of product as are necessary to provide for continued use consistent with subsection (f)(2)) to the manufacturer (in the case of a manufacturer that chooses to have such product returned); and

“(B) in the case of an unapproved use of an approved product, a sufficient period for the disposition of any labeling, or any information under subsection (e)(2)(B)(ii), as the case may be, that was provided with respect to the emergency use involved.

“(4) PUBLICATION.—The Secretary shall promptly publish in the Federal Register each declaration, determination, advance notice of termination, and renewal under this subsection.

Federal Register,
publication.

“(c) CRITERIA FOR ISSUANCE OF AUTHORIZATION.—The Secretary may issue an authorization under this section with respect to the emergency use of a product only if, after consultation with the Director of the National Institutes of Health and the Director of the Centers for Disease Control and Prevention (to the extent feasible and appropriate given the circumstances of the emergency involved), the Secretary concludes—

“(1) that an agent specified in a declaration under subsection (b) can cause a serious or life-threatening disease or condition;

“(2) that, based on the totality of scientific evidence available to the Secretary, including data from adequate and well-controlled clinical trials, if available, it is reasonable to believe that—

“(A) the product may be effective in diagnosing, treating, or preventing—

“(i) such disease or condition; or

“(ii) a serious or life-threatening disease or condition caused by a product authorized under this section, approved or cleared under this Act, or licensed under

section 351 of the Public Health Service Act, for diagnosing, treating, or preventing such a disease or condition caused by such an agent; and

“(B) the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product;

“(3) that there is no adequate, approved, and available alternative to the product for diagnosing, preventing, or treating such disease or condition; and

“(4) that such other criteria as the Secretary may by regulation prescribe are satisfied.

“(d) SCOPE OF AUTHORIZATION.—An authorization of a product under this section shall state—

“(1) each disease or condition that the product may be used to diagnose, prevent, or treat within the scope of the authorization;

“(2) the Secretary’s conclusions, made under subsection (c)(2)(B), that the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product; and

“(3) the Secretary’s conclusions, made under subsection (c), concerning the safety and potential effectiveness of the product in diagnosing, preventing, or treating such diseases or conditions, including an assessment of the available scientific evidence.

“(e) CONDITIONS OF AUTHORIZATION.—

“(1) UNAPPROVED PRODUCT.—

“(A) REQUIRED CONDITIONS.—With respect to the emergency use of an unapproved product, the Secretary, to the extent practicable given the circumstances of the emergency, shall, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

“(i) Appropriate conditions designed to ensure that health care professionals administering the product are informed—

“(I) that the Secretary has authorized the emergency use of the product;

“(II) of the significant known and potential benefits and risks of the emergency use of the product, and of the extent to which such benefits and risks are unknown; and

“(III) of the alternatives to the product that are available, and of their benefits and risks.

“(ii) Appropriate conditions designed to ensure that individuals to whom the product is administered are informed—

“(I) that the Secretary has authorized the emergency use of the product;

“(II) of the significant known and potential benefits and risks of such use, and of the extent to which such benefits and risks are unknown; and

“(III) of the option to accept or refuse administration of the product, of the consequences, if any, of refusing administration of the product, and of the alternatives to the product that are available and of their benefits and risks.

“(iii) Appropriate conditions for the monitoring and reporting of adverse events associated with the emergency use of the product.

“(iv) For manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

“(B) AUTHORITY FOR ADDITIONAL CONDITIONS.—With respect to the emergency use of an unapproved product, the Secretary may, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

“(i) Appropriate conditions on which entities may distribute the product with respect to the emergency use of the product (including limitation to distribution by government entities), and on how distribution is to be performed.

“(ii) Appropriate conditions on who may administer the product with respect to the emergency use of the product, and on the categories of individuals to whom, and the circumstances under which, the product may be administered with respect to such use.

“(iii) Appropriate conditions with respect to the collection and analysis of information, during the period when the authorization is in effect, concerning the safety and effectiveness of the product with respect to the emergency use of such product.±

“(iv) For persons other than manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

“(2) UNAPPROVED USE.—With respect to the emergency use of a product that is an unapproved use of an approved product:

“(A) For a manufacturer of the product who carries out any activity for which the authorization is issued, the Secretary shall, to the extent practicable given the circumstances of the emergency, establish conditions described in clauses (i) and (ii) of paragraph (1)(A), and may establish conditions described in clauses (iii) and (iv) of such paragraph.

“(B)(i) If the authorization under this section regarding the emergency use authorizes a change in the labeling of the product, but the manufacturer of the product chooses not to make such change, such authorization may not authorize distributors of the product or any other person to alter or obscure the labeling provided by the manufacturer.

“(ii) In the circumstances described in clause (i), for a person who does not manufacture the product and who

chooses to act under this clause, an authorization under this section regarding the emergency use shall, to the extent practicable given the circumstances of the emergency, authorize such person to provide appropriate information with respect to such product in addition to the labeling provided by the manufacturer, subject to compliance with clause (i). While the authorization under this section is effective, such additional information shall not be considered labeling for purposes of section 502.

“(C) The Secretary may establish with respect to the distribution and administration of the product for the unapproved use conditions no more restrictive than those established by the Secretary with respect to the distribution and administration of the product for the approved use.

“(3) GOOD MANUFACTURING PRACTICE.—With respect to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), the Secretary may waive or limit, to the extent appropriate given the circumstances of the emergency, requirements regarding current good manufacturing practice otherwise applicable to the manufacture, processing, packing, or holding of products subject to regulation under this Act, including such requirements established under section 501.

“(4) ADVERTISING.—The Secretary may establish conditions on advertisements and other promotional descriptive printed matter that relate to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), including, as appropriate—

“(A) with respect to drugs and biological products, requirements applicable to prescription drugs pursuant to section 502(n); or

“(B) with respect to devices, requirements applicable to restricted devices pursuant to section 502(r).

“(f) DURATION OF AUTHORIZATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), an authorization under this section shall be effective until the earlier of the termination of the declaration under subsection (b) or a revocation under subsection (g).

“(2) CONTINUED USE AFTER END OF EFFECTIVE PERIOD.—Notwithstanding the termination of the declaration under subsection (b) or a revocation under subsection (g), an authorization shall continue to be effective to provide for continued use of an unapproved product with respect to a patient to whom it was administered during the period described by paragraph (1), to the extent found necessary by such patient’s attending physician.

“(g) REVOCATION OF AUTHORIZATION.—

“(1) REVIEW.—The Secretary shall periodically review the circumstances and the appropriateness of an authorization under this section.

“(2) REVOCATION.—The Secretary may revoke an authorization under this section if the criteria under subsection (c) for issuance of such authorization are no longer met or other circumstances make such revocation appropriate to protect the public health or safety.

“(h) PUBLICATION; CONFIDENTIAL INFORMATION.—

“(1) PUBLICATION.—The Secretary shall promptly publish in the Federal Register a notice of each authorization, and each termination or revocation of an authorization under this section, and an explanation of the reasons therefor (which may include a summary of data or information that has been submitted to the Secretary in an application under section 505(i) or section 520(g), even if such summary may indirectly reveal the existence of such application).

Federal Register,
publication.

“(2) CONFIDENTIAL INFORMATION.—Nothing in this section alters or amends section 1905 of title 18, United States Code, or section 552(b)(4) of title 5 of such Code.

“(i) ACTIONS COMMITTED TO AGENCY DISCRETION.—Actions under the authority of this section by the Secretary or by the Secretary of Defense are committed to agency discretion.

“(j) RULES OF CONSTRUCTION.—The following applies with respect to this section:

“(1) Nothing in this section impairs the authority of the President as Commander in Chief of the Armed Forces of the United States under article II, section 2 of the United States Constitution.

“(2) Nothing in this section impairs the authority of the Secretary of Defense with respect to the Department of Defense, including the armed forces, under other provisions of Federal law.

“(3) Nothing in this section (including any exercise of authority by a manufacturer under subsection (e)(2)) impairs the authority of the United States to use or manage quantities of a product that are owned or controlled by the United States (including quantities in the stockpile maintained under section 319F–2 of the Public Health Service Act).

“(k) RELATION TO OTHER PROVISIONS.—If a product is the subject of an authorization under this section, the use of such product within the scope of the authorization shall not be considered to constitute a clinical investigation for purposes of section 505(i), section 520(g), or any other provision of this Act or section 351 of the Public Health Service Act.

“(l) OPTION TO CARRY OUT AUTHORIZED ACTIVITIES.—Nothing in this section provides the Secretary any authority to require any person to carry out any activity that becomes lawful pursuant to an authorization under this section, and no person is required to inform the Secretary that the person will not be carrying out such activity, except that a manufacturer of a sole-source unapproved product authorized for emergency use shall report to the Secretary within a reasonable period of time after the issuance by the Secretary of such authorization if such manufacturer does not intend to carry out any activity under the authorization. This section only has legal effect on a person who carries out an activity for which an authorization under this section is issued. This section does not modify or affect activities carried out pursuant to other provisions of this Act or section 351 of the Public Health Service Act. Nothing in this subsection may be construed as restricting the Secretary from imposing conditions on persons who carry out any activity pursuant to an authorization under this section.”

(b) EMERGENCY USE PRODUCTS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1107 the following new section:

“§ 1107a. Emergency use products

“(a) **WAIVER BY THE PRESIDENT.**—In the case of the administration of a product authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act to members of the armed forces, the condition described in section 564(e)(1)(A)(ii)(III) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), designed to ensure that individuals are informed of an option to accept or refuse administration of a product, may be waived only by the President only if the President determines, in writing, that complying with such requirement is not feasible, is contrary to the best interests of the members affected, or is not in the interests of national security.

“(b) **PROVISION OF INFORMATION.**—If the President, under subsection (a), waives the condition described in section 564(e)(1)(A)(ii)(III) of the Federal Food, Drug, and Cosmetic Act, and if the Secretary of Defense, in consultation with the Secretary of Health and Human Services, makes a determination that it is not feasible based on time limitations for the information described in section 564(e)(1)(A)(ii)(I) or (II) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), to be provided to a member of the armed forces prior to the administration of the product, such information shall be provided to such member of the armed forces (or next-of-kin in the case of the death of a member) to whom the product was administered as soon as possible, but not later than 30 days, after such administration. The authority provided for in this subsection may not be delegated. Information concerning the administration of the product shall be recorded in the medical record of the member.

“(c) **APPLICABILITY OF OTHER PROVISIONS.**—In the case of an authorization by the Secretary of Health and Human Services under section 564(a)(1) of the Federal Food, Drug, and Cosmetic Act based on a determination by the Secretary of Defense under section 564(b)(1)(B) of such Act, subsections (a) through (f) of section 1107 shall not apply to the use of a product that is the subject of such authorization, within the scope of such authorization and while such authorization is effective.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1107 the following new item:

“1107a. Emergency use products.”.

(c) **ENFORCEMENT.**—Section 301(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(d)) is amended by striking “section 404 or 505” and inserting “section 404, 505, or 564”. Section 301(e) of such Act is amended by inserting “564,” after “504,” the first place such term appears, and by striking “or 519” and inserting “519, or 564”.

(d) **TERMINATION.**—This section shall not be in effect (and the law shall read as if this section were never enacted) as of the date on which, following enactment of the Project Bioshield Act of 2003, the President submits to Congress a notification that the Project Bioshield Act of 2003 provides an effective emergency use authority with respect to members of the Armed Forces.

TITLE XVII—NATURALIZATION AND OTHER IMMIGRATION BENEFITS FOR MILITARY PERSONNEL AND FAMILIES

- Sec. 1701. Requirements for naturalization through service in the Armed Forces of the United States.
- Sec. 1702. Naturalization benefits for members of the Selected Reserve of the Ready Reserve.
- Sec. 1703. Extension of posthumous benefits to surviving spouses, children, and parents.
- Sec. 1704. Expedited process for granting posthumous citizenship to members of the Armed Forces.
- Sec. 1705. Effective date.

SEC. 1701. REQUIREMENTS FOR NATURALIZATION THROUGH SERVICE IN THE ARMED FORCES OF THE UNITED STATES.

(a) REDUCTION OF PERIOD FOR REQUIRED SERVICE.—Section 328(a) of the Immigration and Nationality Act (8 U.S.C. 1439(a)) is amended by striking “three years,” and inserting “one year,”.

(b) PROHIBITION ON IMPOSITION OF FEES RELATING TO NATURALIZATION.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(1) in section 328(b)—

8 USC 1439.

(A) in paragraph (3)—

(i) by striking “honorable. The” and inserting “honorable (the”;

(ii) by striking “discharge.” and inserting “discharge); and”;

(B) by adding at the end the following:

“(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing the application, or for the issuance of a certificate of naturalization upon being granted citizenship, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case nothing more than the portion of the fee required to be paid to the State shall be charged or collected.”;

(2) in section 329(b)—

8 USC 1440.

(A) in paragraph (2), by striking “and” at the end;

(B) in paragraph (3), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing a petition for naturalization or for the issuance of a certificate of naturalization upon citizenship being granted to the applicant, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case nothing more than the portion of the fee required to be paid to the State shall be charged or collected.”.

(c) REVOCATION OF CITIZENSHIP FOR SEPARATION FROM MILITARY SERVICE UNDER OTHER THAN HONORABLE CONDITIONS.—

(1) IN GENERAL.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(A) by adding at the end of section 328 the following:

“(f) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service.”; and

8 USC 1440.

(B) by amending section 329(c) to read as follows:

“(c) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service.”.

8 USC 1439 note.

(2) EFFECTIVE DATE.—The amendments made by paragraph

(1) shall apply to citizenship granted on or after the date of the enactment of this Act.

Availability.

8 USC 1443a.

(d) NATURALIZATION PROCEEDINGS OVERSEAS FOR MEMBERS OF THE ARMED FORCES.—Notwithstanding any other provision of law, the Secretary of Homeland Security, the Secretary of State, and the Secretary of Defense shall ensure that any applications, interviews, filings, oaths, ceremonies, or other proceedings under title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) relating to naturalization of members of the Armed Forces are available through United States embassies, consulates, and as practicable, United States military installations overseas.

8 USC 1443a
note.

(e) FINALIZATION OF NATURALIZATION PROCEEDINGS FOR MEMBERS OF THE ARMED FORCES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe a policy that facilitates the opportunity for a member of the Armed Forces to finalize naturalization for which the member has applied. The policy shall include, for such purpose, the following:

(1) A high priority for grant of emergency leave.

(2) A high priority for transportation on aircraft of, or chartered by, the Armed Forces.

(f) TECHNICAL AND CONFORMING AMENDMENT.—Section 328(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1439(b)(3)) is amended by striking “Attorney General” and inserting “Secretary of Homeland Security”.

**SEC. 1702. NATURALIZATION BENEFITS FOR MEMBERS OF THE
SELECTED RESERVE OF THE READY RESERVE.**

Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440(a)) is amended by inserting “as a member of the Selected Reserve of the Ready Reserve or” after “has served honorably”.

**SEC. 1703. EXTENSION OF POSTHUMOUS BENEFITS TO SURVIVING
SPOUSES, CHILDREN, AND PARENTS.****(a) TREATMENT AS IMMEDIATE RELATIVES.—**

8 USC 1151 note.

(1) SPOUSES.—Notwithstanding the second sentence of section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), in the case of an alien who was the spouse of a citizen of the United States at the time of the citizen's death and was not legally separated from the citizen at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien (and each child of the alien) shall be considered, for purposes of section 201(b) of such Act, to remain an immediate relative after the date of the citizen's death, but only if the alien files a petition under section 204(a)(1)(A)(ii) of such Act within 2 years after such date and only until the date the alien remarries. For purposes of such section 204(a)(1)(A)(ii), an alien granted relief under the preceding sentence shall be considered an alien spouse described in the second sentence of section 201(b)(2)(A)(i) of such Act.

(2) CHILDREN.—

(A) IN GENERAL.—In the case of an alien who was the child of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(3) PARENTS.—

(A) IN GENERAL.—In the case of an alien who was the parent of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's

death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(C) EXCEPTION.—Notwithstanding section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), for purposes of this paragraph, a citizen described in subparagraph (A) does not have to be 21 years of age for a parent to benefit under this paragraph.

8 USC 1151 note.

(b) APPLICATIONS FOR ADJUSTMENT OF STATUS BY SURVIVING SPOUSES, CHILDREN, AND PARENTS.—

(1) IN GENERAL.—Notwithstanding subsections (a) and (c) of section 245 of the Immigration and Nationality Act (8 U.S.C. 1255), any alien who was the spouse, child, or parent of an alien described in paragraph (2), and who applied for adjustment of status prior to the death described in paragraph (2)(B), may have such application adjudicated as if such death had not occurred.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

8 USC 1151 note.

(c) SPOUSES AND CHILDREN OF LAWFUL PERMANENT RESIDENT ALIENS.—

(1) TREATMENT AS IMMEDIATE RELATIVES.—

(A) IN GENERAL.—A spouse or child of an alien described in paragraph (3) who is included in a petition for classification as a family-sponsored immigrant under section 203(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(2)) that was filed by such alien, shall be considered (if the spouse or child has not been admitted or approved for lawful permanent residence by such date) a valid petitioner for immediate relative status under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). Such spouse or child shall be eligible for deferred action, advance parole, and work authorization.

(B) PETITIONS.—An alien spouse or child described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(2) SELF-PETITIONS.—Any spouse or child of an alien described in paragraph (3) who is not a beneficiary of a petition for classification as a family-sponsored immigrant may file a petition for such classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)) with the Secretary of Homeland Security, but only if the spouse or child files a petition within 2 years after such date. Such spouse or child shall be eligible for deferred action, advance parole, and work authorization. Deadline.

(3) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(d) PARENTS OF LAWFUL PERMANENT RESIDENT ALIENS.—

8 USC 1151 note.

(1) SELF-PETITIONS.—Any parent of an alien described in paragraph (2) may file a petition for classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), but only if the parent files a petition within 2 years after such date. For purposes of such Act, such petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)). Such parent shall be eligible for deferred action, advance parole, and work authorization. Deadline.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(e) WAIVER OF GROUND FOR INADMISSIBILITY.—In determining the admissibility of any alien accorded an immigration benefit under this section for purposes of the Immigration and Nationality Act, the ground for inadmissibility specified in section 212(a)(4) of such Act (8 U.S.C. 1182(a)(4)) shall not apply. 8 USC 1151 note.

(f) NATURALIZATION FOR SURVIVING SPOUSES.—

(1) IN GENERAL.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended by adding at the end the following: “For purposes of this subsection, the terms ‘United States citizen’ and ‘citizen spouse’ include a person granted posthumous citizenship under section 329A.”.

8 USC 1430 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to persons granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) due to death on or after September 11, 2001.

(g) BENEFITS TO SURVIVORS; TECHNICAL AMENDMENT.—Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (e); and

(2) by striking “Attorney General” each place that term appears and inserting “Secretary of Homeland Security”.

(h) TECHNICAL AND CONFORMING AMENDMENTS.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended—

(1) by inserting “, child, or parent” after “surviving spouse”;

(2) by inserting “, parent, or child” after “whose citizen spouse”; and

(3) by striking “who was living” and inserting “who, in the case of a surviving spouse, was living”.

SEC. 1704. EXPEDITED PROCESS FOR GRANTING POSTHUMOUS CITIZENSHIP TO MEMBERS OF THE ARMED FORCES.

Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (c) and inserting the following:

“(c) REQUESTS FOR POSTHUMOUS CITIZENSHIP.—

“(1) IN GENERAL.—A request for the granting of posthumous citizenship to a person described in subsection (b) may be filed on behalf of that person—

“(A) upon locating the next-of-kin, and if so requested by the next-of-kin, by the Secretary of Defense or the Secretary’s designee with the Bureau of Citizenship and Immigration Services in the Department of Homeland Security immediately upon the death of that person; or

“(B) by the next-of-kin.

“(2) APPROVAL.—The Director of the Bureau of Citizenship and Immigration Services shall approve a request for posthumous citizenship filed by the next-of-kin in accordance with paragraph (1)(B) if—

“(A) the request is filed not later than 2 years after—

“(i) the date of enactment of this section; or

“(ii) the date of the person’s death;

whichever date is later;

“(B) the request is accompanied by a duly authenticated certificate from the executive department under which the person served which states that the person satisfied the requirements of paragraphs (1) and (2) of subsection (b); and

“(C) the Director finds that the person satisfied the requirement of subsection (b)(3).”; and

(2) by striking subsection (d) and inserting the following:

“(d) DOCUMENTATION OF POSTHUMOUS CITIZENSHIP.—If the Director of the Bureau of Citizenship and Immigration Services approves the request referred to in subsection (c), the Director shall send to the next-of-kin of the person who is granted citizenship, a suitable document which states that the United States considers the person to have been a citizen of the United States at the time of the person’s death.”.

SEC. 1705. EFFECTIVE DATE.

8 USC 1439 note.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect as if enacted on September 11, 2001.

8 USC 1439 note.

(b) EXCEPTION.—The amendments made by sections 1701(b) (relating to naturalization fees) and 1701(d) (relating to naturalization proceedings overseas) shall take effect on October 1, 2004.

Deadline.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Military
Construction
Authorization
Act for Fiscal
Year 2004.

SEC. 2001. SHORT TITLE.

This division may be cited as the “Military Construction Authorization Act for Fiscal Year 2004”.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.

Sec. 2102. Family housing.

Sec. 2103. Improvements to military family housing units.

Sec. 2104. Authorization of appropriations, Army.

Sec. 2105. Termination or modification of authority to carry out certain fiscal year 2003 projects.

Sec. 2106. Modification of authority to carry out certain fiscal year 2002 projects.

Sec. 2107. Termination or modification of authority to carry out certain fiscal year 2001 projects.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	\$5,500,000
Alaska	Fort Richardson	\$2,500,000
	Fort Wainwright	\$138,800,000
Colorado	Fort Carson	\$2,150,000
Georgia	Fort Benning	\$34,500,000
	Fort Gordon	\$4,350,000
	Fort Stewart/Hunter Army Air Field	\$113,500,000
Hawaii	Helemano Military Reservation ..	\$1,400,000
	Schofield Barracks	\$128,100,000
Kansas	Fort Leavenworth	\$115,000,000
	Fort Riley	\$40,000,000
Kentucky	Fort Knox	\$13,500,000
Louisiana	Fort Polk	\$72,000,000
Maryland	Fort Meade	\$9,600,000
Massachusetts	Soldier Systems Center, Natick ..	\$5,500,000
New Jersey	Naval Air Engineering Center, Lakehurst	\$2,250,000
	Picatinny Arsenal	\$8,000,000
New York	Fort Drum	\$130,700,000
North Carolina	Fort Bragg	\$125,400,000
Oklahoma	Fort Sill	\$5,500,000
Texas	Fort Bliss	\$5,400,000
	Fort Hood	\$49,800,000
Virginia	Fort Belvoir	\$7,000,000
	Fort Lee	\$3,850,000
	Fort Myer	\$9,000,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Washington	Fort Lewis	\$3,900,000
	Total	\$1,037,200,000

(b) OUTSIDE THE UNITED STATES.—Subject to subsection (c), using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Grafenwoehr	\$76,000,000
	Vilseck	\$31,000,000
Italy	Aviano Air Base	\$28,500,000
	Livorno	\$22,000,000
Korea	Camp Humphreys	\$65,000,000
Kwajalein	Kwajalein	\$9,400,000
	Total	\$231,900,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	140 Units	\$64,000,000
Arizona	Fort Huachuca	220 Units	\$41,000,000
Kansas	Fort Riley	62 Units	\$16,700,000
Kentucky	Fort Knox	178 Units	\$41,000,000
New Mexico	White Sands Missile Range	58 Units	\$14,600,000
Oklahoma	Fort Sill	120 Units	\$25,373,000
Virginia	Fort Lee	90 Units	\$18,000,000
		Total:	\$220,673,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed \$34,488,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed \$130,430,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of \$2,874,856,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), \$825,200,000.

(2) For military construction projects outside the United States authorized by section 2101(b), \$213,000,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, \$32,606,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$126,833,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$383,591,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$1,043,026,000.

(6) For the construction of phase 3 of Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–389)), as amended by section 2107 of this Act, \$17,000,000.

(7) For the construction of phase 4 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), as amended by section 2107 of this Act, \$38,000,000.

(8) For the construction of phase 3 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2106 of this Act, \$33,000,000.

(9) For the construction of phase 3 of a barracks complex, 17th and B Streets, at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), \$48,000,000.

(10) For the construction of phase 2 of a barracks complex, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act

for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$49,000,000.

(11) For the construction of phase 2 of a combined arms collective training facility at Fort Riley, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), as amended by section 2105 of this Act, \$13,600,000.

(12) For the construction of phase 2 of a barracks complex, Range Road, at Fort Campbell, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$49,000,000.

(13) For the construction of phase 2 of a consolidated maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) \$32,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks, Fort Stewart/Hunter Army Airfield, Georgia).

(3) \$87,000,000 (the balance of the amount authorized under section 2101(a) for construction of the Lewis and Clark Instructional Facility, Fort Leavenworth, Kansas).

(4) \$43,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Wheeler Army Airfield, Fort Drum, New York).

(5) \$50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina).

(6) \$18,900,000 (the balance of the amount authorized under section 2101(b) for construction of a barracks complex, Vilseck, Germany).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (13) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by \$10,000,000, which represents corrections to Department of the Army estimates for military family housing support.

SEC. 2105. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in subsection (a) of section 2101 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681) is amended—

(1) in the item relating to Fort Riley, Kansas, by striking “\$81,095,000” in the amount column and inserting “\$81,495,000”; and

- (2) by striking the amount identified as the total in the amount column and inserting “\$1,156,167,000”.
- (b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—
 - (1) The table in subsection (b) of such section is amended—
 - (A) by striking the item relating to Area Support Group, Bamberg, Germany;
 - (B) by striking the item relating to Coleman Barracks, Germany;
 - (C) by striking the item relating to Darmstadt, Germany;
 - (D) by striking the item relating to Mannheim, Germany;
 - (E) by striking the item relating to Schweinfurt, Germany;
 - (F) by striking the item relating to Camp Castle, Korea;
 - (G) by striking the item relating to Camp Hovey, Korea;
 - (H) by striking the item relating to K16 Airfield, Korea;
 - and
 - (I) by striking the amount identified as the total in the amount column and inserting “\$216,266,000”.
- (2) The authorization to carry out a military construction project at Camp Bonifas, Korea, provided by section 130 of the Military Construction Appropriation Act, 2003 (Public Law 107–249; 116 Stat. 1586), using funds originally appropriated for a military construction project at Camp Kyle, Korea, is hereby rescinded.
- (c) TERMINATION OF FAMILY HOUSING PROJECT OUTSIDE THE UNITED STATES.—The table in section 2102(a) of the Military Construction Authorization Act for Fiscal Year 2003 (116 Stat. 2683) is amended—
 - (1) by striking the item relating to Yongsan, Korea; and
 - (2) by striking the amount identified as the total in the amount column and inserting “\$23,852,000”.
- (d) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2103 of that Act (116 Stat. 2683) is amended by striking “\$239,751,000” and inserting “\$178,400,000”.
- (e) CONFORMING AMENDMENTS.—Section 2104 of that Act (116 Stat. 2683) is amended—
 - (1) subsection (a)—
 - (A) in the matter preceding paragraph (1), by striking “\$3,104,176,000” and inserting “\$2,901,875,000”;
 - (B) in paragraph (2), by striking “\$354,116,000” and inserting “\$216,266,000”; and
 - (C) in paragraph (6)(A), by striking “\$282,356,000” and inserting “\$217,905,000”; and
 - (2) in subsection (b)(4), by striking “\$13,200,000” and inserting “\$13,600,000”.

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

- (a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1281), as amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2685), is further amended—
 - (1) in the item relating to Fort Richardson, Alaska, by striking “\$115,000,000” in the amount column and inserting “\$117,000,000”; and
 - (2) by striking the amount identified as the total in the amount column and inserting “\$1,364,750,000”.

(b) **MODIFICATION OF OUTSIDE THE UNITED STATES PROJECTS.**—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1282) is amended—

(1) in the item relating to Camp Hovey, Korea, by striking “\$35,750,000” in the amount column and inserting “\$24,980,000”;

(2) in the item relating to Camp Stanley, Korea, by striking “\$28,000,000” in the amount column and inserting “\$14,770,000”; and

(3) by striking the amount identified as the total in the amount column and inserting “\$236,343,000”.

(c) **CONFORMING AMENDMENTS.**—Section 2104 of that Act (115 Stat. 1283) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “\$3,155,594,000” and inserting “\$3,131,594,000”; and

(B) in paragraph (2), by striking “\$260,343,000” and inserting “\$236,343,000”; and

(2) in subsection (b)(2), by striking “\$52,000,000” and inserting “\$54,000,000”.

SEC. 2107. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) **MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.**—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-389)), as amended by section 2105(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1285), is further amended—

(1) in the item relating to Pohakoula Training Facility, Hawaii, by striking “\$32,000,000” in the amount column and inserting “\$42,000,000”;

(2) in the item relating to Fort Bragg, North Carolina, by striking “\$222,200,000” in the amount column and inserting “\$255,200,000”; and

(3) by striking the amount identified as the total in the amount column and inserting “\$669,374,000”.

(b) **TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.**—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A-390), as amended by section 2106 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2685), is further amended—

(1) by striking the item relating to Camp Stanley, Korea; and

(2) by striking the amount identified as the total in the amount column and inserting “\$100,350,000”.

(c) **CONFORMING AMENDMENTS.**—Section 2104 of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A-391), as amended by section 2105(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1285), is further amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “\$1,935,744,000” and inserting “\$1,916,244,000”; and

(B) in paragraph (2), by striking “\$119,850,000” and inserting “\$100,350,000”; and
(2) in subsection (b)—

(A) in paragraph (5), by striking “\$104,000,000” and inserting “\$137,000,000”; and

(B) in paragraph (7), by striking “\$20,000,000” and inserting “\$30,000,000”.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.

Sec. 2202. Family housing.

Sec. 2203. Improvements to military family housing units.

Sec. 2204. Authorization of appropriations, Navy.

Sec. 2205. Termination of authority to carry out certain fiscal year 2003 projects.

Sec. 2206. Termination or modification of authority to carry out certain fiscal year 2002 projects.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	\$22,230,000
California	Marine Corps Air-Ground Task Force Training Center, Twentynine Palms	\$42,090,000
	Marine Corps Air Station, Miramar ...	\$7,640,000
	Marine Corps Base, Camp Pendleton	\$73,580,000
	Naval Air Facility, San Clemente Island	\$18,940,000
	Naval Air Station, Lemoore	\$34,510,000
	Naval Air Station, North Island	\$49,240,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	\$6,150,000
	Naval Postgraduate School, Monterey	\$42,560,000
	Naval Station, San Diego	\$49,710,000
Connecticut	Naval Submarine Base, New London	\$3,120,000
District of Columbia	Marine Corps Barracks	\$1,550,000
Florida	Blount Island (Jacksonville)	\$115,711,000
	Naval Air Station, Jacksonville	\$9,190,000
	Naval Air Station, Whiting Field, Milton	\$4,830,000
	Naval Surface Warfare Center, Coastal Systems Station, Panama City	\$9,550,000
Georgia	Strategic Weapons Facility Atlantic, Kings Bay	\$11,510,000
Hawaii	Fleet and Industrial Supply Center, Pearl Harbor	\$32,180,000
	Naval Magazine, Lualualei	\$6,320,000
	Naval Shipyard, Pearl Harbor	\$7,010,000
Illinois	Naval Training Center, Great Lakes ..	\$137,120,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
Indiana	Naval Surface Warfare Center, Crane	\$11,400,000
Maryland	Naval Air Warfare Center, Patuxent River	\$28,270,000
	Naval Surface Warfare Center, Indian Head	\$14,850,000
Mississippi	Naval Air Station, Meridian	\$4,570,000
New Jersey	Naval Air Warfare Center, Lakehurst	\$20,681,000
	Naval Weapons Station, Earle	\$123,720,000
North Carolina	Marine Corps Air Station, New River	\$6,240,000
	Marine Corps Base, Camp Lejeune	\$29,450,000
Rhode Island	Naval Station, Newport	\$18,690,000
	Naval Undersea Warfare Center, Newport	\$10,890,000
South Carolina	Naval Weapons Station, Charleston ...	\$2,350,000
Texas	Naval Air Station, Corpus Christi	\$5,400,000
	Naval Station, Ingleside	\$7,070,000
Virginia	Henderson Hall, Arlington	\$1,970,000
	Marine Corps Combat Development Command, Quantico	\$18,120,000
	Naval Air Station, Oceana	\$10,000,000
	Naval Amphibious Base, Little Creek	\$3,810,000
	Naval Space Command Center, Dahlgren	\$24,020,000
	Naval Station, Norfolk	\$182,240,000
	Norfolk Naval Shipyard, Portsmouth	\$17,770,000
Washington	Naval Air Station, Whidbey Island	\$4,650,000
	Naval Magazine, Indian Island	\$2,240,000
	Naval Shipyard, Puget Sound	\$6,020,000
	Naval Submarine Base, Bangor	\$33,820,000
	Strategic Weapons Facility Pacific, Bangor	\$6,530,000
Various Locations	Various Locations, CONUS	\$56,360,000
	Total	\$1,335,872,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	\$18,030,000
Guam	Commander, United States Naval Forces, Marianas	\$1,700,000
Italy	Naval Air Station, Sigonella	\$34,070,000
	Naval Support Activity, La Maddalena	\$39,020,000
	Total	\$92,820,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire

family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	187 Units	\$41,585,000
Florida	Naval Air Station, Pensa- cola	25 Units	\$4,447,000
North Carolina	Marine Corps Air Sta- tion, Cherry Point	339 Units	\$42,803,000
	Marine Corps Base, Camp Lejeune	519 Units	\$68,531,000
		Total	\$157,366,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$8,381,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed \$20,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of \$2,267,729,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), \$1,001,092,000.

(2) For military construction projects outside the United States authorized by section 2201(b), \$92,820,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, \$14,585,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$71,001,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$184,193,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$845,078,000.

(6) For construction of a bachelors enlisted quarters ship-board ashore at Naval Shipyard Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization

Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2687), \$46,730,000.

(7) For construction of phase III of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1289), as amended by section 2206 of this Act, \$12,230,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) \$25,690,000 (the balance of the amount authorized under section 2101(a) for construction of a tertiary sewage treatment facility, Marine Corp Base, Camp Pendleton, California).

(3) \$58,190,000 (the balance of the amount authorized under section 2101(a) for construction of a battle station training facility, Naval Training Center, Great Lakes, Illinois).

(4) \$96,980,000 (the balance of the amount authorized under section 2101(a) for construction of a general purpose berthing pier, Naval Weapons Station Earle, New Jersey).

(5) \$118,170,000 (the balance of the amount authorized under section 2101(a) for construction of the Pier 11 replacement, Naval Station, Norfolk, Virginia).

(6) \$28,750,000 (the balance of the amount authorized under section 2101(a) for construction of outlying landing field facilities, various locations in the continental United States).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by \$10,000,000, which represents corrections to Department of the Navy estimates for military family housing support.

SEC. 2205. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF INSIDE THE UNITED STATES PROJECTS.—The table in subsection (a) of section 2201 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2686) is amended—

(1) by striking the item relating to Naval Air Warfare Center, China Lake, California;

(2) by striking the item relating to Marine Corps Air Station, Cherry Point, North Carolina; and

(3) by striking the amount identified as the total in the amount column and inserting “\$1,068,223,000”.

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—The table in subsection (b) of such section is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece;

(2) by striking the item relating to Naval Air Station, Keflavik, Iceland; and

(3) by striking the amount identified as the total in the amount column and inserting “\$129,100,000”.

(c) **TERMINATION OF MILITARY FAMILY HOUSING PROJECT.**—The table in section 2202(a) of that Act (116 Stat. 2688) is amended—

(1) by striking the item relating to the Joint Maritime Facility, St. Mawgan, United Kingdom; and

(2) by striking the amount identified as the total in the amount column and inserting “\$210,195,000”.

(d) **CONFORMING AMENDMENTS.**—Section 2204 of that Act (116 Stat. 2688) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “\$2,576,381,000” and inserting “\$2,530,097,000”;

(B) in paragraph (1), by striking “\$1,025,598,000” and inserting “\$1,009,458,000”;

(C) in paragraph (2), by striking “\$148,250,000” and inserting “\$126,530,000”;

(D) in paragraph (5)(A), by striking “\$379,468,000” and inserting “\$360,944,000”; and

(E) by adding at the end the following new paragraph:

“(7) For construction of phase II of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1289), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2004, \$10,100,000.”; and

(2) in subsection (c), by striking “through (6)” and inserting “through (7)”.

SEC. 2206. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) **MODIFICATION OF INSIDE THE UNITED STATES PROJECT.**—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286), as amended by section 2205 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 108–314; 116 Stat. 2689), is amended—

(1) in the item relating to Naval Air Warfare Center, China Lake, California, by striking “\$30,200,000” in the amount column and inserting “\$32,391,000”; and

(2) by striking the amount identified as the total in the amount column and inserting “\$1,061,221,000”.

(b) **TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.**—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287) is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece; and

(2) by striking the amount identified as the total in the amount column and inserting “\$35,430,000”.

(c) **CONFORMING AMENDMENTS.**—Section 2204 of that Act (115 Stat. 1288) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “\$2,366,742,000” and inserting “\$2,354,502,000”; and

(B) in paragraph (2), by striking “\$47,670,000” and inserting “\$35,430,000”; and
 (2) in subsection (b)(3), by striking “\$20,100,000” and inserting “\$22,291,000”.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
 Sec. 2302. Family housing.
 Sec. 2303. Improvements to military family housing units.
 Sec. 2304. Authorization of appropriations, Air Force.
 Sec. 2305. Termination or modification of authority to carry out certain fiscal year 2003 projects.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	\$26,000,000
Alaska	Eielson Air Force Base	\$49,061,000
	Elmendorf Air Force Base	\$2,000,000
Arizona	Davis-Monthan Air Force Base	\$10,062,000
	Luke Air Force Base	\$14,300,000
Arkansas	Little Rock Air Force Base	\$3,695,000
California	Beale Air Force Base	\$22,750,000
	Edwards Air Force Base	\$26,744,000
	Los Angeles Air Force Base	\$5,000,000
Colorado	Buckley Air Force Base	\$7,019,000
	Peterson Air Force Base	\$10,200,000
Florida	Hurlburt Field	\$27,200,000
	Tyndall Air Force Base	\$15,820,000
Georgia	Robins Air Force Base	\$37,164,000
Hawaii	Hickam Air Force Base	\$80,096,000
Idaho	Mountain Home Air Force Base ..	\$15,245,000
Illinois	Scott Air Force Base	\$1,900,000
Mississippi	Columbus Air Force Base	\$7,700,000
	Keesler Air Force Base	\$2,900,000
Missouri	Whiteman Air Force Base	\$11,600,000
Nevada	Nellis Air Force Base	\$11,800,000
New Jersey	McGuire Air Force Base	\$11,861,000
New Mexico	Cannon Air Force Base	\$9,000,000
	Kirtland Air Force Base	\$11,247,000
	Tularosa Radar Test Site	\$3,600,000
North Carolina	Pope Air Force Base	\$24,499,000
	Seymour Johnson Air Force Base ..	\$22,622,000
North Dakota	Minot Air Force Base	\$12,690,000
Ohio	Wright-Patterson Air Force Base ..	\$21,100,000
Oklahoma	Altus Air Force Base	\$1,167,000
	Tinker Air Force Base	\$19,444,000
	Vance Air Force Base	\$15,000,000
South Carolina	Charleston Air Force Base	\$9,042,000
	Shaw Air Force Base	\$8,500,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
South Dakota	Ellsworth Air Force Base	\$9,300,000
Texas	Goodfellow Air Force Base	\$20,335,000
	Lackland Air Force Base	\$57,360,000
	Laughlin Air Force Base	\$12,400,000
	Randolph Air Force Base	\$13,600,000
	Sheppard Air Force Base	\$38,167,000
Utah	Hill Air Force Base	\$21,748,000
Virginia	Langley Air Force Base	\$25,474,000
Washington	McChord Air Force Base	\$19,000,000
	Total	\$775,412,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	\$35,616,000
	Spangdahlem Air Base	\$5,411,000
Italy	Aviano Air Base	\$14,025,000
Korea	Kunsan Air Base	\$7,059,000
	Osan Air Base	\$16,638,000
Portugal	Lajes Field, Azores	\$4,086,000
United Kingdom	Royal Air Force, Lakenheath	\$42,487,000
	Royal Air Force, Mildenhall	\$10,558,000
Wake Island	Wake Island	\$24,000,000
	Total	\$159,880,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or location	Amount
Unspecified Worldwide	Classified Location	\$29,501,000
	Total	\$29,501,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	93 Units	\$19,357,000
California	Travis Air Force Base	56 Units	\$12,723,000
Delaware	Dover Air Force Base	112 Units	\$19,601,000
Florida	Eglin Air Force Base	279 Units	\$32,166,000
Idaho	Mountain Home Air Force Base	186 Units	\$37,126,000
Maryland	Andrews Air Force Base	50 Units	\$20,233,000
Missouri	Whiteman Air Force Base	100 Units	\$18,221,000
Montana	Malmstrom Air Force Base	94 Units	\$19,368,000
North Carolina	Seymour Johnson Air Force Base	138 Units	\$18,336,000
North Dakota	Grand Forks Air Force Base	144 Units	\$29,550,000
	Minot Air Force Base	200 Units	\$41,117,000
South Dakota	Ellsworth Air Force Base	75 Units	\$16,240,000
Texas	Dyess Air Force Base	116 Units	\$19,973,000
	Randolph Air Force Base	96 Units	\$13,754,000
Korea	Osan Air Base	111 Units	\$44,765,000
Portugal	Lajes Field, Azores	42 Units	\$13,428,000
United Kingdom	Royal Air Force, Lakenheath	89 Units	\$23,640,000
		Total	\$399,598,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$33,488,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed \$227,979,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of \$2,550,890,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), \$766,932,000.

(2) For military construction projects outside the United States authorized by section 2301(b), \$159,880,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), \$28,981,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, \$16,180,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$95,778,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$657,065,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$826,074,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by \$10,000,000, which represents corrections to Department of the Air Force estimates for military family housing support.

SEC. 2305. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF CLASSIFIED LOCATION PROJECT.—Section 2301(c) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2691) is amended by striking “\$24,993,000” both places it appears and inserting “\$1,993,000”.

(b) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2303 of that Act (116 Stat. 2693) is amended by striking “\$226,068,000” and inserting “\$206,721,000”.

(c) CONFORMING AMENDMENTS.—Section 2304(a) of that Act (116 Stat. 2693) is amended—

(1) in the matter preceding paragraph (1), by striking “\$2,633,738,000” and inserting “\$2,591,391,000”;

(2) in paragraph (3), by striking “\$24,993,000” and inserting “\$1,993,000”; and

(3) in paragraph (6)(A), by striking “\$689,824,000” and inserting “\$670,477,000”.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

Sec. 2402. Family housing.

Sec. 2403. Improvements to military family housing units.

Sec. 2404. Energy conservation projects.

Sec. 2405. Authorization of appropriations, Defense Agencies.

Sec. 2406. Termination of authority to carry out certain fiscal year 2003 projects.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations

and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Marine Corps Base, Camp Lejeune, North Carolina	\$15,259,000
Defense Logistics Agency	Defense Distribution Depot, New Cumberland, Pennsylvania	\$27,700,000
	Eglin Air Force Base, Florida	\$4,800,000
	Eielson Air Force Base, Alaska	\$17,000,000
	Hickam Air Force Base, Hawaii ...	\$14,100,000
	Hurlburt Field, Florida	\$4,100,000
	Offutt Air Force Base, Nebraska ..	\$13,400,000
	Langley Air Force Base, Virginia	\$13,000,000
	Laughlin Air Force Base, Texas	\$4,688,000
	McChord Air Force Base, Washington	\$8,100,000
	Naval Air Station, Kingsville, Texas	\$9,200,000
	Nellis Air Force Base, Nevada	\$12,800,000
Missile Defense Agency	Redstone Arsenal, Alabama	\$20,000,000
National Security Agency	Fort Meade, Maryland	\$1,842,000
Special Operations Command	Dam Neck, Virginia	\$15,281,000
	Fort Bragg, North Carolina	\$36,300,000
	Fort Campbell, Kentucky	\$7,800,000
	Harrisburg International Airport, Pennsylvania	\$3,000,000
	Hurlburt Field, Florida	\$6,000,000
	MacDill Air Force Base, Florida ...	\$25,500,000
	Naval Amphibious Base, Coronado, California	\$2,800,000
TRICARE Management Activity	Fort Hood, Texas	\$9,400,000
	Naval Station, Anacostia, District of Columbia	\$15,714,000
	Naval Submarine Base, New London, Connecticut	\$6,700,000
	United States Air Force Academy, Colorado	\$22,100,000
	Walter Reed Medical Center, District of Columbia	\$9,000,000
Washington Headquarters Services	Arlington, Virginia	\$38,086,000
	Total	\$363,670,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Sigonella, Italy	\$30,234,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
TRICARE Management Activity	Vicenza, Italy	\$16,374,000
	Anderson Air Force Base, Guam ..	\$26,000,000
	Total	\$72,608,000

SEC. 2402. FAMILY HOUSING.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$300,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed \$50,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of \$50,000,000.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of \$1,222,388,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), \$361,470,000.

(2) For military construction projects outside the United States authorized by section 2401(b), \$55,243,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$15,553,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, \$8,960,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$65,130,000.

(6) For energy conservation projects authorized by section 2404, \$50,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), \$370,427,000.

(8) For military family housing functions:

(A) For planning, design, and improvement of military family housing and facilities, \$350,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$49,440,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, \$300,000.

(9) For construction of the Defense Threat Reduction Center at Fort Belvoir, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695), \$25,700,000.

(10) For the construction of phase 5 of an ammunition demilitarization facility at Pueblo Depot Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), \$88,388,000.

(11) For the construction of phase 6 of an ammunition demilitarization facility at Newport Army Ammunition Plant, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), \$15,207,000.

(12) For the construction of phase 4 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), \$16,220,000.

(b) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2406. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) **TERMINATION.**—The table in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695) is amended—

(1) in the matter relating to Department of Defense Dependents Schools—

(A) by striking the item relating to Seoul, Korea; and

(B) by striking the item relating to Spangdahlem Air Base, Germany;

(2) in the matter relating to TRICARE Management Activity, by striking the item relating to Spangdahlem Air Base, Germany; and

(3) by striking the amount identified as the total in the amount column and inserting “\$134,274,000”.

(b) CONFORMING AMENDMENTS.—Section 2404(a) of that Act (116 Stat. 2696) is amended—

(1) in the matter preceding paragraph (1), by striking “\$1,434,795,000” and inserting “\$1,362,486,000”; and

(2) in paragraph (2), by striking “\$206,583,000” and inserting “\$134,274,000”.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.

Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of \$169,300,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2003, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, \$311,592,000; and

(B) for the Army Reserve, \$88,451,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, \$45,498,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, \$222,908,000; and

(B) for the Air Force Reserve, \$62,032,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.

Sec. 2702. Extension of authorizations of certain fiscal year 2001 projects.

Sec. 2703. Extension of authorizations of certain fiscal year 2000 projects.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2007.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2007 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–407)), authorizations set forth in the tables in subsection (b), as provided in section 2102 or 2601 of that Act, shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Termination
date.

Army: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—Family Housing (1 Unit)	\$250,000

Army National Guard: Extension of 2001 Project Authorizations

State	Installation or location	Project	Amount
Arizona	Papago Park	Add/Alter Readiness Center	\$2,265,000
Pennsylvania	Mansfield	Readiness Center	\$3,100,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), the authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

Termination
date.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	\$6,000,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-purpose Range-Heavy	\$13,500,000

TITLE XXVIII—GENERAL PROVISIONS**Subtitle A—Military Construction Program and Military Family Housing Changes**

Sec. 2801. Modification of general definitions relating to military construction.

- Sec. 2802. Increase in maximum amount of authorized annual emergency construction.
- Sec. 2803. Increase in number of family housing units in Italy authorized for lease by the Navy.
- Sec. 2804. Increase in authorized maximum lease term for family housing and other facilities in certain foreign countries.
- Sec. 2805. Conveyance of property at military installations closed or realigned to support military construction.
- Sec. 2806. Inapplicability of space limitations to military unaccompanied housing units acquired or constructed under alternative authority.
- Sec. 2807. Additional material for reports on housing privatization program.
- Sec. 2808. Temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.
- Sec. 2809. Report on military construction requirements to support new homeland defense missions of the Armed Forces.

Subtitle B—Real Property and Facilities Administration

- Sec. 2811. Enhancement of authority to acquire low-cost interests in land.
- Sec. 2812. Retention and availability of amounts realized from energy cost savings.
- Sec. 2813. Acceptance of in-kind consideration for easements.

Subtitle C—Base Closure and Realignment

- Sec. 2821. Consideration of public-access-road issues related to base closure, realignment, or placement in inactive status.
- Sec. 2822. Consideration of surge requirements in 2005 round of base realignments and closures.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

- Sec. 2831. Termination of lease and conveyance of Army Reserve facility, Conway, Arkansas.
- Sec. 2832. Land conveyance, Fort Campbell, Kentucky and Tennessee.
- Sec. 2833. Land conveyance, Fort Knox, Kentucky.
- Sec. 2834. Army National Guard Armory, Pierce City, Missouri.
- Sec. 2835. Land exchange, Fort Belvoir, Virginia.

PART II—NAVY CONVEYANCES

- Sec. 2841. Land conveyance, Navy property, Dixon, California.
- Sec. 2842. Land conveyance, Marine Corps Logistics Base, Albany, Georgia.
- Sec. 2843. Land exchange, Naval and Marine Corps Reserve Center, Portland, Oregon.
- Sec. 2844. Land conveyance, Naval Reserve Center, Orange, Texas.
- Sec. 2845. Land conveyance, Puget Sound Naval Shipyard, Bremerton, Washington.

PART III—AIR FORCE CONVEYANCES

- Sec. 2851. Land exchange, March Air Reserve Base, California.
- Sec. 2852. Actions to quiet title, Fallin Waters Subdivision, Eglin Air Force Base, Florida.
- Sec. 2853. Modification of land conveyance, Eglin Air Force Base, Florida.

PART IV—OTHER CONVEYANCES

- Sec. 2861. Land conveyance, Air Force and Army Exchange Service property, Dallas, Texas.
- Sec. 2862. Land conveyance, Umnak Island, Alaska.

Subtitle E—Other Matters

- Sec. 2871. Authority to accept guarantees with gifts in development of Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia.
- Sec. 2872. Redesignation of Yuma Training Range Complex as Bob Stump Training Range Complex.
- Sec. 2873. Feasibility study regarding conveyance of Louisiana Army Ammunition Plant, Doyline, Louisiana.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. MODIFICATION OF GENERAL DEFINITIONS RELATING TO MILITARY CONSTRUCTION.

(a) **MILITARY CONSTRUCTION.**—Subsection (a) of section 2801 of title 10, United States Code, is amended by inserting before the period the following: “, whether to satisfy temporary or permanent requirements”.

(b) **MILITARY INSTALLATION.**—Subsection (c)(2) of such section is amended by inserting before the period the following: “, without regard to the duration of operational control”.

SEC. 2802. INCREASE IN MAXIMUM AMOUNT OF AUTHORIZED ANNUAL EMERGENCY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking “\$30,000,000” and inserting “\$45,000,000”.

SEC. 2803. INCREASE IN NUMBER OF FAMILY HOUSING UNITS IN ITALY AUTHORIZED FOR LEASE BY THE NAVY.

Section 2828(e)(2) of title 10, United States Code, is amended by striking “2,000” and inserting “2,800”.

SEC. 2804. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR FAMILY HOUSING AND OTHER FACILITIES IN CERTAIN FOREIGN COUNTRIES.

(a) **LEASE OF MILITARY FAMILY HOUSING.**—Section 2828(d)(1) of title 10, United States Code, is amended by striking “ten years,” and inserting “10 years, or 15 years in the case of leases in Korea,”.

(b) **LEASE OF OTHER FACILITIES.**—Section 2675 of such title is amended by inserting after “five years,” the following: “or 15 years in the case of a lease in Korea,”.

SEC. 2805. CONVEYANCE OF PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED TO SUPPORT MILITARY CONSTRUCTION.

(a) **IN GENERAL.**—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2869. Conveyance of property at military installations closed or realigned to support military construc- tion

“(a) **CONVEYANCE AUTHORIZED; CONSIDERATION.**—The Secretary concerned may enter into an agreement to convey real property, including any improvements thereon, located on a military installation that is closed or realigned under a base closure law to any person who agrees, in exchange for the real property—

“(1) to carry out a military construction project or land acquisition; or

“(2) to transfer to the Secretary concerned housing that is constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable military family housing, military unaccompanied housing, or both.

“(b) CONDITIONS ON CONVEYANCE AUTHORITY.—The fair market value of the military construction, military family housing, or military unaccompanied housing to be obtained by the Secretary concerned under subsection (a) in exchange for the conveyance of real property by the Secretary under such subsection shall be at least equal to the fair market value of the conveyed real property, as determined by the Secretary. If the fair market value of the military construction, military family housing, or military unaccompanied housing is less than the fair market value of the real property to be conveyed, the recipient of the property shall pay to the United States an amount equal to the difference in the fair market values.

“(c) PILOT PROGRAM FOR USE OF AUTHORITY.—(1) To the maximum extent practicable, the Secretary of each military department shall use the conveyance authority provided by subsection (a) at least once before December 31, 2004, for the purposes specified in such subsection.

“(2) The value of the consideration received by the Secretary concerned in a conveyance carried out under this subsection shall not be less than \$1,000,000.

Reports.

“(3) In the case of the report required under subsection (f) to be submitted in 2005, the Secretary of Defense shall include the following:

“(A) A description of the conveyances carried out or proposed under this subsection.

“(B) A description of the procedures utilized to enter into any agreements for the conveyance of property under this subsection.

“(C) An assessment of the utility of such procedures for the disposal of property at military installations closed or realigned under the base closure laws, and for securing services described in subsection (a), including an assessment of any time saved and cost-savings achieved as a result of the use of the conveyance authority provided by this section.

“(D) An assessment of private sector interest in the use of the conveyance authority provided by this section.

“(E) A description of the projects for which the Secretary concerned considered using the conveyance authority provided by this section, but did not do so, and an explanation of the decision.

Federal Register,
publication.

“(d) ADVANCE NOTICE OF USE OF AUTHORITY.—(1) Notice of the proposed use of the conveyance authority provided by subsection (a) shall be provided in such manner as the Secretary of Defense may prescribe, including publication in the Federal Register and otherwise. When real property located at a military installation closed or realigned under the base closure laws is to be conveyed by means of a public sale, the Secretary concerned may notify prospective purchasers that consideration for the property may be provided in the manner authorized by such subsection.

“(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

“(A) the Secretary submits to Congress notice of the conveyance, including the military construction activities, military family housing, or military unaccompanied housing to be obtained in exchange for the conveyance; and

“(B) a period of 14 days expires beginning on the date on which the notice is submitted.

“(e) DEPOSIT OF FUNDS.—The Secretary concerned may deposit funds received under subsection (b) in the Department of Defense housing funds established under section 2883(a) of this title.

“(f) ANNUAL REPORT.—In the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, the Secretary of Defense shall include a report detailing the following:

“(1) The extent to which the Secretaries concerned used the authority provided by subsection (a) during the preceding fiscal year to convey real property in exchange for military construction and military housing, including the total value of the real property that was actually conveyed during such fiscal year using such authority and the total value of the military construction and military housing services obtained in exchange.

“(2) The plans for the use of such authority for the current fiscal year, the fiscal year covered by the budget, and the period covered by the current future-years defense program under section 221 of this title.

“(3) The current inventory of unconveyed lands at military installations closed or realigned under a base closure law.

“(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary concerned.

“(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.”.

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“2869. Conveyance of property at military installations closed or realigned to support military construction.”.

(b) EXCEPTION TO REQUIREMENT FOR AUTHORIZATION OF NUMBER OF HOUSING UNITS.—Section 2822(b) of such title is amended by adding at the end the following new paragraph: 10 USC 2822.

“(6) Housing units constructed or provided under section 2869 of this title.”.

(c) CONFORMING AMENDMENT TO DEPARTMENT OF DEFENSE HOUSING FUNDS.—Section 2883(c) of such title is amended— 10 USC 2883.

(1) in paragraph (1), by adding at the end the following new subparagraph:

“(F) Any amounts that the Secretary concerned transfers to that Fund pursuant to section 2869 of this title.”; and

(2) in paragraph (2), by adding at the end the following new subparagraph:

“(F) Any amounts that the Secretary concerned transfers to that Fund pursuant to section 2869 of this title.”.

(d) CONFORMING REPEALS TO BASE CLOSURE LAWS.—(1) Section 204(e) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is repealed.

(2) Section 2905(f) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is repealed.

SEC. 2806. INAPPLICABILITY OF SPACE LIMITATIONS TO MILITARY UNACCOMPANIED HOUSING UNITS ACQUIRED OR CONSTRUCTED UNDER ALTERNATIVE AUTHORITY.

Section 2880(b)(2) of title 10, United States Code, is amended by striking “unless the unit is located on a military installation”.

SEC. 2807. ADDITIONAL MATERIAL FOR REPORTS ON HOUSING PRIVATIZATION PROGRAM.

(a) **REPORTS ON SPECIFIC PROJECTS.**—Subsection (a) of section 2884 of title 10, United States Code, is amended—

(1) by designating the second sentence of paragraph (2) as paragraph (4); and

(2) by inserting after the first sentence in paragraph (2) the following new paragraph:

“(3)(A) In the case of a contract described in paragraph (1) proposed to be entered into with a private party, the report shall specify whether the contract will or may include a guarantee (including the making of mortgage or rental payments) by the Secretary to the private party in the event of—

“(i) the closure or realignment of the installation for which housing will be provided under the contract;

“(ii) a reduction in force of units stationed at such installation; or

“(iii) the extended deployment of units stationed at such installation.

“(B) If the contract will or may include such a guarantee, the report shall also—

“(i) describe the nature of the guarantee; and

“(ii) assess the extent and likelihood, if any, of the liability of the United States with respect to the guarantee.”.

(b) **ANNUAL REPORTS.**—Subsection (b) of such section is amended—

(1) in paragraph (2), by inserting before the period at the end the following: “, and such recommendations as the Secretary considers necessary for improving the extent and effectiveness of the use of such authorities in the future”; and

(2) by striking paragraph (3) and inserting the following new paragraphs:

“(3) A review of activities of the Secretary under this subchapter during such preceding fiscal year, shown for military family housing, military unaccompanied housing, dual military family housing and military unaccompanied housing, and ancillary supporting facilities.

“(4) If a contract for the acquisition or construction of military family housing, military unaccompanied housing, or dual military family housing and military unaccompanied housing entered into during the preceding fiscal year did not include the acquisition or construction of the types of ancillary supporting facilities specifically referred to in section 2871(1) of this title, a explanation of the reasons why such ancillary supporting facilities were not included.

“(5) A description of the Secretary’s plans for housing privatization activities under this subchapter: (A) during the fiscal year for which the budget is submitted; and (B) during the period covered by the then-current future-years defense plan under section 221 of this title.”.

SEC. 2808. TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

(a) **TEMPORARY AUTHORITY.**—During fiscal year 2004, the Secretary of Defense may use this section as authority to obligate appropriated funds available for operation and maintenance to carry out a construction project outside the United States that the Secretary determines meets each of the following conditions:

(1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration by the President of a national emergency under section 201 of the National Emergencies Act (50 U.S.C. 1621), or a contingency operation.

(2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence.

(3) The United States has no intention of using the construction after the operational requirements have been satisfied.

(4) The level of construction is the minimum necessary to meet the temporary operational requirements.

(b) **NOTIFICATION OF OBLIGATION OF FUNDS.**—Within seven days after the date on which appropriated funds available for operation and maintenance are first obligated for a construction project under subsection (a), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice of the obligation of the funds and the construction project. The notice shall include the following: Deadline.

(1) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.

(2) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.

(3) All relevant documentation detailing the construction project.

(4) An estimate of the total amount obligated for the construction.

(c) **LIMITATION ON USE OF AUTHORITY.**—(1) The total cost of the construction projects carried out under the authority of this section using, in whole or in part, appropriated funds available for operation and maintenance shall not exceed \$200,000,000 in fiscal year 2004.

(2) The Secretary of Defense may waive the limitation imposed by paragraph (1) if the Secretary determines that the obligation of operation and maintenance funds for construction projects in excess of the amount specified in such subsection is vital to the national security.

(3) Not later than five days after the date on which a waiver is granted under paragraph (2), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice containing the reasons for the waiver. Deadline.

(d) **QUARTERLY REPORT.**—Not later than 30 days after the end of each fiscal-year quarter of fiscal year 2004, the Secretary of Defense shall submit to the congressional committees specified in subsection (f) a report on the worldwide obligation and expenditure

10 USC 2805
note.

during that quarter of appropriated funds available for operation and maintenance for construction projects.

(e) **RELATION TO OTHER AUTHORITIES.**—The temporary authority provided by this section, and the limited authority provided by section 2805(c) of title 10, United States Code, to use appropriated funds available for operation and maintenance to carry out a construction project are the only authorities available to the Secretary of Defense and the Secretaries of the military departments to use appropriated funds available for operation and maintenance to carry out construction projects.

(f) **CONGRESSIONAL COMMITTEES.**—The congressional committees referred to in this section are the following:

(1) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the House of Representatives.

SEC. 2809. REPORT ON MILITARY CONSTRUCTION REQUIREMENTS TO SUPPORT NEW HOMELAND DEFENSE MISSIONS OF THE ARMED FORCES.

Deadline.

Not later than February 15, 2004, the Secretary of Defense shall submit to Congress a report describing all military construction projects carried out to support new homeland defense missions of the Armed Forces undertaken since September 11, 2001, and containing an assessment of the military construction requirements anticipated to be necessary during fiscal years 2005, 2006, and 2007 to support such missions.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. ENHANCEMENT OF AUTHORITY TO ACQUIRE LOW-COST INTERESTS IN LAND.

(a) **INCREASE IN ACQUISITION THRESHOLD.**—Section 2672 of title 10, United States Code, is amended—

(1) by redesignating subsections (a)(2) and (b) as subsections (b) and (c), respectively;

(2) in subsection (a)—

(A) in paragraph (1)(B), by striking “\$500,000” and inserting “\$750,000”; and

(B) by inserting after paragraph (1) the following new paragraph (2):

“(2) The Secretary of a military department may acquire any interest in land that—

“(A) the Secretary determines is needed solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; and

“(B) does not cost more than \$1,500,000, exclusive of administrative costs and the amounts of any deficiency judgments.”; and

(3) in subsection (b), as so redesignated, by striking “\$500,000” and inserting “\$750,000, in the case of an acquisition under subsection (a)(1), or \$1,500,000, in the case of an acquisition under subsection (a)(2)”.

(b) CLERICAL AMENDMENTS.—(1) Such section is further amended—

(A) in subsection (a), by inserting “ACQUISITION AUTHORITY.—” before “(1)”;

(B) in subsection (b), as redesignated by subsection (a)(1), by inserting “ACQUISITION OF MULTIPLE PARCELS.—” before “This section”; and

(C) in subsection (c), as redesignated by subsection (a)(1), by inserting “SURVEY AND ACQUISITION METHODS.—” before “The authority”.

(2) The heading of such section is amended to read as follows:

“§ 2672. Authority to acquire low-cost interests in land”.

(3) The item relating to section 2672 in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

“2672. Authority to acquire low-cost interests in land.”.

SEC. 2812. RETENTION AND AVAILABILITY OF AMOUNTS REALIZED FROM ENERGY COST SAVINGS.

(a) IN GENERAL.—Section 2865(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “Two-thirds of the portion of the funds appropriated” and inserting “An amount of the funds appropriated”;

(2) in paragraph (2), by striking “The Secretary” and inserting “The Secretary of Defense”; and

(3) by adding at the end the following new paragraph:

“(4) The Secretary of Defense shall include in the budget material submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31 a separate statement of the amounts available for obligation under this subsection in such fiscal year.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall not apply to funds appropriated for a fiscal year before fiscal year 2004.

10 USC 2865
note.

SEC. 2813. ACCEPTANCE OF IN-KIND CONSIDERATION FOR EASEMENTS.

(a) EASEMENTS FOR RIGHTS-OF-WAY.—Section 2668(e) of title 10, United States Code, is amended—

(1) by striking “Subsection (d)” and inserting “Subsections (c) and (d)”;

(2) by inserting “in-kind consideration and” before “proceeds”; and

(3) by striking “subsection applies to” and inserting “subsections apply to in-kind consideration and”.

(b) EASEMENTS FOR UTILITY LINES.—Section 2669(e) of such title is amended—

(1) by striking “Subsection (d)” and inserting “Subsections (c) and (d)”;

(2) by inserting “in-kind consideration and” before “proceeds”; and

(3) by striking “subsection applies to” and inserting “subsections apply to in-kind consideration and”.

Subtitle C—Base Closure and Realignment

SEC. 2821. CONSIDERATION OF PUBLIC-ACCESS-ROAD ISSUES RELATED TO BASE CLOSURE, REALIGNMENT, OR PLACEMENT IN INACTIVE STATUS.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph:

“(E) If a military installation to be closed, realigned, or placed in an inactive status under this part includes a road used for public access through, into, or around the installation, the Secretary of Defense shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering the continued availability of the road for public use after the installation is closed, realigned, or placed in an inactive status.”.

10 USC 2687
note.

SEC. 2822. CONSIDERATION OF SURGE REQUIREMENTS IN 2005 ROUND OF BASE REALIGNMENTS AND CLOSURES.

(a) DETERMINATION OF SURGE REQUIREMENTS.—The Secretary of Defense shall assess the probable threats to national security and, as part of such assessment, determine the potential, prudent, surge requirements to meet those threats.

(b) USE OF DETERMINATION.—The Secretary shall use the surge requirements determination made under subsection (a) in the base realignment and closure process under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as amended by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342).

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. TERMINATION OF LEASE AND CONVEYANCE OF ARMY RESERVE FACILITY, CONWAY, ARKANSAS.

(a) TERMINATION OF LEASE.—Upon the completion of the replacement facility authorized for the Army Reserve facility located in Conway, Arkansas, the Secretary of the Army may terminate the 99-year lease between the Secretary and the University of Central Arkansas for the property on which the old facility is located.

(b) CONVEYANCE OF FACILITY.—As part of the termination of the lease under subsection (a), the Secretary may convey, without consideration, to the University of Central Arkansas all right, title, and interest of the United States in and to the Army Reserve facility located on the leased property.

(c) ASSUMPTION OF LIABILITY.—The University of Central Arkansas shall expressly accept any and all liability pertaining to the physical condition of the Army Reserve facility conveyed under subsection (b) and shall hold the United States harmless from any and all liability arising from the facility’s physical condition.

SEC. 2832. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY AND TENNESSEE. Highways.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Army may convey to the department of transportation of the State of Tennessee all right, title, and interest of the United States in and to a parcel of real property (right-of-way), including any improvements thereon, located at Fort Campbell, Kentucky and Tennessee, for the purpose of realigning and upgrading United States Highway 79 from a two-lane highway to a four-lane highway.

(b) **CONSIDERATION.**—(1) As consideration for the conveyance under subsection (a), the department of transportation of the State of Tennessee shall pay from any source (including Federal funds made available to the State from the Highway Trust Fund) all of the costs of the Secretary incurred—

(A) to convey the property, including costs related to the preparation of documents under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), surveys (including all surveys required under subsection (c)), cultural reviews, and administrative oversight;

(B) to relocate a cemetery to permit the highway realignment and upgrading;

(C) to acquire approximately 200 acres of mission-essential replacement property required to support the training mission at Fort Campbell; and

(D) to dispose of residual Federal property located south of the realigned highway.

(2) The Secretary of the Army may accept funds under this subsection from the State of Tennessee or transferred by the Secretary of Transportation at the request of the State from Federal-aid highway funds made available to the State to pay costs described in paragraph (1) and credit them to the appropriate Department of the Army accounts for the purpose of paying such costs.

(3) All funds made available from the Highway Trust Fund to pay costs described in paragraph (1) shall be provided subject to the requirements of section 120(b) of title 23, United States Code, relating to the Federal share payable on account of a project or activity.

(4) All funds accepted by the Secretary under this subsection shall remain available until expended.

(c) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the property to be conveyed under subsection (a) or acquired and disposed of under subsection (b) shall be determined by surveys satisfactory to the Secretary.

(d) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, FORT KNOX, KENTUCKY.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Army may convey, without consideration, to the Department of Veterans Affairs of the Commonwealth of Kentucky (in this section referred to as the “Department”) all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 93 acres at Fort Knox, Kentucky, for the purpose of permitting the Department to establish and operate a State-run cemetery for veterans of the Armed Forces.

(b) **REIMBURSEMENT FOR COSTS OF CONVEYANCE.**—(1) The Department shall reimburse the Secretary for any costs incurred by the Secretary in making the conveyance under subsection (a), including costs related to environmental documentation and other administrative costs. This paragraph does not apply to costs associated with the environmental remediation of the property to be conveyed.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. ARMY NATIONAL GUARD ARMORY, PIERCE CITY, MISSOURI.

(a) **CONTRIBUTION AUTHORIZED.**—The Secretary of the Army may make a contribution under section 18233(a) of title 10, United States Code, for a facility for a new Army National Guard armory in Pierce City, Missouri, in excess of the contribution otherwise authorized by section 18236(b)(2) of such title, if the Secretary determines that—

(1) there is a compelling and immediate need for the construction of the facility;

(2) the requirement for the facility was unanticipated and results from a natural disaster;

(3) failure to construct the facility immediately would have an adverse impact on the mission of the unit assigned to the facility; and

(4) the real property for the facility will be provided by the State of Missouri.

(b) **LIMITATION.**—The amount of the additional contribution provided pursuant to subsection (a), which would otherwise be required by section 18236(b)(2) of title 10, United States Code, from the State of Missouri for the construction of the facility, may not exceed the amount specified in section 18233a(a)(1) of such title.

(c) **AUTHORITY TO ACCEPT REAL PROPERTY FROM STATE.**—The Secretary may accept from the State of Missouri the donation of real property, in addition to the real property required to be contributed by the State under subsection (a)(4), that is acceptable to the Secretary and has a market value not in excess of the amount of the additional contribution provided pursuant to subsection (a).

SEC. 2835. LAND EXCHANGE, FORT BELVOIR, VIRGINIA.

(a) **LAND EXCHANGE AUTHORIZED.**—Upon receipt of the consideration referred to in subsection (b), the Secretary of the Army may convey to the Fairfax County Park Authority of Fairfax County, Virginia (in this section referred to as the “Authority”), all right, title, and interest of the United States in and to a parcel of real

property, including any improvements thereon, consisting of approximately 12 acres at Fort Belvoir, Virginia.

(b) CONSIDERATION.—As consideration for the conveyance of the property under subsection (a), the Authority shall convey to the United States all right, title, and interest of the Authority in and to a parcel of real property acceptable to the Secretary. The Secretary shall have administrative jurisdiction over the real property received under this subsection.

(c) COSTS OF CONVEYANCE.—(1) The Secretary may collect funds from the Authority to cover costs incurred or to be incurred by the Secretary to carry out a conveyance under this section, including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Authority in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Authority.

(2) Amounts collected under paragraph (1) to cover costs previously incurred by the Secretary shall be credited to the fund or account that was used to cover the costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2841. LAND CONVEYANCE, NAVY PROPERTY, DIXON, CALIFORNIA.

Housing.
Aliens.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Housing Authority of the City of Dixon, California, (in this section referred to as the “Housing Authority”), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that consists of approximately 40.41 acres located at 7290 Radio Station Road in Dixon, California, and is currently used by the Housing Authority as the site for the Fred H. Rehman Dixon Migrant Center for the purpose of permitting the Housing Authority to continue to provide suitable housing and support services to migrant workers.

(b) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the Housing Authority to cover costs to be incurred by the Secretary after the date of the enactment of this Act, or to reimburse the Secretary for costs incurred by the Secretary after such date, to carry out the conveyance under subsection (a), including any survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Housing Authority in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out

the conveyance, the Secretary shall refund the excess amount to the Housing Authority.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, MARINE CORPS LOGISTICS BASE, ALBANY, GEORGIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey through negotiated sale to the Preferred Development Group Corporation, a corporation incorporated in the State of Georgia and authorized to do business in the State of Georgia (in this section referred to as the “Corporation”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 10.44 acres located at Turner Field Road and McAdams Road in Albany, Georgia, for the purpose of permitting the Corporation to use the property for economic development.

(b) CONDITIONS OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the following conditions:

(1) That the Corporation accept the real property in its condition at the time of the conveyance, commonly known as conveyance “as is”.

(2) That the Corporation bear all costs related to the use and redevelopment of the real property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Corporation shall pay to the United States an amount, determined pursuant to negotiations between the Secretary and the Corporation and based upon the fair market value of the property (as determined pursuant to an appraisal acceptable to the Secretary), that is appropriate for the property.

(2) The consideration received under this subsection shall be deposited in the Department of Defense Base Closure Account 1990 established by section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

(d) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require the Corporation to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance.

If amounts are collected from the Corporation in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Corporation.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance under subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND EXCHANGE, NAVAL AND MARINE CORPS RESERVE CENTER, PORTLAND, OREGON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the United Parcel Service, Inc. (in this section referred to as “UPS”), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 14 acres in Portland, Oregon, and comprising the Naval and Marine Corps Reserve Center for the purpose of facilitating the expansion of the UPS main distribution complex in Portland.

(b) PROPERTY RECEIVED IN EXCHANGE.—(1) As consideration for the conveyance under subsection (a), UPS shall—

(A) convey to the United States a parcel of real property determined to be suitable by the Secretary; and

(B) design, construct, and convey to the United States such replacement facilities on that property as the Secretary considers appropriate.

(2) The value of the real property and replacement facilities received by the Secretary under this subsection shall be at least equal to the fair market value of the real property conveyed under subsection (a), as determined by the Secretary.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require UPS to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, relocation expenses incurred under subsection (b), and other administrative costs related to the conveyance. If amounts are collected from UPS in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to UPS.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) **CONDITION OF CONVEYANCE.**—The Secretary may not make the conveyance authorized by subsection (a) until the Secretary determines that the replacement facilities required by subsection (b) are suitable and available for the relocation of the operations of the Naval and Marine Corps Reserve Center.

(e) **EXEMPTION FROM FEDERAL SCREENING.**—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(g) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCE, NAVAL RESERVE CENTER, ORANGE, TEXAS.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Navy may convey to the City of Orange, Texas (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 2.5 acres at Naval Reserve Center, Orange, Texas, for the purpose of permitting the City to use the property for road construction, economic development, and other public purposes.

(b) **CONSIDERATION.**—As consideration for the conveyance under subsection (a), the City shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under such subsection.

(c) **PAYMENT OF COSTS OF CONVEYANCE.**—(1) The Secretary may require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) **EXEMPTION FROM FEDERAL SCREENING.**—The conveyance authorized by subsection (a) is exempt from the requirement to

screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2845. LAND CONVEYANCE, PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Bremerton, Washington (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 2.8 acres at the eastern end of the Puget Sound Naval Shipyard, Bremerton, Washington, immediately adjacent to the Bremerton Transportation Center.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City, directly or through an agreement with another entity, shall replace administrative space on the parcel to be conveyed by renovating for new occupancy approximately 7,500 square feet of existing space in Building 433 at Naval Station, Bremerton, Washington, at no cost to the United States, in accordance with plans and specifications acceptable to the Secretary. In lieu of any portion of such renovation, the Secretary may accept other facility alteration or repair of not less than equal value.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) ENVIRONMENTAL CONDITIONS.—The Secretary may use funds available in the Environmental Restoration Account, Navy to carry out the environmental remediation of the real property to be conveyed under subsection (a). Such environmental remediation shall be conducted in a manner consistent with section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620), including the requirement to consider the anticipated future land use of the parcel.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2851. LAND EXCHANGE, MARCH AIR RESERVE BASE, CALIFORNIA.

(a) EXCHANGE AUTHORIZED.—(1) The Secretary of the Army may convey to the March Joint Powers Authority of Moreno Valley, California (in this section referred to as the “JPA”), all right, title, and interest of the United States in and to five parcels of real property, including any improvements thereon, located at March Air Reserve Base, California (former March Air Force Base), and consisting of approximately 36.74 total acres.

(2) The Secretary of the Navy may convey to JPA all right, title, and interest of the United States in and to two parcels of real property, including any improvements thereon, located at March Air Reserve Base and consisting of approximately 10.181 total acres.

(b) CONSIDERATION.—As consideration for the conveyances under subsection (a), JPA shall release any interest it may have in two contiguous parcels of real property located at March Air Reserve Base and consisting of approximately 20 acres and 28 acres, respectively.

(c) TRANSFER OF JURISDICTION.—The Secretary of the Air Force shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Army the parcels of real property described in subsection (b).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretaries concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretaries concerned may require such additional terms and conditions in connection with the conveyances under this section as the Secretaries consider appropriate to protect the interests of the United States.

SEC. 2852. ACTIONS TO QUIET TITLE, FALLIN WATERS SUBDIVISION, EGLIN AIR FORCE BASE, FLORIDA.

(a) AUTHORITY TO QUIET TITLE.—(1) Notwithstanding the restoration provisions under the heading “QUARTERMASTER CORPS” in the Second Deficiency Appropriation Act, 1940 (Act of June 27, 1940; chapter 437; 54 Stat. 655), the Secretary of the Air Force may take appropriate action to quiet title to tracts of land referred to in paragraph (2) on, at, adjacent to, adjoining, or near Eglin Air Force Base, Florida. The Secretary may take such action in order to resolve encroachments upon private property by the United States and upon property of the United States by private parties, which resulted from reliance on inaccurate surveys.

(2) The tracts of land referred to in paragraph (1) are generally described as south of United States Highway 98 and bisecting the north/south section line of sections 13 and 14, township 2 south, range 25 west, located in the platted subdivision of Fallin

Waters, Okaloosa County, Florida. The exact acreage and legal description of such tracts of land shall be determined by a survey satisfactory to the Secretary.

(b) **AUTHORIZED ACTIONS.**—In carrying out subsection (a), appropriate action by the Secretary may include any of the following:

(1) Disclaiming, on behalf of the United States, any intent by the United States to acquire by prescription any property at or in the vicinity of Eglin Air Force Base.

(2) Disposing of tracts of land owned by the United States.

(3) Acquiring tracts of land by purchase, by donation, or by exchange for tracts of land owned by the United States at or adjacent to Eglin Air Force Base.

(c) **ACREAGE LIMITATIONS.**—Individual tracts of land acquired or conveyed by the Secretary under paragraph (2) or (3) of subsection (b) may not exceed .10 acres. The total acreage so acquired may not exceed two acres.

(d) **CONSIDERATION.**—Any conveyance by the Secretary under this section may be made, at the discretion of the Secretary, without consideration, or by exchange for tracts of land adjoining Eglin Air Force Base in possession of private parties who mistakenly believed that they had acquired title to such tracts.

SEC. 2853. MODIFICATION OF LAND CONVEYANCE, EGLIN AIR FORCE BASE, FLORIDA.

(a) **MODIFICATION.**—Public Law 91-347 (84 Stat. 447) is amended—

(1) in the first section, by inserting “or for other public purposes” before the period at the end; and

(2) in section 3(1)—

(A) by inserting “or for other public purposes” after “schools”; and

(B) by striking “such purpose” and inserting “such a purpose”.

(b) **ALTERATION OF LEGAL INSTRUMENT.**—The Secretary of the Air Force shall execute and file in the appropriate office an amended deed or other appropriate instrument effectuating the modification of the reversionary interest retained by the United States in connection with the conveyance made pursuant to Public Law 91-347.

Records.

PART IV—OTHER CONVEYANCES

SEC. 2861. LAND CONVEYANCE, AIR FORCE AND ARMY EXCHANGE SERVICE PROPERTY, DALLAS, TEXAS.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of Defense may authorize the Army and Air Force Exchange Service, a non-appropriated fund instrumentality of the United States, to convey, by sale, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 7.5 acres located at 1515 Roundtable Drive in Dallas, Texas.

(b) **CONSIDERATION.**—As consideration for the conveyance under subsection (a), the purchaser shall pay the United States, in a single lump sum payment, an amount equal to the fair market value of the real property, determined pursuant to an appraisal acceptable to the Secretary.

(c) TREATMENT OF CONSIDERATION.—Section 574(a) of title 40, United States Code, shall apply to the consideration received under subsection (b), except that in the application of such section, all of the proceeds shall be credited to the Army and Air Force Exchange Service.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2862. LAND CONVEYANCE, UMNAK ISLAND, ALASKA.

(a) DEFINITIONS.—In this section—

(1) The term “Aleut Corporation” means the regional corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the region in which the Native Village of Nikolski, Alaska, is located.

(2) The term “Chaluka Corporation” means the village corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the Native Village of Nikolski, Alaska.

(3) The term “former Nikolski Radio Relay Site” means the portions of Tracts A, B, and C of Public Land Order 2374 that are surveyed as Tracts 37, 37A, 38, 39, 39A, and 40 of township 83 south, range 136 west, Seward meridian, Alaska, and Tract B of United States Survey 4904, Alaska, except—

(A) lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904; and

(B) the Nikolski powerhouse land.

(4) The term “Nikolski powerhouse land” means the parcel of land upon which is located the power generation building for supplying power to the Native Village of Nikolski, the boundaries of which are described generally as follows:

(A) Beginning at the point at which the southerly boundary of Tract 39 of township 83 south, range 136 west, Seward meridian, Alaska, intersects the easterly boundary of the road that connects the Native Village of Nikolski and the airfield at Nikolski.

(B) Then meandering in a northeasterly direction along the easterly boundary of that road until the road intersects the westerly boundary of the road that connects Umnak Lake and the airfield.

(C) Then meandering in a southerly direction along the western boundary of that Umnak Lake road until that western boundary intersects the southern boundary of such Tract 39.

(D) Then proceeding eastward along the southern boundary of such Tract 39 to the beginning point.

(5) The term “Phase I lands” means Tract 39 of township 83 south, range 136 west, Seward meridian, excluding the Nikolski powerhouse land.

(6) The term “Phase II lands” means the portion of the former Nikolski Radio Relay Site not conveyed as Phase I lands.

(7) The term “Public Land Order 2374” refers to the Public Land Order issued in 1961 under which the Department of the Interior withdrew public domain lands in the vicinity of the Native Village of Nikolski on Umnak Island, Alaska, for use by the Department of the Air Force as a radio relay site.

(b) OFFER OF CONVEYANCE.—Subject to the requirements of this section, the Chaluka Corporation is hereby offered ownership of the surface estate in the former Nikolski Radio Relay Site on Umnak Island, Alaska, and the Aleut Corporation is hereby offered the subsurface estate of the former Nikolski Radio Relay Site, in exchange for relinquishment by the Chaluka Corporation and the Aleut Corporation of lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(c) ACCEPTANCE AND RELINQUISHMENT.—(1) The Secretary of the Interior shall convey the former Nikolski Radio Relay Site as provided in subsection (d), if the Chaluka Corporation takes the actions specified in paragraph (2) and the Aleut Corporation takes the actions specified in paragraph (3).

(2) As a condition for conveyance under subsection (d), the Chaluka Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors’ action), the Chaluka Corporation—

(A) accepts the offer under subsection (b);

(B) confirms that the area surveyed by the Bureau of Land Management for the purpose of fulfilling the Chaluka Corporation’s final entitlements under section 12(a) and (b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) and (b)), identified as Group Survey Number 773, accurately represents the Chaluka Corporation’s final, irrevocable Alaska Native Claims Settlement Act priorities and entitlements, unless any tract in Group Survey Number 773 is ultimately not conveyed as the result of an appeal; and

(C) relinquishes lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska, which will be charged against the Chaluka Corporation’s final entitlement under section 12(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(b)).

(3) As a condition for the conveyance under subsection (d), the Aleut Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors’ action), the Aleut Corporation—

(A) accepts the offer under subsection (b); and

(B) relinquishes all rights to lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(d) CONVEYANCE.—(1) Upon receipt from the Chaluka Corporation and from the Aleut Corporation of their acceptances and relinquishments under subsection (c), the Secretary of the Interior shall convey to the Chaluka Corporation the surface estate, and to the Aleut Corporation the subsurface estate, of—

(A) Phase I lands as soon as practicable; and

Termination
dates.

(B) each parcel of Phase II lands upon completion by the Department of the Air Force of environmental restoration of Phase II lands in accordance with applicable law.

(2) Upon conveyance of a parcel of land under this section, the Secretary of the Interior shall terminate the corresponding portion of Public Land Order 2374 relating to that parcel. Upon conveyance of all Phase I and Phase II lands under this section, the Secretary of the Interior shall terminate all remaining portions of Public Land Order 2374 as it pertains to Umnak Island, Alaska.

(e) ENVIRONMENTAL RESTORATION.—Nothing in this section affects the requirements and responsibilities of the United States under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) or other applicable law. If a hazardous substance, as that term is defined in section 101 of such Act (42 U.S.C. 9601), is discovered on the Phase I lands subsequent to transfer, but the hazardous substance was present on the lands before transfer and the presence of the hazardous substance on the lands was not the result of actions by the Chaluka Corporation or the Aleut Corporation, the United States shall perform such response action as is required by such Act with regard to that hazardous substance.

(f) TREATMENT AS ANCSA LANDS.—The conveyances made under subsection (d) shall be considered to be conveyances under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and are subject to the provisions of that Act, except paragraphs (3) and (4) of section 14(c) and section 17(b)(3) (43 U.S.C. 1613(c) and 1616(b)(3)).

(g) CONVEYANCE OF EXCLUDED TRACT B LOTS.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in—

(1) each of lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904 that is the subject of an Aleutian Housing Authority mutual help occupancy agreement, to the Aleutian Housing Authority; and

(2) the remainder of such lots to the occupants of such lots as of the date of the enactment of this Act.

(h) CONVEYANCE OF NIKOLSKI POWERHOUSE LAND.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in the Nikolski powerhouse land—

(1) to the Indian Reorganization Act Tribal Government for the Native Village of Nikolski, upon completion of the environmental restoration referred to in subsection (k)(2), if after the restoration the powerhouse continues to be located on the Nikolski powerhouse land; or

(2) the surface estate to the Chaluka Corporation and the subsurface estate to the Aleut Corporation, if after the restoration, the Nikolski powerhouse is no longer located on the Nikolski powerhouse land. —

(i) ACCESS.—(1) As a condition of the conveyance of land under subsection (d), the Chaluka Corporation shall permit the United States, and its agents, employees, and contractors, to have unrestricted access to the airfield at Nikolski in perpetuity for site investigation, restoration, remediation, and environmental monitoring of the former Nikolski Radio Relay Site and reasonable access to that airfield, and to other land conveyed under this section, for any activity associated with management of lands owned by

the United States and for other governmental purposes without cost to the United States.

(2) The surface estate conveyed under subsection (d) shall be subject to the public's right of access over Hill and Beach Streets, located on Tract B of United States Survey 4904.

(j) SURVEY REQUIREMENTS.—The Bureau of Land Management is not required to conduct additional on-the-ground surveys as a result of conveyances under this section. The patent to the Chaluka Corporation may be based on protracted section lines and lotting where relinquishment under subsection (c)(2)(C) results in a change to the Chaluka Corporation's final boundaries. No additional monumentation is required to complete those final boundaries.

(k) AUTHORIZATION OF APPROPRIATIONS; TRANSFER OF FUNDS.—

(1) There are authorized to be appropriated to the Department of the Interior and other appropriate agencies such sums as are necessary to carry out this section.

(2) Using the funds identified for Nikolski Power House Clean-up under Budget Activity 4 on page 116 of the Conference Report to accompany H.R. 2658 of the 108th Congress (House Report 108–283), the Secretary of the Air Force shall make a direct lump sum payment, in an amount equal to \$1,700,000, to the fund for pollution cleanup managed by the Alaska Energy Authority for the purpose of assisting the Authority to perform environmental restoration of the Nikolski powerhouse land.

(l) TERMINATION.—This section (other than subsection (g)) shall cease to be effective if—

(1) either the Chaluka Corporation or the Aleut Corporation affirmatively rejects the offer under subsection (b); or

(2) the legally binding resolutions required by paragraphs (2) and (3) of subsection (c) are not submitted to the Secretary of the Interior before the end of the 180-day period specified in such paragraphs.

Subtitle E—Other Matters

SEC. 2871. AUTHORITY TO ACCEPT GUARANTEES WITH GIFTS IN DEVELOPMENT OF MARINE CORPS HERITAGE CENTER, MARINE CORPS BASE, QUANTICO, VIRGINIA.

Section 2884 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–440)) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

“(f) ACCEPTANCE OF GUARANTEES WITH GIFTS.—(1) The authority available to the Secretary under section 6975 of title 10, United States Code, to accept a qualified guarantee for purposes of projects at the Naval Academy shall be available to the Secretary for the project to develop the Marine Corps Heritage Center.

“(2) The authority available to the Secretary under this subsection shall expire on December 31, 2006.”. Expiration date.

SEC. 2872. REDESIGNATION OF YUMA TRAINING RANGE COMPLEX AS BOB STUMP TRAINING RANGE COMPLEX.

The military aviation training facility located in southwestern Arizona and southeastern California and known as the Yuma Training Range Complex shall be known and designated as the “Bob Stump Training Range Complex”. Any reference to such training range complex in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Bob Stump Training Range Complex.

SEC. 2873. FEASIBILITY STUDY REGARDING CONVEYANCE OF LOUISIANA ARMY AMMUNITION PLANT, DOYLINE, LOUISIANA.

(a) **STUDY REQUIRED.**—The Secretary of the Army shall conduct a study of—

(1) the feasibility of using the conveyance of the Louisiana Army Ammunition Plant in Doyline, Louisiana, as a model for a public-private partnership for the utilization and development of the Plant and similar parcels of real property; and

(2) the costs and benefits to the United States of such a conveyance.

(b) **ELEMENTS OF STUDY.**—In conducting the study, the Secretary shall consider the following:

(1) The feasibility and advisability of entering into negotiations with the State of Louisiana or the Louisiana National Guard for the conveyance of the Louisiana Army Ammunition Plant.

(2) The means by which the conveyance of the Plant could—
(A) facilitate the execution by the Department of Defense of its national security mission; and

(B) facilitate the continued use of the Plant by the Louisiana National Guard and the execution by the Louisiana National Guard of its national security mission.

(3) The evidence presented by the State of Louisiana of the means by which the conveyance of the Plant could benefit current and potential private sector and governmental tenants of the Plant and facilitate the contribution of such tenants to economic development in Northwestern Louisiana.

(4) The amount and type of consideration that is appropriate for the conveyance of the Plant.

(5) The evidence presented by the State of Louisiana of the extent to which the conveyance of the Plant to a public-private partnership will contribute to economic growth in the State of Louisiana, and in Northwestern Louisiana in particular.

(6) The value of any mineral rights in the lands of the Plant.

(7) The costs and benefits to the United States of sharing revenues and rents paid by current and potential tenants of the Plant as a result of the Armament Retooling and Manufacturing Support Program.

(c) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study and any other matters in light of the study that the Secretary considers appropriate.

Deadline.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZA- TIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

- Sec. 3101. National Nuclear Security Administration.
- Sec. 3102. Defense environmental management.
- Sec. 3103. Other defense activities.
- Sec. 3104. Defense nuclear waste disposal.
- Sec. 3105. Energy supply.

Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3111. Termination of requirement for annual updates of long-term plan for nuclear weapons stockpile life extension program.
- Sec. 3112. Department of Energy project review groups not subject to Federal Advisory Committee Act by reason of inclusion of employees of Department of Energy management and operating contractors.
- Sec. 3113. Readiness posture for resumption by the United States of underground nuclear weapons tests.
- Sec. 3114. Technical base and facilities maintenance and recapitalization activities.
- Sec. 3115. Continuation of processing, treatment, and disposition of legacy nuclear materials.
- Sec. 3116. Repeal of prohibition on research and development of low-yield nuclear weapons.
- Sec. 3117. Requirement for specific authorization of Congress for commencement of engineering development phase or subsequent phase of Robust Nuclear Earth Penetrator.

Subtitle C—Proliferation Matters

- Sec. 3121. Semiannual financial reports on defense nuclear nonproliferation programs.
- Sec. 3122. Report on reduction of excessive unobligated or unexpended balances for defense nuclear nonproliferation activities.
- Sec. 3123. Study and report relating to weapons-grade uranium and plutonium of the independent states of the former Soviet Union.
- Sec. 3124. Authority to use international nuclear materials protection and cooperation program funds outside the former Soviet Union.
- Sec. 3125. Requirement for on-site managers.

Subtitle D—Other Matters

- Sec. 3131. Performance of personnel security investigations of certain Department of Energy and Nuclear Regulatory Commission employees in sensitive programs.
- Sec. 3132. Policy of Department of Energy regarding future defense environmental management matters.
- Sec. 3133. Inclusion in 2005 stockpile stewardship plan of certain information relating to stockpile stewardship criteria.
- Sec. 3134. Progress reports on Energy Employees Occupational Illness Compensation Program.
- Sec. 3135. Report on integration activities of Department of Defense and Department of Energy with respect to Robust Nuclear Earth Penetrator.

Subtitle E—Consolidation of National Security Provisions

- Sec. 3141. Transfer and consolidation of recurring and general provisions on Department of Energy national security programs.

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of \$8,877,347,000, to be allocated as follows:

- (1) For weapons activities, \$6,434,772,000.
- (2) For defense nuclear nonproliferation activities, \$1,332,195,000.
- (3) For naval reactors, \$768,400,000.
- (4) For the Office of the Administrator for Nuclear Security, \$341,980,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for weapons activities, the following new plant projects:

Project 04-D-101, test capabilities revitalization, Sandia National Laboratories, Albuquerque, New Mexico, \$36,450,000.

Project 04-D-102, exterior communications infrastructure modernization, Sandia National Laboratories, Albuquerque, New Mexico, \$20,000,000.

Project 04-D-103, project engineering and design, various locations, \$2,000,000.

Project 04-D-125, chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, New Mexico, \$20,500,000.

Project 04-D-126, Building 12-44 production cells upgrade, Pantex plant, Amarillo, Texas, \$8,780,000.

Project 04-D-127, cleaning and loading modifications, Savannah River Site, Aiken, South Carolina, \$2,750,000.

Project 04-D-128, TA-18 Mission relocation project, Los Alamos National Laboratory, Los Alamos, New Mexico, \$8,820,000.

Project 04-D-203, facilities and infrastructure recapitalization program, project engineering and design, various locations, \$3,719,000.

Project 03-D-102, SM-43 replacement, Los Alamos National Laboratory, Los Alamos, New Mexico, \$38,000,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for environmental management activities in carrying out programs necessary for national security in the amount of \$6,809,814,000, to be allocated as follows:

- (1) For defense site acceleration completion, \$5,814,635,000.
- (2) For defense environmental services, \$995,179,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for defense site acceleration completion, the following new plant projects:

Project 04-D-408, glass waste storage building #2, Savannah River Site, Aiken, South Carolina, \$20,259,000.

Project 04–D–414, project engineering and design, various locations, \$23,500,000.

Project 04–D–423, 3013 container surveillance capability in 235–F, Savannah River Site, Aiken, South Carolina, \$1,134,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for other defense activities in carrying out programs necessary for national security in the amount of \$489,059,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of \$392,500,000.

SEC. 3105. ENERGY SUPPLY.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for energy supply activities in carrying out programs necessary for national security in the amount of \$110,473,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. TERMINATION OF REQUIREMENT FOR ANNUAL UPDATES OF LONG-TERM PLAN FOR NUCLEAR WEAPONS STOCK-PILE LIFE EXTENSION PROGRAM. 50 USC 2524.

Effective December 31, 2004, section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926; 42 U.S.C. 2121 note), as transferred and redesignated as section 4204 of the Atomic Energy Defense Act by section 3141(e)(5) of this Act, is further amended by striking subsections (c) through (f). Effective date. *Post*, p. 1758.

SEC. 3112. DEPARTMENT OF ENERGY PROJECT REVIEW GROUPS NOT SUBJECT TO FEDERAL ADVISORY COMMITTEE ACT BY REASON OF INCLUSION OF EMPLOYEES OF DEPARTMENT OF ENERGY MANAGEMENT AND OPERATING CONTRACTORS. 42 USC 7234 note.

An officer or employee of a management and operating contractor of the Department of Energy, when serving as a member of a group reviewing or advising on matters related to any one or more management and operating contracts of the Department, shall be treated as an officer or employee of the Department for purposes of determining whether the group is an advisory committee within the meaning of section 3 of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 3113. READINESS POSTURE FOR RESUMPTION BY THE UNITED STATES OF UNDERGROUND NUCLEAR WEAPONS TESTS. 50 USC 2528a.

(a) **READINESS POSTURE REQUIRED.**—Commencing not later than October 1, 2006, the Secretary of Energy shall achieve, and thereafter maintain, a readiness posture of not more than 18 months

for resumption by the United States of underground tests of nuclear weapons.

(b) DESCRIPTION OF REQUIREMENT.—For purposes of this section, a readiness posture of not more than 18 months for resumption by the United States of underground tests of nuclear weapons is achieved when the Department of Energy has the capability to resume such tests, if directed by the President to resume such tests, not later than 18 months after the date on which the President so directs.

50 USC 2453
note.

SEC. 3114. TECHNICAL BASE AND FACILITIES MAINTENANCE AND RECAPITALIZATION ACTIVITIES.

(a) DEADLINE FOR INCLUSION OF PROJECTS IN FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—(1) The Administrator for Nuclear Security shall complete the selection of projects for inclusion in the Facilities and Infrastructure Recapitalization Program of the National Nuclear Security Administration not later than December 31, 2004.

(2) No project may be included in the Facilities and Infrastructure Recapitalization Program after December 31, 2004, unless such project has been selected for inclusion in that program as of that date.

(b) TERMINATION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—The Administrator shall terminate the Facilities and Infrastructure Recapitalization Program not later than September 30, 2011.

Reports.

(c) READINESS IN TECHNICAL BASE AND FACILITIES PROGRAM.—(1) Not later than September 30, 2004, the Administrator shall submit to the congressional defense committees a report setting forth guidelines on the conduct of the Readiness in Technical Base and Facilities program of the National Nuclear Security Administration.

(2) Such guidelines shall include the following:

(A) Criteria for the inclusion of projects in the program, and for establishing priorities among projects included in the program.

(B) Mechanisms for the management of facilities under the program, including maintenance activities referred to in subparagraph (C).

(C) A description of the scope of maintenance activities under the program, including recurring maintenance, construction of facilities, recapitalization of facilities, and decontamination and decommissioning of facilities.

(3) Such guidelines shall ensure that the maintenance activities referred to in paragraph (2)(C) are carried out in a timely and efficient manner designed to avoid maintenance backlogs.

(d) OPERATIONS OF FACILITIES PROGRAM.—(1) The Administrator shall continue the Operations of Facilities program of the National Nuclear Security Administration as a subprogram within the Readiness in Technical Base and Facilities program.

(2) The Deputy Administrator for Defense Programs shall designate a single manager to be responsible for overseeing the operations of the Operations of Facilities subprogram within the Readiness in Technical Base and Facilities program.

Reports.

(3) For fiscal year 2005, and for each fiscal year thereafter, the Secretary of Energy shall submit to the congressional defense

committees, together with the budget justification materials submitted to Congress in support of the National Nuclear Security Administration budget for that fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a separate statement of the amounts requested for such fiscal year for each element of the Operations of Facilities subprogram, as follows:

- (A) Maintenance.
- (B) Facilities management and support.
- (C) Utilities.
- (D) Environment, safety, and health.
- (E) Each other element of the subprogram.

SEC. 3115. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

(a) CONTINUATION OF H-CANYON FACILITY.—Subsection (a) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–460) is amended—

50 USC 2633.

(1) by striking “F-canyon and H-canyon facilities” and inserting “H-canyon facility”; and

(2) by striking “such facilities” and inserting “such facility”.

(b) MODIFICATION OF LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F-CANYON FACILITY.—Subsection (b) of such section is amended—

50 USC 2638.

(1) by striking “and the Defense Nuclear Facilities Safety Board” and all that follows through “House of Representatives” and inserting “submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, and the Defense Nuclear Facilities Safety Board,”; and

(2) by striking “the following:” and all that follows and inserting “a report setting forth—

“(1) an assessment whether or not all materials present in the F-canyon facility as of the date of the report that required stabilization have been safely stabilized as of that date;

“(2) an assessment whether or not the requirements applicable to the F-canyon facility to meet the future needs of the United States for fissile materials disposition can be met through full use of the H-canyon facility at the Savannah River Site; and

“(3) if it appears that one or more of the requirements described in paragraph (2) cannot be met through full use of the H-canyon facility—

“(A) an identification by the Secretary of each such requirement that cannot be met through full use of the H-canyon facility; and

“(B) for each requirement so identified, the reasons why such requirement cannot be met through full use of the H-canyon facility and a description of the alternative capability for fissile materials disposition that is needed to meet such requirement.”.

(c) REPEAL OF SUPERSEDED PLAN REQUIREMENT.—Subsection (c) of such section is repealed.

SEC. 3116. REPEAL OF PROHIBITION ON RESEARCH AND DEVELOPMENT OF LOW-YIELD NUCLEAR WEAPONS.

(a) **REPEAL.**—Section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is repealed.

42 USC 2121
note.

(b) **CONSTRUCTION.**—Nothing in the repeal made by subsection (a) shall be construed as authorizing the testing, acquisition, or deployment of a low-yield nuclear weapon.

50 USC 2529
note.

(c) **LIMITATION.**—The Secretary of Energy may not commence the engineering development phase, or any subsequent phase, of a low-yield nuclear weapon unless specifically authorized by Congress.

(d) **REPORT.**—(1) Not later than March 1, 2004, the Secretary of State, the Secretary of Defense and the Secretary of Energy shall jointly submit to Congress a report assessing whether or not the repeal of section 3136 of the National Defense Authorization Act for Fiscal Year 1994 will affect the ability of the United States to achieve its nonproliferation objectives and whether or not any changes in programs and activities would be required to achieve those objectives.

(2) The report shall be submitted in unclassified form, but may include a classified annex if necessary.

SEC. 3117. REQUIREMENT FOR SPECIFIC AUTHORIZATION OF CONGRESS FOR COMMENCEMENT OF ENGINEERING DEVELOPMENT PHASE OR SUBSEQUENT PHASE OF ROBUST NUCLEAR EARTH PENETRATOR.

The Secretary of Energy may not commence the engineering development phase (phase 6.3) of the nuclear weapons development process, or any subsequent phase, of a Robust Nuclear Earth Penetrator weapon unless specifically authorized by Congress.

Subtitle C—Proliferation Matters**SEC. 3121. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.**

(a) **IN GENERAL.**—Subtitle D of the National Nuclear Security Administration Act is amended by inserting after section 3253 (50 U.S.C. 2453) the following new section:

50 USC 2454.

“SEC. 3254. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

Deadline.

“(a) **SEMIANNUAL REPORTS REQUIRED.**—The Administrator shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the amounts available for the defense nuclear nonproliferation programs of the Administration. Each such report shall cover a half of a fiscal year (in this section referred to as a ‘fiscal half’) and shall be submitted not later than 30 days after the end of that fiscal half.

“(b) **CONTENTS.**—Each report for a fiscal half shall, for each such defense nuclear nonproliferation program for which amounts are available for the fiscal year that includes that fiscal half, set forth the following:

“(1) The aggregate amount available for such program as of the beginning of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.

“(2) The aggregate amount newly made available for such program during such fiscal half and, within such amount, the amount made available by appropriations, by transfers, by reprogrammings, and by other means.

“(3) The aggregate amount available for such program as of the end of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.”.

(b) **FIRST REPORT.**—The first report required to be submitted by section 3254 of the National Nuclear Security Administration Act (as added by subsection (a)) shall be the report covering the first half of fiscal year 2004.

50 USC 2454
note.

SEC. 3122. REPORT ON REDUCTION OF EXCESSIVE UNOBLIGATED OR UNEXPENDED BALANCES FOR DEFENSE NUCLEAR NON-PROLIFERATION ACTIVITIES.

(a) **CONTINGENT REQUIREMENT FOR REPORT.**—If as of September 30, 2004, the aggregate amount unobligated, or obligated but not expended, for defense nuclear nonproliferation activities from amounts appropriated for such activities in fiscal year 2004 exceeds an amount equal to 20 percent of the aggregate amount appropriated for such activities in fiscal year 2004, the Administrator for Nuclear Security shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an aggressive plan to provide for the timely expenditure of amounts remaining unobligated, or obligated but not expended.

(b) **SUBMITTAL DATE.**—If required to be submitted under subsection (a), the submittal date for the report under that subsection shall be November 30, 2004.

SEC. 3123. STUDY AND REPORT RELATING TO WEAPONS-GRADE URANIUM AND PLUTONIUM OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

22 USC 5952
note.

(a) **STUDY REQUIRED.**—The Secretary of Energy shall carry out a study on the feasibility, costs, and benefits of—

(1) purchasing, from the independent states of the former Soviet Union, weapons-grade uranium and plutonium excess to the defense needs of those states; and

(2) safeguarding the uranium and plutonium so purchased until rendered unusable for nuclear weapons.

(b) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study required by subsection (a).

Deadline.

SEC. 3124. AUTHORITY TO USE INTERNATIONAL NUCLEAR MATERIALS PROTECTION AND COOPERATION PROGRAM FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) **AUTHORITY.**—Subject to the provisions of this section, the President may obligate and expend international nuclear materials protection and cooperation program funds for a fiscal year, and any such funds for a fiscal year before such fiscal year that remain available for obligation, for a defense nuclear nonproliferation project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Energy is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) SCOPE OF AUTHORITY.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) LIMITATION ON TOTAL AMOUNT OF OBLIGATION.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed \$50,000,000.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

Notification.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of international nuclear materials protection and cooperation program funds or on international nuclear materials protection and cooperation program projects or activities.

(2) Any limitation on the obligation or expenditure of international nuclear materials protection and cooperation program funds.

(3) Any limitation on international nuclear materials protection and cooperation program projects or activities.

(f) FUNDS.—As used in this section, the term “international nuclear materials protection and cooperation program funds” means the funds appropriated pursuant to the authorization of appropriations in section 3101(a)(2) for such program.

22 USC 5961a.

SEC. 3125. REQUIREMENT FOR ON-SITE MANAGERS.

(a) ON-SITE MANAGER REQUIREMENT.—Before obligating any defense nuclear nonproliferation funds for a project described in subsection (b), the Secretary of Energy shall appoint one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(b) PROJECTS COVERED.—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Energy is expected to exceed \$50,000,000.

(c) DUTIES OF ON-SITE MANAGER.—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the project, a list of those steps or activities critical to achieving the project's disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled step or activity on time, unless directed by the Secretary of Energy to resume United States participation.

(d) AUTHORITY TO MANAGE MORE THAN ONE PROJECT.—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed \$150,000,000.

(e) STEPS OR ACTIVITIES.—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in subsection (g)).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(f) NOTIFICATION TO CONGRESS.—In any case in which the Secretary of Energy directs an on-site manager to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

(g) PERMIT DEFINED.—In this section, the term “permit” means any local or national permit for development, general construction, environmental, land use, or other purposes that is required in the state of the former Soviet Union in which the project is being or is proposed to be carried out.

(h) EFFECTIVE DATE.—This section shall take effect six months after the date of the enactment of this Act.

Subtitle D—Other Matters

SEC. 3131. PERFORMANCE OF PERSONNEL SECURITY INVESTIGATIONS OF CERTAIN DEPARTMENT OF ENERGY AND NUCLEAR REGULATORY COMMISSION EMPLOYEES IN SENSITIVE PROGRAMS.

(a) PERFORMANCE BY FBI AT DIRECTION OF DOE OR NRC.—Subsection f. of section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is amended to read as follows:

“f. (1) Notwithstanding the provisions of subsections a., b., and c. of this section, but subject to subsection e. of this section, a majority of the members of the Commission may direct that an investigation required by such provisions on an individual described in paragraph (2) be carried out by the Federal Bureau of Investigation rather than by the Civil Service Commission.

“(2) An individual described in this paragraph is an individual who is employed—

“(A) in a program certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity; or

“(B) in any other specific position certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity.”.

42 USC 2165. (b) **REPEAL OF REQUIREMENT FOR PERFORMANCE BY FBI FOR PERSONNEL SECURITY AND ASSURANCE PROGRAMS.**—Subsection e.(2) of such section is amended by striking “or a Personnel Security and Assurance Program”.

50 USC 2589. **SEC. 3132. POLICY OF DEPARTMENT OF ENERGY REGARDING FUTURE DEFENSE ENVIRONMENTAL MANAGEMENT MATTERS.**

Deadline. (a) **POLICY REQUIRED.**—(1) Commencing not later than October 1, 2005, the Secretary of Energy shall have in effect a policy for carrying out future defense environmental management matters of the Department of Energy. The policy shall specify each officer within the Department with responsibilities for carrying out that policy and, for each such officer, the nature and extent of those responsibilities.

(2) In paragraph (1), the term “future defense environmental management matter” means any environmental cleanup project, decontamination and decommissioning project, waste management project, or related activity that arises out of the activities of the Department in carrying out programs necessary for national security and is to be commenced after the date of the enactment of this Act. However, such term does not include any such project or activity the responsibility for which has been assigned, as of the date of the enactment of this Act, to the Environmental Management program of the Department.

(b) **REFLECTION IN BUDGET.**—For fiscal year 2006 and each fiscal year thereafter, the Secretary shall ensure that the budget justification materials submitted to Congress in support of the Department of Energy budget for such fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) reflect the policy required by subsection (a).

(c) **CONSULTATION.**—The Secretary shall carry out this section in consultation with the Administrator for Nuclear Security and the Under Secretary of Energy for Energy, Science, and Environment.

(d) **REPORT.**—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Energy budget for fiscal year 2005 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a report on the policy that the Secretary plans to have in effect under subsection (a) as of October 1, 2005. The report shall specify the officers and responsibilities referred to in subsection (a).

SEC. 3133. INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN OF CERTAIN INFORMATION RELATING TO STOCKPILE STEWARDSHIP CRITERIA.50 USC 2523
note.

(a) **INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN.**—In submitting to Congress the updated version of the 2005 stockpile stewardship plan, the Secretary of Energy shall include the matters specified in subsection (b).

(b) **MATTERS INCLUDED.**—The matters referred to in subsection (a) are the following:

(1) An update of any information or criteria described in the report on stockpile stewardship criteria submitted under section 4202 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(3) of this Act).

(2) A description of any additional information identified, or criteria established, on matters covered by such section 4202 during the period beginning on the date of the submittal of the report under such section 4202 and ending on the date of the submittal of the updated version of the plan under subsection (a) of this section.

(3) For each science-based tool developed by the Department of Energy during such period—

(A) a description of the relationship of such science-based tool to the collection of information needed to determine that the nuclear weapons stockpile is safe and reliable; and

(B) a description of the criteria for judging whether or not such science-based tool provides for the collection of such information.

(c) **2005 STOCKPILE STEWARDSHIP PLAN DEFINED.**—In this section, the term “2005 stockpile stewardship plan” means the updated version of the plan for maintaining the nuclear weapons stockpile developed under section 4203 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(4) of this Act) that is required to be submitted to Congress not later than March 15, 2005.

SEC. 3134. PROGRESS REPORTS ON ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) **REPORT ON ACCESS TO INFORMATION FOR PERFORMANCE OF RADIATION DOSE RECONSTRUCTIONS.**—(1) Not later than 90 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to Congress a report on the ability of the Institute to obtain, in a timely, accurate, and complete manner, information necessary for the purpose of carrying out radiation dose reconstructions under the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.), including information requested from any element of the Department of Energy.

Deadline.

(2) The report shall include the following:

(A) An identification of each matter adversely affecting the ability of the Institute to obtain information described in paragraph (1) in a timely, accurate, and complete manner.

(B) For each facility with respect to which the Institute is carrying out one or more dose reconstructions described in paragraph (1)—

(i) a specification of the total number of claims requiring dose reconstruction;

(ii) a specification of the number of claims for which dose reconstruction has been adversely affected by any matter identified under paragraph (1); and

(iii) a specification of the number of claims requiring dose reconstruction for which, because of any matter identified under paragraph (1), dose reconstruction has not been completed within 150 days after the date on which the Secretary of Labor submitted the claim to the Secretary of Health and Human Services.

Deadline.

(b) **REPORT ON DENIAL OF CLAIMS.**—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor shall submit to Congress a report on the denial of claims under the Energy Employees Occupational Illness Compensation Program Act of 2000 as of the date of such report.

(2) The report shall include for each facility with respect to which the Secretary has received one or more claims under that Act the following:

(A) The number of claims received with respect to such facility that have been denied, including the percentage of the total number of claims received with respect to such facility that have been denied.

(B) The reasons for the denial of such claims, including the number of claims denied for each such reason.

SEC. 3135. REPORT ON INTEGRATION ACTIVITIES OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY WITH RESPECT TO ROBUST NUCLEAR EARTH PENETRATOR.

Section 1032 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2643; 10 U.S.C. 2358 note) is amended by adding at the end the following new subsection:

“(e) **INTEGRATION ACTIVITIES IN FISCAL YEAR 2003 WITH RESPECT TO RNEP.**—The report under subsection (a) that is due on April 1, 2004, shall include, in addition to the elements specified in subsection (b), a description of the integration and interoperability of the research and development, procurement, and other activities undertaken during fiscal year 2003 by the Department of Defense and the Department of Energy with respect to the Robust Nuclear Earth Penetrator.”.

Subtitle E—Consolidation of National Security Provisions

50 USC 2501
note.

SEC. 3141. TRANSFER AND CONSOLIDATION OF RECURRING AND GENERAL PROVISIONS ON DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) **PURPOSE.**—

(1) **IN GENERAL.**—The purpose of this section is to assemble together, without substantive amendment but with technical and conforming amendments of a non-substantive nature, recurring and general provisions of law on Department of Energy national security programs that remain in force in order to consolidate and organize such provisions of law into a single Act intended to comprise general provisions of law on such programs.

(2) CONSTRUCTION OF TRANSFERS.—The transfer of a provision of law by this section shall not be construed as amending, altering, or otherwise modifying the substantive effect of such provision.

(3) TREATMENT OF SATISFIED REQUIREMENTS.—Any requirement in a provision of law transferred under this section (including a requirement that an amendment to law be executed) that has been fully satisfied in accordance with the terms of such provision of law as of the date of transfer under this section shall be treated as so fully satisfied, and shall not be treated as being revived solely by reason of transfer under this section.

(4) CLASSIFICATION.—The provisions of the Atomic Energy Defense Act, as amended by this section, shall be classified to the United States Code as a new chapter of title 50, United States Code.

(b) DIVISION HEADING.—The Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) is amended by adding at the end the following new division heading:

**“DIVISION D—ATOMIC ENERGY
DEFENSE PROVISIONS”.**

(c) SHORT TITLE; TABLE OF CONTENTS; DEFINITION.—

(1) SHORT TITLE; TABLE OF CONTENTS.—Section 3601 of the Atomic Energy Defense Act (title XXXVI of Public Law 107–314; 116 Stat. 2756), is—

42 USC 7101
note, 50 USC
2501 note.

(A) transferred to the end of the Bob Stump National Defense Authorization Act for Fiscal Year 2003;

(B) redesignated as section 4001;

(C) inserted after the heading for division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by subsection (b); and

(D) amended—

(i) by amending the heading to read as follows:

“SEC. 4001. SHORT TITLE; TABLE OF CONTENTS.”;

(ii) by striking “This title” and inserting “(a) SHORT TITLE.—This division”; and

50 USC 2501
note.

(iii) by adding at the end the following:

“(b) TABLE OF CONTENTS.—The table of contents for this division is as follows:

“DIVISION D—ATOMIC ENERGY DEFENSE PROVISIONS

“Sec. 4001. Short title; table of contents.

“Sec. 4002. Definition.

“TITLE XLI—ORGANIZATIONAL MATTERS

“Sec. 4101. Naval Nuclear Propulsion Program.

“Sec. 4102. Management structure for nuclear weapons production facilities and nuclear weapons laboratories.

“Sec. 4103. Restriction on licensing requirement for certain defense activities and facilities.

“TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

“Subtitle A—Stockpile Stewardship and Weapons Production

“Sec. 4201. Stockpile stewardship program.

- “Sec. 4202. Report on stockpile stewardship criteria.
- “Sec. 4203. Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile.
- “Sec. 4204. Nuclear weapons stockpile life extension program.
- “Sec. 4205. Annual assessments and reports to the President and Congress regarding the condition of the United States nuclear weapons stockpile.
- “Sec. 4206. Form of certifications regarding the safety or reliability of the nuclear weapons stockpile.
- “Sec. 4207. Nuclear test ban readiness program.
- “Sec. 4208. Study on nuclear test readiness postures.
- “Sec. 4209. Requirements for specific request for new or modified nuclear weapons.
- “Sec. 4210. Limitation on underground nuclear weapons tests.
- “Sec. 4211. Testing of nuclear weapons.
- “Sec. 4212. Manufacturing infrastructure for refabrication and certification of nuclear weapons stockpile.
- “Sec. 4213. Reports on critical difficulties at nuclear weapons laboratories and nuclear weapons production plants.

“Subtitle B—Tritium

- “Sec. 4231. Tritium production program.
- “Sec. 4232. Tritium recycling.
- “Sec. 4233. Tritium production.
- “Sec. 4234. Modernization and consolidation of tritium recycling facilities.
- “Sec. 4235. Procedures for meeting tritium production requirements.

“TITLE XLIII—PROLIFERATION MATTERS

- “Sec. 4301. International cooperative stockpile stewardship.
- “Sec. 4302. Nonproliferation initiatives and activities.
- “Sec. 4303. Annual report on status of Nuclear Materials Protection, Control, and Accounting Program.
- “Sec. 4304. Nuclear Cities Initiative.
- “Sec. 4305. Authority to conduct program relating to fissile materials.
- “Sec. 4306. Disposition of weapons-usable plutonium at Savannah River Site.
- “Sec. 4306A. Disposition of surplus defense plutonium at Savannah River Site, Aiken, South Carolina.

“TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

“Subtitle A—Environmental Restoration and Waste Management

- “Sec. 4401. Defense Environmental Restoration and Waste Management Account.
- “Sec. 4402. Requirement to develop future use plans for environmental management program.
- “Sec. 4403. Integrated fissile materials management plan.
- “Sec. 4404. Baseline environmental management reports.
- “Sec. 4405. Accelerated schedule for environmental restoration and waste management activities.
- “Sec. 4406. Defense waste cleanup technology program.
- “Sec. 4407. Report on environmental restoration expenditures.
- “Sec. 4408. Public participation in planning for environmental restoration and waste management at defense nuclear facilities.

“Subtitle B—Closure of Facilities

- “Sec. 4421. Projects to accelerate closure activities at defense nuclear facilities.
- “Sec. 4422. Reports in connection with permanent closures of Department of Energy defense nuclear facilities.

“Subtitle C—Privatization

- “Sec. 4431. Defense environmental management privatization projects.

“Subtitle D—Hanford Reservation, Washington

- “Sec. 4441. Safety measures for waste tanks at Hanford nuclear reservation.
- “Sec. 4442. Hanford waste tank cleanup program reforms.
- “Sec. 4443. River Protection Project.
- “Sec. 4444. Funding for termination costs of River Protection Project, Richland, Washington.

“Subtitle E—Savannah River Site, South Carolina

- “Sec. 4451. Accelerated schedule for isolating high-level nuclear waste at the defense waste processing facility, Savannah River Site.

- “Sec. 4452. Multi-year plan for clean-up.
- “Sec. 4453. Continuation of processing, treatment, and disposal of legacy nuclear materials.
- “Sec. 4453A. Continuation of processing, treatment, and disposition of legacy nuclear materials.
- “Sec. 4453B. Continuation of processing, treatment, and disposition of legacy nuclear materials.
- “Sec. 4453C. Continuation of processing, treatment, and disposal of legacy nuclear materials.
- “Sec. 4453D. Continuation of processing, treatment, and disposal of legacy nuclear materials.
- “Sec. 4454. Limitation on use of funds for decommissioning F-canyon facility.

“TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

“Subtitle A—Safeguards and Security

- “Sec. 4501. Prohibition on international inspections of Department of Energy facilities unless protection of Restricted Data is certified.
- “Sec. 4502. Restrictions on access to national laboratories by foreign visitors from sensitive countries.
- “Sec. 4503. Background investigations of certain personnel at Department of Energy facilities.
- “Sec. 4504. Department of Energy counterintelligence polygraph program.
- “Sec. 4504A. Counterintelligence polygraph program.
- “Sec. 4505. Notice to congressional committees of certain security and counterintelligence failures within nuclear energy defense programs.
- “Sec. 4506. Submittal of annual report on status of security functions at nuclear weapons facilities.
- “Sec. 4507. Report on counterintelligence and security practices at national laboratories.
- “Sec. 4508. Report on security vulnerabilities of national laboratory computers.

“Subtitle B—Classified Information

- “Sec. 4521. Review of certain documents before declassification and release.
- “Sec. 4522. Protection against inadvertent release of Restricted Data and Formerly Restricted Data.
- “Sec. 4523. Supplement to plan for declassification of Restricted Data and Formerly Restricted Data.
- “Sec. 4524. Protection of classified information during laboratory-to-laboratory exchanges.
- “Sec. 4525. Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities.

“Subtitle C—Emergency Response

- “Sec. 4541. Responsibility for Defense Programs Emergency Response Program.

“TITLE XLVI—PERSONNEL MATTERS

“Subtitle A—Personnel Management

- “Sec. 4601. Authority for appointment of certain scientific, engineering, and technical personnel.
- “Sec. 4602. Whistleblower protection program.
- “Sec. 4603. Employee incentives for employees at closure project facilities.
- “Sec. 4604. Department of Energy defense nuclear facilities workforce restructuring plan.
- “Sec. 4605. Authority to provide certificate of commendation to Department of Energy and contractor employees for exemplary service in stockpile stewardship and security.

“Subtitle B—Education and Training

- “Sec. 4621. Executive management training in the Department of Energy.
- “Sec. 4622. Stockpile stewardship recruitment and training program.
- “Sec. 4623. Fellowship program for development of skills critical to the Department of Energy nuclear weapons complex.

“Subtitle C—Worker Safety

- “Sec. 4641. Worker protection at nuclear weapons facilities.
- “Sec. 4642. Safety oversight and enforcement at defense nuclear facilities.
- “Sec. 4643. Program to monitor Department of Energy workers exposed to hazardous and radioactive substances.
- “Sec. 4644. Programs for persons who may have been exposed to radiation released from Hanford nuclear reservation.

“TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS**“Subtitle A—Recurring National Security Authorization Provisions**

- “Sec. 4701. Definitions.
- “Sec. 4702. Reprogramming.
- “Sec. 4703. Minor construction projects.
- “Sec. 4704. Limits on construction projects.
- “Sec. 4705. Fund transfer authority.
- “Sec. 4706. Conceptual and construction design.
- “Sec. 4707. Authority for emergency planning, design, and construction activities.
- “Sec. 4708. Scope of authority to carry out plant projects.
- “Sec. 4709. Availability of funds.
- “Sec. 4710. Transfer of defense environmental management funds.
- “Sec. 4711. Transfer of weapons activities funds.
- “Sec. 4712. Funds available for all national security programs of the Department of Energy.

“Subtitle B—Penalties

- “Sec. 4721. Restriction on use of funds to pay penalties under environmental laws.
- “Sec. 4722. Restriction on use of funds to pay penalties under Clean Air Act.

“Subtitle C—Other Matters

- “Sec. 4731. Single request for authorization of appropriations for common defense and security programs.

“TITLE XLVIII—ADMINISTRATIVE MATTERS**“Subtitle A—Contracts**

- “Sec. 4801. Costs not allowed under covered contracts.
- “Sec. 4802. Prohibition and report on bonuses to contractors operating defense nuclear facilities.
- “Sec. 4803. Contractor liability for injury or loss of property arising out of atomic weapons testing programs.

“Subtitle B—Research and Development

- “Sec. 4811. Laboratory-directed research and development programs.
- “Sec. 4812. Limitations on use of funds for laboratory directed research and development purposes.
- “Sec. 4812A. Limitation on use of funds for certain research and development purposes.
- “Sec. 4813. Critical technology partnerships.
- “Sec. 4814. University-based research collaboration program.

“Subtitle C—Facilities Management

- “Sec. 4831. Transfers of real property at certain Department of Energy facilities.
- “Sec. 4832. Engineering and manufacturing research, development, and demonstration by plant managers of certain nuclear weapons production plants.
- “Sec. 4833. Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets.

“Subtitle D—Other Matters

- “Sec. 4851. Semiannual reports on local impact assistance.
- “Sec. 4852. Payment of costs of operation and maintenance of infrastructure at Nevada Test Site.”.

(2) DEFINITION.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new section:

50 USC 2501.

“SEC. 4002. DEFINITION.

“In this division, the term ‘congressional defense committees’ means—

“(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.”.

(d) ORGANIZATIONAL MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following:

**“TITLE XLI—ORGANIZATIONAL
MATTERS”.**

(2) NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 98 Stat. 2649), is—

50 USC 2511.
42 USC 7158
note.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) inserted after the title heading for such title, as so added; and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

“SEC. 4101. NAVAL NUCLEAR PROPULSION PROGRAM.”;

and

(ii) by striking “SEC. 1634.”.

(3) MANAGEMENT STRUCTURE FOR FACILITIES AND LABORATORIES.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2833), is—

50 USC 2512.

42 USC 7252
note.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4102;

(C) inserted after section 4101, as added by paragraph (2); and

(D) amended in subsection (d)(2), by striking “120 days after the date of the enactment of this Act,” and inserting “January 21, 1997,”.

50 USC 2512.

(4) RESTRICTION ON LICENSING REQUIREMENTS FOR CERTAIN ACTIVITIES AND FACILITIES.—Section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3202), is—

50 USC 2513.

42 USC 7272.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4102, as added by paragraph (3); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

**“SEC. 4103. RESTRICTION ON LICENSING REQUIREMENT FOR CERTAIN
DEFENSE ACTIVITIES AND FACILITIES.”;**

(ii) by striking “SEC. 210.”; and

(iii) by striking “this or any other Act” and inserting “the Department of Energy National Security and Military Applications of Nuclear Energy”

50 USC 2513.

Authorization Act of 1981 (Public Law 96–540) or any other Act”.

(e) NUCLEAR WEAPONS STOCKPILE MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

“Subtitle A—Stockpile Stewardship and Weapons Production”.

50 USC 2521.
42 USC 2121
note.

(2) STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946), as amended by section 3152(e) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2042), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4201; and

(C) inserted after the heading for subtitle A of such title, as so added.

50 USC 2522.
42 USC 2121
note.

(3) STOCKPILE STEWARDSHIP CRITERIA.—Section 3158 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2257), as amended, is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4202; and

(C) inserted after section 4201, as added by paragraph

(2).

50 USC 2523.
42 USC 2121
note.

(4) PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN STOCKPILE.—Section 3151 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2041), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4203; and

(C) inserted after section 4202, as added by paragraph

(3).

50 USC 2524.
42 USC 2121
note.

(5) STOCKPILE LIFE EXTENSION PROGRAM.—Section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4204;

(C) inserted after section 4203, as added by paragraph

(4); and

Ante, p. 1743.

(D) amended in subsection (c)(1) by striking “the date of the enactment of this Act” and inserting “October 5, 1999”.

(6) ANNUAL ASSESSMENTS AND REPORTS ON CONDITION OF STOCKPILE.—Section 3141 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2730), is—

50 USC 2525.

42 USC 7274s.

(A) transferred to title XLII of such Act, as amended by this subsection;

(B) redesignated as section 4205;

(C) inserted after section 4204, as added by paragraph (5); and

(D) amended in subsection (d)(3)(B) by striking “section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note)” and inserting “section 4212”.

50 USC 2525.

(7) FORM OF CERTAIN CERTIFICATIONS REGARDING STOCKPILE.—Section 3194 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481), is—

42 USC 2121
note, 50 USC
2526.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4206; and

(C) inserted after section 4205, as added by paragraph

(6).

(8) NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075), is—

42 USC 2121
note, 50 USC
2527.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4207;

(C) inserted after section 4206, as added by paragraph

(7); and

(D) amended in the section heading by adding a period at the end.

50 USC 2527.

(9) STUDY ON NUCLEAR TEST READINESS POSTURES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 623), as amended by section 3192 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

42 USC 2121
note, 50 USC
2528.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4208; and

(C) inserted after section 4207, as added by paragraph

(8).

(10) REQUIREMENTS FOR REQUESTS FOR NEW OR MODIFIED NUCLEAR WEAPONS.—Section 3143 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2733), is—

50 USC 2529.

42 USC 7271d.

(A) transferred to title XLII of such Act, as amended by this subsection;

(B) redesignated as section 4209; and

(C) inserted after section 4208, as added by paragraph

(9).

42 USC 2121
note, 50 USC
2530.

(11) LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS.—Subsection (f) of section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–337; 106 Stat. 1345), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4209, as added by paragraph (10); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4210. LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS.”;

and

(ii) by striking “(f)”.

50 USC 2531.
42 USC 2121
note.

(12) TESTING OF NUCLEAR WEAPONS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4211;

(C) inserted after section 4210, as added by paragraph (11); and

50 USC 2531.

(D) amended—

(i) in subsection (a), by inserting “of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160)” after “section 3101(a)(2)”; and

(ii) in subsection (b), by striking “this Act” and inserting “the National Defense Authorization Act for Fiscal Year 1994”.

50 USC 2532.

(13) MANUFACTURING INFRASTRUCTURE FOR STOCKPILE.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620), as amended by section 3132 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2829), is—

42 USC 2121
note.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4212;

(C) inserted after section 4211, as added by paragraph (12); and

50 USC 2532.

(D) amended in subsection (d) by inserting “of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)” after “section 3101(b)”.

10 USC 179,
50 USC 2533.
42 USC 72740.

(14) REPORTS ON CRITICAL DIFFICULTIES AT LABORATORIES AND PLANTS.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2842), as amended by section 1305 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1954) and section 3163 of the National Defense

Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 944), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4213; and

(C) inserted after section 4212, as added by paragraph (13).

(15) SUBTITLE HEADING ON TRITIUM.—Title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Tritium”.

(16) TRITIUM PRODUCTION PROGRAM.—Section 3133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 618), is—

42 USC 2121
note, 50 USC
2541.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4231;

(C) inserted after the heading for subtitle B of such title XLII, as added by paragraph (15); and

(D) amended—

50 USC 2541.

(i) by striking “the date of the enactment of this Act” each place it appears and inserting “February 10, 1996”; and

(ii) in subsection (b), by inserting “of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)” after “section 3101”.

(17) TRITIUM RECYCLING.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620), is—

50 USC 2542.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4232; and

(C) inserted after section 4231, as added by paragraph (16).

(18) TRITIUM PRODUCTION.—Subsections (c) and (d) of section 3133 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830) are—

50 USC 2543.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4232, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4233. TRITIUM PRODUCTION.”;

(ii) by redesignating such subsections as subsections (a) and (b), respectively; and

(iii) in subsection (a), as so redesignated, by inserting “of Energy” after “The Secretary”.

50 USC 2544.

(19) MODERNIZATION AND CONSOLIDATION OF TRITIUM RECYCLING FACILITIES.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4234;

(C) inserted after section 4233, as added by paragraph (18); and

(D) amended in subsection (b) by inserting “of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)” after “section 3101”.

50 USC 2545.

(20) PROCEDURES FOR MEETING TRITIUM PRODUCTION REQUIREMENTS.—Section 3134 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4235; and

(C) inserted after section 4234, as added by paragraph (19).

(f) PROLIFERATION MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new title heading:

“TITLE XLIII—PROLIFERATION MATTERS”.

42 USC 7273c, 50
USC 2561.

(2) INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.—Section 3133 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2036), as amended by sections 1069 and 3131 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2136, 2246), is—

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4301;

(C) inserted after the heading for such title, as so added; and

50 USC 2561.

(D) amended in subsection (b)(3) by striking “this Act” and inserting “the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)”.

50 USC 2562.

(3) NONPROLIFERATION INITIATIVES AND ACTIVITIES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927), is—

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4302;

(C) inserted after section 4301, as added by paragraph (2); and

(D) amended in subsection (b)(1) by striking “this title” and inserting “title XXXI of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65)”.

(4) ANNUAL REPORT ON MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.—Section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–475), is—

22 USC 5952
note, 50 USC
2563.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4303;

(C) inserted after section 4302, as added by paragraph (3); and

(D) amended in subsection (c)(1) by striking “this Act” and inserting “the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398)”.

50 USC 2563.

(5) NUCLEAR CITIES INITIATIVE.—Section 3172 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–476), is—

50 USC 2564.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4304; and

(C) inserted after section 4303, as added by paragraph

(4).

(6) PROGRAMS ON FISSILE MATERIALS.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617), as amended by section 3152 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2738), is—

22 USC 5952
note, 50 USC
2565.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4305; and

(C) inserted after section 4304, as added by paragraph

(5).

(7) DISPOSITION OF PLUTONIUM.—

(A) DISPOSITION OF WEAPONS USABLE PLUTONIUM.—Section 3182 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2747), is—

50 USC 2566.

(i) transferred to title XLIII of such Act, as amended by this subsection;

(ii) redesignated as section 4306; and

(iii) inserted after section 4305, as added by paragraph (6).

(B) DISPOSITION OF SURPLUS DEFENSE PLUTONIUM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1378), is—

50 USC 2567.

(i) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4306A; and

(iii) inserted after section 4306, as added by subparagraph (A).

(g) ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

“Subtitle A—Environmental Restoration and Waste Management”.

42 USC 7274f,
50 USC 2581.

(2) DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT ACCOUNT.—Section 3134 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1575), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4401; and

(C) inserted after the heading for subtitle A of such title, as so added.

42 USC 7274k
note, 50 USC
2582.

(3) FUTURE USE PLANS FOR ENVIRONMENTAL MANAGEMENT PROGRAM.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4402;

(C) inserted after section 4401, as added by paragraph (2); and

50 USC 2582.

(D) amended—

(i) in subsection (d), by striking “the date of the enactment of this Act” and inserting “September 23, 1996,”; and

(ii) in subsection (h)(1), by striking “the date of the enactment of this Act” and inserting “September 23, 1996”.

50 USC 2583.

(4) INTEGRATED FISSILE MATERIALS MANAGEMENT PLAN.—Section 3172 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 948), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4403; and

(C) inserted after section 4402, as added by paragraph (3).

- (5) **BASELINE ENVIRONMENTAL MANAGEMENT REPORTS.**—Section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1950), as amended by section 3160 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3094), section 3152 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839), and section 3160 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048), is—
- (A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (B) redesignated as section 4404; and
- (C) inserted after section 4403, as added by paragraph (4).
- (6) **ACCELERATED SCHEDULE FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.**—Section 3156 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625), is—
- (A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (B) redesignated as section 4405;
- (C) inserted after section 4404, as added by paragraph (5); and
- (D) amended in subsection (b)(2) by inserting before the period the following: “, the predecessor provision to section 4404 of this Act”.
- (7) **DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.**—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679), is—
- (A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (B) redesignated as section 4406;
- (C) inserted after section 4405, as added by paragraph (6); and
- (D) amended in the section heading by adding a period at the end.
- (8) **REPORT ON ENVIRONMENTAL RESTORATION EXPENDITURES.**—Section 3134 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833), is—
- (A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (B) redesignated as section 4407;
- (C) inserted after section 4406, as added by paragraph (7); and
- (D) amended in the section heading by adding a period at the end.
- (9) **PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.**—Subsection (e) of section 3160 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095), is—

42 USC 7274k,
50 USC 2584.

42 USC 7274k
note, 50 USC
2585.

50 USC 2585.

42 USC 7274a,
50 USC 2586.

50 USC 2586.

42 USC 7274c,
50 USC 2587.

50 USC 2587.

42 USC 7274g
note, 50 USC
2588.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4407, as added by paragraph (8); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4408. PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT AT DEFENSE NUCLEAR FACILITIES.”;

and

(ii) by striking “(e) PUBLIC PARTICIPATION IN PLANNING.—”.

(10) SUBTITLE HEADING ON CLOSURE OF FACILITIES.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Closure of Facilities”.

42 USC 7274n,
50 USC 2601.

(11) PROJECTS TO ACCELERATE CLOSURE ACTIVITIES AT DEFENSE NUCLEAR FACILITIES.—Section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4421;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10); and

50 USC 2601.

(D) amended in subsection (i) by striking “the expiration of the 15-year period beginning on the date of the enactment of this Act” and inserting “September 23, 2011”.

42 USC 7274b,
50 USC 2602.

(12) REPORTS IN CONNECTION WITH PERMANENT CLOSURE OF DEFENSE NUCLEAR FACILITIES.—Section 3156 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1683), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4422;

(C) inserted after section 4421, as added by paragraph (11); and

50 USC 2602.

(D) amended in the section heading by adding a period at the end.

(13) SUBTITLE HEADING ON PRIVATIZATION.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Privatization”.

(14) DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034), is—

50 USC 2611.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4431;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (13); and

(D) amended—

(i) in subsections (a), (c)(1)(B)(i), and (d), by inserting “of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)” after “section 3102(i)”; and

(ii) in subsections (c)(1)(B)(ii) and (f), by striking “the date of enactment of this Act” and inserting “November 18, 1997”.

(15) SUBTITLE HEADING ON HANFORD RESERVATION.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

**“Subtitle D—Hanford Reservation,
Washington”.**

(16) SAFETY MEASURES FOR WASTE TANKS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833), is—

50 USC 2621.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4441;

(C) inserted after the heading for subtitle D of such title, as added by paragraph (15); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking “Within 90 days after the date of the enactment of this Act,” and inserting “Not later than February 3, 1991,”;

(iii) in subsection (b), by striking “Within 120 days after the date of the enactment of this Act,” and inserting “Not later than March 5, 1991,”;

(iv) in subsection (c), by striking “Beginning 120 days after the date of the enactment of this Act,” and inserting “Beginning March 5, 1991,”; and

(v) in subsection (d), by striking “Within six months after the date of the enactment of this Act,” and inserting “Not later than May 5, 1991,”.

(17) WASTE TANK CLEANUP PROGRAM.—Section 3139 of the Strom Thurmond National Defense Authorization Act for Fiscal

50 USC 2622.

Year 1999 (Public Law 105–261; 112 Stat. 2250), as amended by section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–463) and section 3135 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4442;

(C) inserted after section 4441, as added by paragraph (16); and

(D) amended in subsection (d) by striking “30 days after the date of the enactment of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001,” and inserting “November 29, 2000,”.

50 USC 2623.

(18) RIVER PROTECTION PROJECT.—Subsection (a) of section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–462), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4442, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4443. RIVER PROTECTION PROJECT.”;

and

(ii) by striking “(a) REDESIGNATION OF PROJECT.—”.

50 USC 2624.

(19) FUNDING FOR TERMINATION COSTS OF RIVER PROTECTION PROJECT.—Section 3131 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–454), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4444;

(C) inserted after section 4443, as added by paragraph (18); and

(D) amended—

(i) by striking “section 3141” and inserting “section 4443”; and

(ii) by striking “the date of the enactment of this Act” and inserting “October 30, 2000”.

(20) SUBTITLE HEADING ON SAVANNAH RIVER SITE, SOUTH CAROLINA.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

**“Subtitle E—Savannah River Site, South
Carolina”.**

(21) ACCELERATED SCHEDULE FOR ISOLATING HIGH-LEVEL NUCLEAR WASTE AT DEFENSE WASTE PROCESSING FACILITY.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834), is—

50 USC 2631.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as 4451; and

(C) inserted after the heading for subtitle E of such title, as added by paragraph (20).

(22) MULTI-YEAR PLAN FOR CLEAN-UP.—Subsection (e) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834), is—

50 USC 2632.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4451, as added by paragraph (21); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4452. MULTI-YEAR PLAN FOR CLEAN-UP.”;

and

(ii) by striking “(e) MULTI-YEAR PLAN FOR CLEAN-UP AT SAVANNAH RIVER SITE.—The Secretary” and inserting “The Secretary of Energy”.

(23) CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.—

50 USC 2633.

(A) FISCAL YEAR 2001.—Subsection (a) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–460), is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4452, as added by paragraph (22); and

(iii) amended—

(I) by inserting before the text the following new section heading:

“SEC. 4453. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.”;

and

(II) by striking “(a) CONTINUATION.—”.

(B) FISCAL YEAR 2000.—Section 3132 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 924), is—

50 USC 2634.

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4453A; and

- (iii) inserted after section 4453, as added by subparagraph (A).
- 50 USC 2635. (C) FISCAL YEAR 1999.—Section 3135 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 2248), is—
- (i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (ii) redesignated as section 4453B; and
- (iii) inserted after section 4453A, as added by subparagraph (B).
- 50 USC 2636. (D) FISCAL YEAR 1998.—Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85; 111 Stat. 2038), is—
- (i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (ii) inserted after section 4453B, as added by subparagraph (C); and
- (iii) amended—
- (I) by inserting before the text the following new section heading:
- “SEC. 4453C. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.”;**
- and
- (II) by striking “(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—”.
- 50 USC 2637. (E) FISCAL YEAR 1997.—Subsection (f) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2836), is—
- (i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;
- (ii) inserted after section 4453C, as added by subparagraph (D); and
- (iii) amended—
- (I) by inserting before the text the following new section heading:
- “SEC. 4453D. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.”;**
- (II) by striking “(f) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.— The Secretary” and inserting “The Secretary of Energy”; and
- (III) by striking “subsection (e)” and inserting “section 4452”.
- 50 USC 2638. (24) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F-CANYON FACILITY.—Subsection (b) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-460), is—
- (A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4453D, as added by paragraph (23)(E); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4454. LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F-CANYON FACILITY.”;

(ii) by striking “(b) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F-CANYON FACILITY.—”;

(iii) by striking “this or any other Act” and inserting “the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) or any other Act”; and

(iv) by striking “the Secretary” in the matter preceding paragraph (1) and inserting “the Secretary of Energy”.

(h) SAFEGUARDS AND SECURITY MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

“Subtitle A—Safeguards and Security”.

(2) PROHIBITION ON INTERNATIONAL INSPECTIONS OF FACILITIES WITHOUT PROTECTION OF RESTRICTED DATA.—Section 3154 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624), is—

42 USC 2153
note, 2164 note;
50 USC 2651.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4501;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

50 USC 2651.

(i) by striking “(1) The” and inserting “The”; and

(ii) by striking “(2) For purposes of paragraph (1),” and inserting “(c) RESTRICTED DATA DEFINED.—In this section,”.

(3) RESTRICTIONS ON ACCESS TO LABORATORIES BY FOREIGN VISITORS FROM SENSITIVE COUNTRIES.—Section 3146 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935), is—

42 USC 7383c,
50 USC 2652.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4502;

(C) inserted after section 4501, as added by paragraph (2); and

(D) amended—

50 USC 2652.

(i) in subsection (b)(2)—

(I) in the matter preceding subparagraph (A), by striking “30 days after the date of the enactment of this Act” and inserting “on November 4, 1999,”; and

(II) in subparagraph (A), by striking “The date that is 90 days after the date of the enactment of this Act” and inserting “January 3, 2000”;

(ii) in subsection (d)(1), by striking “the date of the enactment of this Act,” and inserting “October 5, 1999,”; and

Definitions.

(iii) in subsection (g), by adding at the end the following new paragraphs:

“(3) The term ‘national laboratory’ means any of the following:

“(A) Lawrence Livermore National Laboratory, Livermore, California.

“(B) Los Alamos National Laboratory, Los Alamos, New Mexico.

“(C) Sandia National Laboratories, Albuquerque, New Mexico and Livermore, California.

“(4) The term ‘Restricted Data’ has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).”.

42 USC 7383a,
50 USC 2653.

(4) BACKGROUND INVESTIGATIONS ON CERTAIN PERSONNEL.—Section 3143 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 934), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4503;

(C) inserted after section 4502, as added by paragraph (3); and

50 USC 2653.

(D) amended—

(i) in subsection (b), by striking “the date of the enactment of this Act” and inserting “October 5, 1999,”; and

(ii) by adding at the end the following new subsection:

“(c) DEFINITIONS.—In this section, the terms ‘national laboratory’ and ‘Restricted Data’ have the meanings given such terms in section 4502(g).”.

42 USC 7383h,
7383h–1; 50 USC
2654.

(5) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—

(A) DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1376), is—

(i) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504;

(iii) inserted after section 4503, as added by paragraph (4); and

50 USC 2654,
2655.

(iv) amended in subsection (c) by striking “section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public

Law 106–65; 42 U.S.C. 7383h)” and inserting “section 4504A”.

(B) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3154 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 941), as amended by section 3135 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–456), is—

42 USC 7383h,
50 USC 2655.

(i) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504A;

(iii) inserted after section 4504, as added by subparagraph (A); and

(iv) amended in subsection (h) by striking “180 days after the date of the enactment of this Act,” and inserting “April 5, 2000,”.

50 USC 2655.

(6) NOTICE OF SECURITY AND COUNTERINTELLIGENCE FAILURES.—Section 3150 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 939), is—

42 USC 7383d,
50 USC 2656.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4505; and

(C) inserted after section 4504A, as added by paragraph (5)(B).

(7) ANNUAL REPORT ON SECURITY FUNCTIONS AT NUCLEAR WEAPONS FACILITIES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2049), is—

42 USC 7274m
note, 50 USC
2657.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4506;

(C) inserted after section 4505, as added by paragraph (6); and

(D) amended in subsection (b) by inserting “of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048; 42 U.S.C. 7251 note)” after “section 3161”.

50 USC 2657.

(8) REPORT ON COUNTERINTELLIGENCE AND SECURITY PRACTICES AT LABORATORIES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940), is—

42 USC 7383f,
50 USC 2658.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4507;

(C) inserted after section 4506, as added by paragraph (7); and

(D) amended by adding at the end the following new subsection:

50 USC 2658.

“(c) NATIONAL LABORATORY DEFINED.—In this section, the term ‘national laboratory’ has the meaning given that term in section 4502(g)(3).”.

42 USC 7383g,
50 USC 2659.

(9) REPORT ON SECURITY VULNERABILITIES OF NATIONAL LABORATORY COMPUTERS.—Section 3153 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4508;

(C) inserted after section 4507, as added by paragraph (8); and

50 USC 2659.

(D) amended by adding at the end the following new subsection:

“(f) NATIONAL LABORATORY DEFINED.—In this section, the term ‘national laboratory’ has the meaning given that term in section 4502(g)(3).”.

(10) SUBTITLE HEADING ON CLASSIFIED INFORMATION.—Title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Classified Information”.

42 USC 2162
note, 50 USC
2671.

(11) REVIEW OF CERTAIN DOCUMENTS BEFORE DECLASSIFICATION AND RELEASE.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4521; and

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10).

50 USC 435 note,
2672.

(12) PROTECTION AGAINST INADVERTENT RELEASE OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2259), as amended by section 1067(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 774) and section 3193 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4522;

(C) inserted after section 4521, as added by paragraph (11); and

50 USC 2672.

(D) amended—

(i) in subsection (c)(1), by striking “the date of the enactment of this Act” and inserting “October 17, 1998”;

(ii) in subsection (f)(1), by striking “the date of the enactment of this Act” and inserting “October 17, 1998”; and

(iii) in subsection (f)(2), by striking “The Secretary” and inserting “Commencing with inadvertent releases discovered on or after October 30, 2000, the Secretary”.

(13) SUPPLEMENT TO PLAN FOR DECLASSIFICATION OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3149 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 938), is—

50 USC 435 note, 2673.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4523;

(C) inserted after section 4522, as added by paragraph (12); and

(D) amended—

50 USC 2673.

(i) in subsection (a), by striking “subsection (a) of section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2260; 50 U.S.C. 435 note)” and inserting “subsection (a) of section 4522”;

(ii) in subsection (b)—

(I) by striking “section 3161(b)(1) of that Act” and inserting “subsection (b)(1) of section 4522”; and

(II) by striking “the date of the enactment of that Act” and inserting “October 17, 1998,”;

(iii) in subsection (c)—

(I) by striking “section 3161(c) of that Act” and inserting “subsection (c) of section 4522”; and

(II) by striking “section 3161(a) of that Act” and inserting “subsection (a) of such section”; and

(iv) in subsection (d), by striking “section 3161(d) of that Act” and inserting “subsection (d) of section 4522”.

(14) PROTECTION OF CLASSIFIED INFORMATION DURING LABORATORY-TO-LABORATORY EXCHANGES.—Section 3145 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935), is—

42 USC 7383b, 50 USC 2674.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4524; and

(C) inserted after section 4523, as added by paragraph (13).

(15) IDENTIFICATION IN BUDGETS OF AMOUNT FOR DECLASSIFICATION ACTIVITIES.—Section 3173 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 949), is—

50 USC 435 note, 2675.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4525;

(C) inserted after section 4524, as added by paragraph (14); and

(D) amended in subsection (b) by striking “the date of the enactment of this Act” and inserting “October 5, 1999,”.

50 USC 2675.

(16) SUBTITLE HEADING ON EMERGENCY RESPONSE.—Title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Emergency Response”.

50 USC 2691.

(17) RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4541; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (16).

(i) PERSONNEL MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLVI—PERSONNEL MATTERS

“Subtitle A—Personnel Management”.

42 USC 7231
note, 50 USC
2701.

(2) AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095), as amended by section 3139 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2040), sections 3152 and 3155 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2253, 2257), and section 3191 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4601; and

(C) inserted after the heading for subtitle A of such title, as so added.

42 USC 7239,
50 USC 2702.

(3) WHISTLEBLOWER PROTECTION PROGRAM.—Section 3164 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 946), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4602;

(C) inserted after section 4601, as added by paragraph (2); and

(D) amended in subsection (n) by striking “60 days after the date of the enactment of this Act,” and inserting “December 5, 1999.”

(4) EMPLOYEE INCENTIVES FOR WORKERS AT CLOSURE PROJECT FACILITIES.—Section 3136 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–458), is—

42 USC 7274n
note, 50 USC
2703.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4603;

(C) inserted after section 4602, as added by paragraph (3); and

(D) amended—

50 USC 2703.

(i) in subsections (c) and (i)(1)(A), by striking “section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)” and inserting “section 4421”; and

(ii) in subsection (g), by striking “section 3143(h) of the National Defense Authorization Act for Fiscal Year 1997” and inserting “section 4421(h)”.

(5) DEFENSE NUCLEAR FACILITY WORKFORCE RESTRUCTURING PLAN.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644), as amended by section 1070(c)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2857), Public Law 105–277 (112 Stat. 2681–419, 2681–430), and section 1048(h)(1) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1229), is—

42 USC 7274h,
50 USC 2704.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4604;

(C) inserted after section 4603, as added by paragraph (4); and

(D) amended—

50 USC 2704.

(i) in subsection (a), by striking “(hereinafter in this subtitle referred to as the ‘Secretary’)”; and

(ii) by adding at the end the following new subsection:

“(g) DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY DEFINED.—In this section, the term ‘Department of Energy defense nuclear facility’ means—

“(1) a production facility or utilization facility (as those terms are defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014)) that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the tritium loading facility at Savannah River, South Carolina, the 236 H facility at Savannah River, South Carolina; and the Mound Laboratory, Ohio), but the term does not include any facility that does not conduct atomic energy defense activities and does not include any facility or activity covered by Executive Order Number 12344, dated February 1, 1982, pertaining to the naval nuclear propulsion program;

“(2) a nuclear waste storage or disposal facility that is under the control or jurisdiction of the Secretary;

“(3) a testing and assembly facility that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the Nevada Test Site, Nevada; the Pinnellas Plant, Florida; and the Pantex facility, Texas);

“(4) an atomic weapons research facility that is under the control or jurisdiction of the Secretary (including Lawrence Livermore, Los Alamos, and Sandia National Laboratories); or

“(5) any facility described in paragraphs (1) through (4) that—

“(A) is no longer in operation;

“(B) was under the control or jurisdiction of the Department of Defense, the Atomic Energy Commission, or the Energy Research and Development Administration; and

“(C) was operated for national security purposes.”

42 USC 2121
note, 50 USC
2705.

(6) AUTHORITY TO PROVIDE CERTIFICATE OF COMMENDATION TO EMPLOYEES.—Section 3195 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4605; and

(C) inserted after section 4604, as added by paragraph

(5).

(7) SUBTITLE HEADING ON EDUCATION AND TRAINING.—Title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Education and Training”.

42 USC 7236,
50 USC 2721.

(8) EXECUTIVE MANAGEMENT TRAINING.—Section 3142 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1680), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4621;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (7); and

50 USC 2721.

(D) amended in the section heading by adding a period at the end.

50 USC 2722.

(9) STOCKPILE STEWARDSHIP RECRUITMENT AND TRAINING PROGRAM.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3085), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4622;

(C) inserted after section 4621, as added by paragraph (8); and

(D) amended—

(i) in subsection (a)(1), by striking “section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note)” and inserting “section 4201”; and

(ii) in subsection (b)(2), by inserting “of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)” after “section 3101(a)(1)”.

(10) FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO NUCLEAR WEAPONS COMPLEX.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 621), as amended by section 3162 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 943), is—

42 USC 2121
note, 50 USC
2723.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4623; and

(C) inserted after section 4622, as added by paragraph

(9).

(11) SUBTITLE HEADING ON WORKER SAFETY.—Title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Worker Safety”.

(12) WORKER PROTECTION AT NUCLEAR WEAPONS FACILITIES.—Section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571), is—

42 USC 7274d,
50 USC 2731.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4641;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (11); and

(D) amended in subsection (e) by inserting “of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190)” after “section 3101(9)(A)”.

50 USC 2731.

(13) SAFETY OVERSIGHT AND ENFORCEMENT AT DEFENSE NUCLEAR FACILITIES.—Section 3163 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3097), is—

42 USC 7274m,
50 USC 2732.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4642;

(C) inserted after section 4641, as added by paragraph (12); and

(D) amended in subsection (b) by striking “90 days after the date of the enactment of this Act,” and inserting “January 5, 1995,”.

50 USC 2732.

(14) PROGRAM TO MONITOR WORKERS AT DEFENSE NUCLEAR FACILITIES EXPOSED TO HAZARDOUS OR RADIOACTIVE SUBSTANCES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2646), is—

42 USC 7274i, 50
USC 2733.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4643;

(C) inserted after section 4642, as added by paragraph (13); and

50 USC 2733.

(D) amended—

(i) in subsection (b)(6), by striking “1 year after the date of the enactment of this Act” and inserting “October 23, 1993”;

(ii) in subsection (c), by striking “180 days after the date of the enactment of this Act,” and inserting “April 23, 1993,”; and

(iii) by adding at the end the following new subsection:

“(d) DEFINITIONS.—In this section:

“(1) The term ‘Department of Energy defense nuclear facility’ has the meaning given that term in section 4604(g).

“(2) The term ‘Department of Energy employee’ means any employee of the Department of Energy employed at a Department of Energy defense nuclear facility, including any employee of a contractor or subcontractor of the Department of Energy employed at such a facility.”.

50 USC 2734.

(15) PROGRAMS FOR PERSONS WHO MAY HAVE BEEN EXPOSED TO RADIATION RELEASED FROM HANFORD RESERVATION.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1834), as amended by section 3138 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3087), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4644;

(C) inserted after section 4643, as added by paragraph (14); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking “this title” and inserting “title XXXI of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510)”;

(iii) in subsection (c)—

(I) in paragraph (2), by striking “six months after the date of the enactment of this Act,” and inserting “May 5, 1991,”; and

(II) in paragraph (3), by striking “18 months after the date of the enactment of this Act,” and inserting “May 5, 1992,”.

(j) BUDGET AND FINANCIAL MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS

“Subtitle A—Recurring National Security Authorization Provisions”.

(2) RECURRING NATIONAL SECURITY AUTHORIZATION PROVISIONS.—Sections 3620 through 3631 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2756) are—

42 USC 7386–
7386k, 50 USC
2741–2752.

(A) transferred to title XLVII of such Act, as added by paragraph (1);

(B) redesignated as sections 4701 through 4712, respectively;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) in section 4702, as so redesignated, by striking “sections 3629 and 3630” and inserting “sections 4710 and 4711”; 50 USC 2742.

(ii) in section 4706(a)(3)(B), as so redesignated, by striking “section 3626” and inserting “section 4707”; 50 USC 2746.

(iii) in section 4707(c), as so redesignated, by striking “section 3625(b)(2)” and inserting “section 4706(b)(2)”; 50 USC 2747.

(iv) in section 4710(c), as so redesignated, by striking “section 3621” and inserting “section 4702”; 50 USC 2750.

(v) in section 4711(c), as so redesignated, by striking “section 3621” and inserting “section 4702”; 50 USC 2751.

and
(vi) in section 4712, as so redesignated, by striking “section 3621” and inserting “section 4702”. 50 USC 2752.

(3) SUBTITLE HEADING ON PENALTIES.—Title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Penalties”.

(4) RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER ENVIRONMENTAL LAWS.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 4063), is—

42 USC 7273a,
50 USC 2761.

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4721;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (3); and

(D) amended in the section heading by adding a period at the end. 50 USC 2761.

(5) RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER CLEAN AIR ACT.—Section 211 of the Department of Energy National Security and Military Applications of Nuclear Energy

42 USC 7273,
50 USC 2762.

Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3203), is—

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4721, as added by paragraph (4); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

“SEC. 4722. RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER CLEAN AIR ACT.”;

(ii) by striking “SEC. 211.”; and

50 USC 2762.

(iii) by striking “this or any other Act” and inserting “the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540) or any other Act”.

(6) SUBTITLE HEADING ON OTHER MATTERS.—Title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Other Matters”.

42 USC 7271,
50 USC 2771.

(7) SINGLE REQUEST FOR AUTHORIZATION OF APPROPRIATIONS FOR COMMON DEFENSE AND SECURITY PROGRAMS.—Section 208 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979 (Public Law 95–509; 92 Stat. 1779), is—

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle C of such title, as added by paragraph (6); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

“SEC. 4731. SINGLE REQUEST FOR AUTHORIZATION OF APPROPRIATIONS FOR COMMON DEFENSE AND SECURITY PROGRAMS.”;

and

(ii) by striking “SEC. 208.”.

(k) ADMINISTRATIVE MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLVIII—ADMINISTRATIVE MATTERS

“Subtitle A—Contracts”.

(2) COSTS NOT ALLOWED UNDER CERTAIN CONTRACTS.—Section 1534 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 774), as amended by section 3131 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1238), is—

42 USC 7256a,
50 USC 2781.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4801;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

50 USC 2781.

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (b)(1), by striking “the date of the enactment of this Act,” and inserting “November 8, 1985,”.

(3) PROHIBITION ON BONUSES TO CONTRACTORS OPERATING DEFENSE NUCLEAR FACILITIES.—Section 3151 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1682), is—

42 USC 7256b,
50 USC 2782.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4802;

(C) inserted after section 4801, as added by paragraph (2); and

(D) amended—

50 USC 2782.

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking “the date of the enactment of this Act” and inserting “November 29, 1989”;

(iii) in subsection (b), by striking “6 months after the date of the enactment of this Act,” and inserting “May 29, 1990,”; and

(iv) in subsection (d), by striking “90 days after the date of the enactment of this Act” and inserting “March 1, 1990”.

(4) CONTRACTOR LIABILITY FOR INJURY OR LOSS OF PROPERTY ARISING FROM ATOMIC WEAPONS TESTING PROGRAMS.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1837), is—

42 USC 2212,
50 USC 2783.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4803;

(C) inserted after section 4802, as added by paragraph (3); and

(D) amended—

50 USC 2783.

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (d), by striking “the date of the enactment of this Act” each place it appears and inserting “November 5, 1990.”

(5) SUBTITLE HEADING ON RESEARCH AND DEVELOPMENT.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Research and Development”.

42 USC 7257a,
50 USC 2791.

(6) LABORATORY-DIRECTED RESEARCH AND DEVELOPMENT.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1832), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4811;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (5); and

50 USC 2791.

(D) amended in the section heading by adding a period at the end.

42 USC 7257b,
7257c; 50 USC
2792.

(7) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—

(A) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812;

(iii) inserted after section 4811, as added by paragraph (6);

50 USC 2792.

(iv) amended in subsection (b) by striking “section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b)” and inserting “section 4812A(b);”

(v) amended in subsection (d)—

(I) by striking “section 3136(b)(1)” and inserting “section 4812A(b)(1);” and

(II) by striking “section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(c))” and inserting “section 4811(c);” and

(vi) amended in subsection (e) by striking “section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d))” and inserting “section 4811(d).”

42 USC 7257b,
50 USC 2793.

(B) LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830), as amended by section 3137 of the National Defense Authorization Act

for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812A;

(iii) inserted after section 4812, as added by subparagraph (A); and

(iv) amended in subsection (a) by inserting “of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)” after “section 3101”. 50 USC 2793.

(8) CRITICAL TECHNOLOGY PARTNERSHIPS.—Section 3136 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1577), as amended by section 203(b)(3) of Public Law 103–35 (107 Stat. 102), is— 42 USC 2123, 50 USC 2794.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4813; and

(C) inserted after section 4812A, as added by paragraph (7)(B).

(9) UNIVERSITY-BASED RESEARCH COLLABORATION PROGRAM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044), is— 50 USC 2795, 7381 note.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4814;

(C) inserted after section 4813, as added by paragraph (8); and

(D) amended in subsection (c) by striking “this title” and inserting “title XXXI of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)”. 50 USC 2795.

(10) SUBTITLE HEADING ON FACILITIES MANAGEMENT.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Facilities Management”.

(11) TRANSFERS OF REAL PROPERTY AT CERTAIN FACILITIES.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2046), is— 42 USC 7274q, 50 USC 2811.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4831; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (10).

(12) ENGINEERING AND MANUFACTURING RESEARCH, DEVELOPMENT, AND DEMONSTRATION AT CERTAIN NUCLEAR WEAPONS PRODUCTION PLANTS.—Section 3156 of the Floyd D. 42 USC 7274r note, 50 USC 2812.

Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–467), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4832; and

(C) inserted after section 4831, as added by paragraph (11).

42 USC 7256
note, 50 USC
2813.

(13) PILOT PROGRAM ON USE OF PROCEEDS OF DISPOSAL OR UTILIZATION OF CERTAIN ASSETS.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2039), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4833;

(C) inserted after section 4832, as added by paragraph (12); and

50 USC 2813.

(D) amended in subsection (d) by striking “sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483 and 484(j))” and inserting “subchapter II of chapter 5 and section 549 of title 40, United States Code.”

(14) SUBTITLE HEADING ON OTHER MATTERS.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle D—Other Matters”.

42 USC 7274h
note, 50 USC
2821.

(15) SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.—Subsection (f) of section 3153 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle D of such title, as added by paragraph (14); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4851. SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.”;

(ii) by striking “(f) SEMIANNUAL REPORTS TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—”; and

50 USC 2821.

(iii) by striking “section 3161(c)(6) of the National Defense Authorization Act of 1993 (42 U.S.C. 7274h(c)(6))” and inserting “section 4604(c)(6)”.

50 USC 2822.

(16) PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SITE.—Section 3144 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2838), is—

(A) transferred to title XLVIII of such Act, as amended by this subsection;

(B) redesignated as section 4852; and

(C) inserted after section 4851, as added by paragraph (15).

(m) CONFORMING AMENDMENTS.—(1) Title XXXVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 1756) is repealed.

(2) Subtitle E of title XXXI of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h et seq.) is repealed. 42 USC 7274j.

(3) Section 8905a(d)(5)(A) of title 5, United States Code, is amended by striking “section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)” and inserting “section 4421 of the Atomic Energy Defense Act”.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2004, \$19,559,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.

Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2004, the National Defense Stockpile Manager may obligate up to \$69,701,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

Section 3402 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 972; 50 U.S.C. 98d note) is amended—

(1) in subsection (b)—

(A) by striking “and” at the end of paragraph (2); and

(B) by striking paragraph (3) and inserting the following new paragraphs:

“(3) \$340,000,000 before the end of fiscal year 2005; and

“(4) \$450,000,000 before the end of fiscal year 2013.”; and

(2) in subsection (e), by adding at the end the following new sentence: “The disposal of materials under this section to achieve the receipt levels specified in subsection (b), within the time periods specified in subsection, shall be in addition to any routine and on-going disposals used to fund operations of the National Defense Stockpile.”.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy \$16,500,000 for fiscal year 2004 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

Maritime
Security Act of
2003.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Short title.

Subtitle A—Maritime Administration Reauthorization

Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.

Sec. 3512. Conveyance of obsolete vessels under title V, Merchant Marine Act, 1936.

Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).

Sec. 3514. Cargo preference.

Sec. 3515. Maritime education and training.

Sec. 3516. Authority to convey obsolete vessels to United States territories and foreign countries for reefing.

Sec. 3517. Maintenance and repair reimbursement pilot program.

Subtitle B—Amendments to Title XI Loan Guarantee Program

Sec. 3521. Equity payments by obligor for disbursement prior to termination of escrow agreement.

Sec. 3522. Waivers of program requirements.

Sec. 3523. Project monitoring.

Sec. 3524. Defaults.

Sec. 3525. Decision period.

Sec. 3526. Loan guarantees.

- Sec. 3527. Annual report on program.
 Sec. 3528. Review of program.

Subtitle C—Maritime Security Fleet

- Sec. 3531. Establishment of Maritime Security Fleet.
 Sec. 3532. Related amendments to existing law.
 Sec. 3533. Interim rules.
 Sec. 3534. Repeals and conforming amendments.
 Sec. 3535. GAO study of adjustment of operating agreement payment criteria.
 Sec. 3536. Definitions.
 Sec. 3537. Effective dates.

Subtitle D—National Defense Tank Vessel Construction Assistance

- Sec. 3541. National defense tank vessel construction program.
 Sec. 3542. Application procedure.
 Sec. 3543. Award of assistance.
 Sec. 3544. Priority for title XI assistance.
 Sec. 3545. Definitions.
 Sec. 3546. Authorization of appropriations.

SEC. 3501. SHORT TITLE.

This title may be cited as the “Maritime Security Act of 2003”.

46 USC 53101
 note.

Subtitle A—Maritime Administration Reauthorization

**SEC. 3511. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS
 2004, 2005, 2006, 2007, AND 2008.**

There are authorized to be appropriated to the Secretary of Transportation for the Maritime Administration—

(1) for expenses necessary for operations and training activities, not to exceed \$104,400,000 for the fiscal year ending September 30, 2004, \$106,000,000 for the fiscal year ending September 30, 2005, \$109,000,000 for the fiscal year ending September 30, 2006, \$111,000,000 for the fiscal year ending September 30, 2007, and \$113,000,000 for the fiscal year ending September 30, 2008;

(2) for expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), \$36,000,000 for each of fiscal years 2004, 2005, 2006, 2007, and 2008 of which—

(A) \$30,000,000 shall be for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) \$6,000,000 shall be for administrative expenses related to loan guarantee commitments under the program; and

(3) for ship disposal, \$18,422,000 for fiscal year 2004, \$11,422,000 for each of fiscal years 2005 and 2006, and \$12,000,000 for each of fiscal years 2007 and 2008.

SEC. 3512. CONVEYANCE OF OBSOLETE VESSELS UNDER TITLE V, MERCHANT MARINE ACT, 1936.

Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1158) is amended—

(1) by inserting “(a) AUTHORITY TO SCRAP OR SELL OBSOLETE VESSELS.—” before “If”; and

(2) by adding at the end the following:
 “(b) AUTHORITY TO CONVEY VESSELS.—

“(1) IN GENERAL.—Notwithstanding section 510(j) of this Act, the Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if—

“(A) the recipient is a non-profit organization, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof, or the District of Columbia;

“(B) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

“(C) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

“(D) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

“(E) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary;

“(F) the recipient has provided proof, as determined by the Secretary, of resources sufficient to accomplish the transfer, necessary repairs and modifications, and initiation of the intended use of the vessel; and

“(G) the recipient agrees that when the recipient no longer requires the vessel for use as described in the business plan required under subparagraph (E)—

“(i) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

“(ii) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, then—

“(I) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

“(II) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes.

“(2) OTHER EQUIPMENT.—At the Secretary’s discretion, additional equipment from other obsolete vessels of the National Defense Reserve Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.

“(3) ADDITIONAL TERMS.—The Secretary may require any additional terms the Secretary considers appropriate.

“(4) DELIVERY OF VESSEL.—If conveyance is made under this subsection the vessel shall be delivered to the recipient at a time and place to be determined by the Secretary. The vessel shall be conveyed in an ‘as is’ condition.

“(5) LIMITATIONS.—If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of a vessel would better serve the interests of the Government, the Secretary shall pursue the more favorable disposition of the obsolete vessel and shall not be liable for any damages that may result from an intended recipient’s reliance upon a proposed transfer.

“(6) REVERSION.—The Secretary shall include in any conveyance under this subsection terms under which all right, title, and interest conveyed by the Secretary shall revert to the United States if the Secretary determines the vessel has been used other than as described in the business plan required under paragraph (1)(E).”.

SEC. 3513. AUTHORITY TO CONVEY VESSEL USS HOIST (ARS-40).

(a) IN GENERAL.—Notwithstanding section 510(j) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1160(j)), the Secretary of Transportation may convey the right, title, and interest of the United States Government in and to the vessel USS HOIST (ARS-40), to the Last Patrol Museum, located in Toledo, Ohio (a not-for-profit corporation, in this section referred to as the “recipient”), for use as a military museum, if—

(1) the recipient agrees to use the vessel as a nonprofit military museum;

(2) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

(4) the recipient agrees that when the recipient no longer requires the vessel for use as a military museum—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes;

(5) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least \$100,000; and

(7) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary.

(b) **DELIVERY OF VESSEL.**—If a conveyance is made under this section, the Secretary shall deliver the vessel at the place where the vessel is located on the date of the enactment of this Act, in its present condition, and without cost to the Government.

(c) **OTHER UNNEEDED EQUIPMENT.**—The Secretary may also convey any unneeded equipment from other vessels in the National Defense Reserve Fleet in order to restore the USS HOIST (ARS-40) to museum quality.

(d) **RETENTION OF VESSEL IN NDRF.**—

(1) **IN GENERAL.**—The Secretary shall retain in the National Defense Reserve Fleet the vessel authorized to be conveyed under subsection (a), until the earlier of—

(A) 2 years after the date of the enactment of this Act; or

(B) the date of conveyance of the vessel under subsection (a).

(2) **LIMITATION.**—Paragraph (1) does not require the Secretary to retain the vessel in the National Defense Reserve Fleet if the Secretary determines that retention of the vessel in the fleet will pose an unacceptable risk to the marine environment.

SEC. 3514. CARGO PREFERENCE.

Section 901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(c)(2)) is amended by striking “1986.” and inserting “1986, the 18-month period beginning April 1, 2002, and the 12-month period beginning October 1, 2003, and each year thereafter.”.

SEC. 3515. MARITIME EDUCATION AND TRAINING.

(a) **COST OF EDUCATION DEFINED.**—Section 1302 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295a) is amended—

(1) by striking “and” after the semicolon in paragraph (3);

(2) by striking “States.” in paragraph (4)(B) and inserting “States; and”; and

(3) by adding at the end the following:

“(5) the term ‘cost of education provided’ means the financial costs incurred by the Federal Government for providing training or financial assistance to students at the United States Merchant Marine Academy and the State maritime academies, including direct financial assistance, room, board, classroom academics, and other training activities.”.

(b) **COMMITMENT AGREEMENTS.**—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended—

(1) by striking “Academy, unless the individual is separated from the” in paragraph (1)(A);

(2) by striking paragraph (1)(C) and inserting the following:

“(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from the Academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;”;

(3) by striking paragraph (1)(E)(iii) and inserting the following:

“(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or”;

(4) by striking paragraph (2) and inserting the following:

“(2)(A) If the Secretary determines that any individual who has attended the Academy for not less than 2 years has failed to fulfill the part of the agreement required by paragraph (1)(A), such individual may be ordered by the Secretary of Defense to active duty in one of the armed forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided by the Federal Government.”;

(5) by striking paragraph (3) and inserting the following:

“(3)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraph (1)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 3 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (1)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided and may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such a reduction.”; and

(6) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

“(4) To aid in the recovery of the cost of education provided by the Federal Government pursuant to a commitment agreement under this section, the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of

the Federal debt collection procedures in chapter 176 of title 28, United States Code, or other applicable administrative remedies.”.

(c) DEGREES AWARDED.—Section 1303(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(g)) is amended to read as follows:

“(g) DEGREES AWARDED.—

“(1) BACHELOR’S DEGREE.—The Superintendent of the Academy may confer the degree of bachelor of science upon any individual who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for a merchant marine officer’s license. No individual may be denied a degree under this subsection because the individual is not permitted to take such examination solely because of physical disqualification.

“(2) MASTER’S DEGREE.—The Superintendent of the Academy may confer a master’s degree upon any individual who has met the conditions prescribed by the Secretary. Any master’s degree program may be funded through non-appropriated funds. In order to maintain the appropriate academic standards, the program shall be accredited by the appropriate accreditation body. The Secretary may make regulations necessary to administer such a program.”.

(d) STUDENT INCENTIVE PAYMENTS.—Section 1304(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)) is amended—

(1) by striking “\$3,000” in paragraph (1) and inserting “\$4,000”;

(2) in paragraph (3)(A) by striking “attending, unless the individual is separated by such academy;” and inserting “attending;”;

(3) by striking paragraph (3)(C) and inserting the following:

“(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from such State maritime academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;”;

(4) by striking paragraph (3)(E)(iii) and inserting the following:

“(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or”;

(5) by striking paragraph (4) and inserting the following:

“(4)(A) If the Secretary determines that an individual who has accepted the payment described in paragraph (1) for a minimum of 2 academic years has failed to fulfill the part of the agreement required by paragraph (1) and described in paragraph (3)(A), such individual may be ordered by the Secretary of Defense to active duty in the Armed Forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the

Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

“(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

“(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction.”;

(6) by striking paragraph (5) and inserting the following:

“(5)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraph (3)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 2 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (3)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

“(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

“(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction.”; and

(7) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and inserting after paragraph (5) the following:

“(6) To aid in the recovery of student incentive payments plus interest and attorneys fees the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, and other applicable administrative remedies.”.

(e) AWARDS AND MEDALS.—Section 1306 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295e) is amended by adding at the end the following:

“(d) AWARDS AND MEDALS.—The Secretary may establish and maintain a medals and awards program to recognize distinguished service, superior achievement, professional performance, and other commendable achievement by personnel of the United States Maritime Service.”.

SEC. 3516. AUTHORITY TO CONVEY OBSOLETE VESSELS TO UNITED STATES TERRITORIES AND FOREIGN COUNTRIES FOR REEFING.

(a) DEADLINE FOR PREPARATION.—Paragraph (1) of section 3504(b) of the Bob Stump National Defense Authorization Act for

Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2754; 16 U.S.C. 1220 note) is amended by striking “September 30, 2003,” and inserting “March 31, 2004.”

(b) GUIDANCE ON PRACTICES.—Such section is further amended—

(1) in paragraph (1), by inserting “guidance recommending” after “jointly develop”;

(2) in paragraph (2), by inserting “guidance recommending” before “environmental best management practices”;

(3) in paragraph (3)—

(A) in subparagraph (A), by inserting “recommended” after “include”;

(B) by striking subparagraph (B) and inserting the following new subparagraph (B):

“(B) promote consistent use of such practices nationwide;”;

and

(C) in subparagraph (C), by striking “establish baselines” and inserting “provide a basis”; and

(4) in paragraph (4), by striking “guidelines to be used by” and inserting “guidance for”.

(c) APPLICATIONS FOR PREPARATION OF VESSELS AS REEFS.—Such section is further amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

Deadline.

“(5) Not later than March 31, 2004, the Secretary of Transportation, acting through the Maritime Administration, and the Administrator of the Environmental Protection Agency shall jointly establish an application process for governments of States, commonwealths, and United States territories and possession, and foreign governments, for the preparation of vessels for use as artificial reefs, including documentation and certification requirements for that application process.”.

46 USC 53101
note.

SEC. 3517. MAINTENANCE AND REPAIR REIMBURSEMENT PILOT PROGRAM.

(a) AUTHORITY TO ENTER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of Transportation may carry out a pilot program under which the Secretary may enter into an agreement with a contractor under chapter 531 of title 46, United States Code, as amended by this Act, regarding maintenance and repair of a vessel that is subject to an operating agreement under that chapter.

(2) LIMITATION.—The Secretary may not require a person to enter into an agreement under this section, including as a condition of awarding an operating agreement to the person under chapter 531 of title 46, United States Code, as amended by this Act.

(b) TERMS OF AGREEMENT.—An agreement under this section—

(1) shall require that except as provided in subsection (c), all qualified maintenance or repair on the vessel shall be performed in the United States;

(2) shall require that the Secretary shall reimburse the contractor in accordance with subsection (d) for the costs of qualified maintenance or repair performed in the United States; and

(3) shall apply to maintenance and repair performed during the 5-year period beginning on the date the vessel begins operating under the operating agreement under chapter 531 of title 46, United States Code.

(c) EXCEPTION TO REQUIREMENT TO PERFORM WORK IN THE UNITED STATES.—A contractor shall not be required to have qualified maintenance or repair work performed in the United States under this section, if the Secretary determines that—

(1) there is no facility in the United States available to perform the work; or

(2) there is not available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to the work.

(d) REIMBURSEMENT.—

(1) IN GENERAL.—The Secretary shall, subject to the availability of appropriations, reimburse a contractor for costs incurred by the contractor for qualified maintenance or repair performed in the United States under this section.

(2) AMOUNT.—The amount of reimbursement shall be equal to 80 percent of the difference between—

(A) the fair and reasonable cost of obtaining the qualified maintenance or repair in the United States; and

(B) the fair and reasonable cost of obtaining the qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

(3) DETERMINATION OF FAIR AND REASONABLE COSTS.—The Secretary shall determine fair and reasonable costs for purposes of paragraph (2).

(e) NOTIFICATION REQUIREMENTS.—

(1) NOTIFICATION BY CONTRACTOR.—The Secretary is not required to pay reimbursement to a contractor under this section for qualified maintenance or repair, unless the contractor—

(A) notifies the Secretary of the intent of the contractor to obtain the qualified maintenance or repair, by not later than 180 days before the date of the performance of the qualified maintenance or repair; and

(B) includes in such notification—

(i) a description of all qualified maintenance or repair that the contractor should reasonably expect may be performed;

(ii) an estimate of the cost of obtaining such qualified maintenance or repair in the United States; and

(iii) an estimate of the cost of obtaining such qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

(2) CERTIFICATION BY SECRETARY.—Not later than 60 days after the date of receipt of notification under paragraph (1), the Secretary shall certify to the contractor—

(A) whether there is a facility in the United States available to perform the qualified maintenance or repair described in the notification by the contractor under paragraph (1); and

(B) whether there is available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to such work.

Deadline.

(f) **QUALIFIED MAINTENANCE OR REPAIR DEFINED.**—In this section the term “qualified maintenance or repair”—

(1) except as provided in paragraph (2), means—

(A) any inspection of a vessel that is—

(i) required under chapter 33 of title 46, United States Code; and

(ii) performed in the period in which the vessel is subject to an agreement under this section; and

(B) any maintenance or repair of a vessel that is determined, in the course of an inspection referred to in subparagraph (A), to be necessary to comply with the laws of the United States; and

(2) does not include—

(A) routine maintenance or repair; or

(B) any emergency work that is necessary to enable a vessel to return to a port in the United States.

(g) **ANALYSIS.**—

Deadline.

(1) **IN GENERAL.**—Not later than October 1, 2004, the Secretary of Transportation shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, an analysis of the need for agreements authorized by this section.

(2) **CONDUCT AND CONSIDERATIONS.**—In conducting the analysis, the Secretary shall consider the overall costs and benefits of the pilot program, including the following:

(A) The impact on operations of vessels in the program.

(B) The availability of repair shipyards and drydocks in the various regions of the United States (as that term is defined in such chapter) that are capable of handling such vessels that are ocean-going vessels.

(C) The experience of such shipyards in repairing the types of such vessels.

(D) A comparison of drydock and repair costs between available United States and foreign shipyards located within the geographic range of the trading area of such vessels.

(E) A comparison of the time period required for the drydocking and repair of such vessels between available United States shipyards and foreign shipyards.

(F) The impact of the voyage deviation of such vessels to United States shipyards.

(G) The benefits to the Department of Defense of having a vessel repair base in the United States to accelerate the activation of the Ready Reserve Fleet.

(H) The benefits of extending the program to all vessels that are subject to operating agreements under chapter 531 of title 46, United States Code, as amended by this Act.

(3) **RECOMMENDATIONS.**—The Secretary shall include in the analysis recommendations of any additional incentives that are necessary to encourage participation in the program.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to the other amounts authorized by this subtitle, for reimbursement of costs of qualified maintenance or repair under this section there is authorized to be appropriated to the Secretary of Transportation \$19,500,000 for each of fiscal years 2006 through 2011.

Subtitle B—Amendments to Title XI Loan Guarantee Program

SEC. 3521. EQUITY PAYMENTS BY OBLIGOR FOR DISBURSEMENT PRIOR TO TERMINATION OF ESCROW AGREEMENT.

(a) IN GENERAL.—Section 1108 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1279a) is amended by adding at the end the following:

“(g) PAYMENTS REQUIRED BEFORE DISBURSEMENT.—

“(1) IN GENERAL.—No disbursement shall be made under subsection (b) to any person until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, whichever is applicable under section 1104A, of the aggregate actual cost of the vessel, as previously approved by the Secretary. If the aggregate actual cost of the vessel has increased since the Secretary’s initial approval or if it increases after the first disbursement is permitted under this subsection, then no further disbursements shall be made under subsection (b) until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, as applicable, of the increase, as determined by the Secretary, in the aggregate actual cost of the vessel. Nothing in this paragraph shall require the Secretary to consent to finance any increase in actual cost unless the Secretary determines that such an increase in the obligation meets all the terms and conditions of this title or other applicable law.

“(2) DOCUMENTED PROOF OF PROGRESS REQUIREMENT.—The Secretary shall, by regulation, establish a transparent, independent, and risk-based process for verifying and documenting the progress of projects under construction before disbursing guaranteed loan funds. At a minimum, the process shall require documented proof of progress in connection with the construction, reconstruction, or reconditioning of a vessel or vessels before disbursements are made from the escrow fund. The Secretary may require that the obligor provide a certificate from an independent party certifying that the requisite progress in construction, reconstruction, or reconditioning has taken place.”.

(b) DEFINITION OF ACTUAL COST.—Section 1101(f) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271(f)) is amended to read as follows:

“(f) ACTUAL COST DEFINED.—The term ‘actual cost’ means the sum of—

“(1) all amounts paid by or for the account of the obligor as of the date on which a determination is made under section 1108(g)(1); and

“(2) all amounts that the Secretary reasonably estimates that the obligor will become obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of the vessel, including guarantee fees that will become payable under section 1104A(e) in connection with all obligations issued for construction, reconstruction, or reconditioning of the vessel or equipment to be delivered, and all obligations issued for the delivered vessel or equipment.”.

SEC. 3522. WAIVERS OF PROGRAM REQUIREMENTS.

Section 1104A(d) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(d)) is amended by redesignating paragraph (4) as paragraph (5), and inserting after paragraph (3) the following:

Regulations.

“(4) The Secretary shall promulgate regulations concerning circumstances under which waivers of or exceptions to otherwise applicable regulatory requirements concerning financial condition can be made. The regulations shall require that—

“(A) the economic soundness requirements set forth in paragraph (1)(A) of this subsection are met after the waiver of the financial condition requirement; and

“(B) the waiver shall provide for the imposition of other requirements on the obligor designed to compensate for the increased risk associated with the obligor’s failure to meet regulatory requirements applicable to financial condition.”.

SEC. 3523. PROJECT MONITORING.

(a) **PROJECT MONITORING.**—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended by adding at the end the following:

“(k) **MONITORING.**—The Secretary shall monitor the financial conditions and operations of the obligor on a regular basis during the term of the guarantee. The Secretary shall document the results of the monitoring on an annual or quarterly basis depending upon the condition of the obligor. If the Secretary determines that the financial condition of the obligor warrants additional protections to the Secretary, then the Secretary shall take appropriate action under subsection (m) of this section. If the Secretary determines that the financial condition of the obligor jeopardizes its continued ability to perform its responsibilities in connection with the guarantee of obligations by the Secretary, the Secretary shall make an immediate determination whether default should take place and whether further measures described in subsection (m) should be taken to protect the interests of the Secretary while insuring that program objectives are met.”.

(b) **SEPARATION OF DUTIES AND OTHER REQUIREMENTS.**—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by subsection (a), is further amended by adding at the end the following:

“(l) **REVIEW OF APPLICATIONS.**—No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary unless the Secretary certifies that a full and fair consideration of all the regulatory requirements, including economic soundness and financial requirements applicable to obligors and related parties, and a thorough assessment of the technical, economic, and financial aspects of the loan application has been made.

“(m) **AGREEMENT WITH OBLIGOR.**—The Secretary shall include provisions in loan agreements with obligors that provide additional authority to the Secretary to take action to limit potential losses in connection with defaulted loans or loans that are in jeopardy due to the deteriorating financial condition of obligors. Provisions that the Secretary shall include in loan agreements include requirements for additional collateral or greater equity contributions that are effective upon the occurrence of verifiable conditions relating to the obligors financial condition or the status of the vessel or shipyard project.”.

SEC. 3524. DEFAULTS.

Section 1105 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1275) is amended by adding at the end the following:

“(f) **DEFAULT RESPONSE.**—In the event of default on an obligation, the Secretary shall conduct operations under this title in a manner which—

“(1) maximizes the net present value return from the sale or disposition of assets associated with the obligation, including prompt referral to the Attorney General for collection as appropriate;

“(2) minimizes the amount of any loss realized in the resolution of the guarantee;

“(3) ensures adequate competition and fair and consistent treatment of offerors; and

“(4) requires appraisal of assets by an independent appraiser.”.

SEC. 3525. DECISION PERIOD.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by section 3523, is amended by adding at the end the following:

“(n) **DECISION PERIOD.**—

“(1) **IN GENERAL.**—The Secretary of Transportation shall approve or deny an application for a loan guarantee under this title within 270 days after the date on which the signed application is received by the Secretary.

“(2) **EXTENSION.**—Upon request by an applicant, the Secretary may extend the 270-day period in paragraph (1) to a date not later than 2 years after the date on which the signed application for the loan guarantee was received by the Secretary.”.

SEC. 3526. LOAN GUARANTEES.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended—

(1) by striking subsection (d)(5); and

(2) in subsection (f)—

(A) by striking “(including for obtaining independent analysis under subsection (d)(4))”;

(B) by inserting “(1)” after “(f)”; and

(C) by adding at the end the following:

“(2) The Secretary may make a determination that aspects of an application under this title require independent analysis to be conducted by third party experts due to risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary. Any independent analysis conducted pursuant to this provision shall be performed by a party chosen by the Secretary.

“(3) Notwithstanding any other provision of this title, the Secretary may make a determination that an application under this title requires additional equity because of increased risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary.

“(4) The Secretary may charge and collect fees to cover the costs of independent analysis under paragraph (2). Notwithstanding section 3302 of title 31, United States Code, any fee collected under this paragraph shall—

“(A) be credit as an offsetting collection to the account that finances the administration of the loan guarantee program;

“(B) shall be available for expenditure only to pay the costs of activities and services for which the fee is imposed; and

“(C) shall remain available until expended.”.

46 USC app.
1280b.

SEC. 3527. ANNUAL REPORT ON PROGRAM.

The Secretary of Transportation shall report to Congress annually on the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). The reports shall include—

- (1) the size, in dollars, of the portfolio of loans guaranteed;
- (2) the size, in dollars, of projects in the portfolio facing financial difficulties;
- (3) the number and type of projects covered;
- (4) a profile of pending loan applications;
- (5) the amount of appropriations available for new guarantees;
- (6) a profile of each project approved since the last report; and
- (7) a profile of any defaults since the last report.

46 USC app.
1271 note.

SEC. 3528. REVIEW OF PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a comprehensive assessment of the human capital and other resource needs in connection with the title XI loan guarantee program under the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). In connection with this assessment, the Secretary shall develop an organizational framework for the program offices that insures that a clear separation of duties is established among the loan application, project monitoring, and default management functions.

(b) PROGRAM ENHANCEMENTS.—

(1) Section 1103(h)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(h)(1)) is amended—

(A) by striking “subsection” in subparagraph (A) and inserting “subsection, and update annually,”;

(B) by inserting “annually” before “determine” in subparagraph (B);

(C) by striking “and” after the semicolon in subparagraph (A);

(D) by striking “category.” in subparagraph (B) and inserting “category; and”; and

(E) by adding at the end the following:

“(C) ensure that each risk category is comprised of loans that are relatively homogeneous in cost and share characteristics predictive of defaults and other costs, given the facts known at the time of obligation or commitment, using a risk category system that is based on historical analysis of program data and statistical evidence concerning the likely costs of defaults or other costs that expected to be associated with the loans in the category.”.

(2) Section 1103(h)(2)(A) of that Act (46 U.S.C. App. 1273(h)(2)(A)) is amended by inserting “and annually for projects subject to a guarantee,” after “obligation,”.

(3) Section 1103(h)(3) of that Act (46 U.S.C. App. 1273(h)(3)) is amended by adding at the end the following:

“(K) A risk factor for concentration risk reflecting the risk presented by an unduly large percentage of loans outstanding by any 1 borrower or group of affiliated borrowers.”.

(c) REPORT.—The Secretary shall report to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives on the results of the development of an organizational framework under subsection (a) by January 2, 2004.

Subtitle C—Maritime Security Fleet

SEC. 3531. ESTABLISHMENT OF MARITIME SECURITY FLEET.

(a) IN GENERAL.—Title 46, United States Code, is amended by inserting before subtitle VI the following new subtitle:

“Subtitle V—Merchant Marine

“Chap.		Sec.
“531. Maritime Security Fleet		53101

“CHAPTER 531—MARITIME SECURITY FLEET

“Sec.	
“53101. Definitions.	
“53102. Establishment of Maritime Security Fleet.	
“53103. Award of operating agreements.	
“53104. Effectiveness of operating agreements.	
“53105. Obligations and rights under operating agreements.	
“53106. Payments.	
“53107. National security requirements.	
“53108. Regulatory relief.	
“53109. Special rule regarding age of participating fleet vessel.	
“53110. Regulations.	
“53111. Authorization of appropriations.	

“§ 53101. Definitions

“In this chapter:

“(1) BULK CARGO.—The term ‘bulk cargo’ means cargo that is loaded and carried in bulk without mark or count.

“(2) CONTRACTOR.—The term ‘contractor’ means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary under section 53103.

“(3) FLEET.—The term ‘Fleet’ means the Maritime Security Fleet established under section 53102(a).

“(4) FOREIGN COMMERCE.—The term ‘foreign commerce’—

“(A) subject to subparagraph (B), means—

“(i) commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

“(ii) commerce or trade between foreign countries; and

“(B) includes, in the case of liquid and dry bulk cargo carrying services, trading between foreign ports in accordance with normal commercial bulk shipping practices in such manner as will permit United States-documented vessels freely to compete with foreign-flag bulk carrying vessels in their operation or in competing for charters, subject to rules and regulations promulgated by the Secretary of

Transportation pursuant to this chapter or subtitle D of the Maritime Security Act of 2003.

“(5) LASH VESSEL.—The term ‘LASH vessel’ means a lighter aboard ship vessel.

“(6) PARTICIPATING FLEET VESSEL.—The term ‘participating fleet vessel’ means any vessel that—

“(A) on October 1, 2005—

“(i) meets the requirements of paragraph (1), (2), (3), or (4) of section 53102(c); and

“(ii) is less than 25 years of age, or less than 30 years of age in the case of a LASH vessel; and

“(B) on December 31, 2004, is covered by an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187 et seq.).

“(7) PERSON.—The term ‘person’ includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

“(8) PRODUCT TANK VESSEL.—The term ‘product tank vessel’ means a double hulled tank vessel capable of carrying simultaneously more than 2 separated grades of refined petroleum products.

“(9) SECRETARY.—The term ‘Secretary’ means the Secretary of Transportation.

“(10) TANK VESSEL.—The term ‘tank vessel’ has the meaning that term has under section 2101 of this title.

“(11) UNITED STATES.—The term ‘United States’ includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands.

“(12) UNITED STATES CITIZEN TRUST.—(A) Subject to subparagraph (C), the term ‘United States citizen trust’ means a trust that is qualified under this paragraph.

“(B) A trust is qualified under this paragraph with respect to a vessel only if—

“(i) each of the trustees is a citizen of the United States; and

“(ii) the application for documentation of the vessel under chapter 121 of this title includes the affidavit of each trustee stating that the trustee is not aware of any reason involving a beneficiary of the trust that is not a citizen of the United States, or involving any other person that is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States.

“(C) If any person that is not a citizen of the United States has authority to direct or participate in directing a trustee for a trust in matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States or in removing a trustee for a trust without cause, either directly or indirectly through the control of another person, the trust is not qualified under this paragraph unless the trust instrument provides that persons who

are not citizens of the United States may not hold more than 25 percent of the aggregate authority to so direct or remove a trustee.

“(D) This paragraph shall not be considered to prohibit a person who is not a citizen of the United States from holding more than 25 percent of the beneficial interest in a trust.

“(13) UNITED STATES-DOCUMENTED VESSEL.—The term ‘United States-documented vessel’ means a vessel documented under chapter 121 of this title.

“§ 53102. Establishment of Maritime Security Fleet

“(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall establish a fleet of active, commercially viable, militarily useful, privately owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-documented vessels for which there are in effect operating agreements under this chapter, and shall be known as the Maritime Security Fleet.

“(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if—

“(1) the vessel meets the requirements of paragraph (1), (2), (3), or (4) of subsection (c);

“(2) the vessel is operated (or in the case of a vessel to be constructed, will be operated) in providing transportation in foreign commerce;

“(3) the vessel is self-propelled and is—

“(A) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units and that is 15 years of age or less on the date the vessel is included in the Fleet;

“(B) a tank vessel that is constructed in the United States after the date of the enactment of this chapter;

“(C) a tank vessel that is 10 years of age or less on the date the vessel is included in the Fleet;

“(D) a LASH vessel that is 25 years of age or less on the date the vessel is included in the Fleet; or

“(E) any other type of vessel that is 15 years of age or less on the date the vessel is included in the Fleet;

“(4) the vessel is—

“(A) determined by the Secretary of Defense to be suitable for use by the United States for national defense or military purposes in time of war or national emergency; and

“(B) determined by the Secretary to be commercially viable; and

“(5) the vessel—

“(A) is a United States-documented vessel; or

“(B) is not a United States-documented vessel, but—

“(i) the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of this title if it is included in the Fleet; and

“(ii) at the time an operating agreement for the vessel is entered into under this chapter, the vessel is eligible for documentation under chapter 121 of this title.

“(c) REQUIREMENTS REGARDING CITIZENSHIP OF OWNERS, CHARTERERS, AND OPERATORS.—

“(1) VESSEL OWNED AND OPERATED BY SECTION 2 CITIZENS.—

A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

“(2) VESSEL OWNED BY SECTION 2 CITIZEN OR UNITED STATES CITIZEN TRUST, AND CHARTERED TO DOCUMENTATION CITIZEN.—A vessel meets the requirements of this paragraph if—

“(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be—

“(i) owned by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802) or that is a United States citizen trust; and

“(ii) demise chartered to a person—

“(I) that is eligible to document the vessel under chapter 121 of this title;

“(II) the chairman of the board of directors, chief executive officer, and a majority of the members of the board of directors of which are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), and are appointed and subjected to removal only upon approval by the Secretary; and

“(III) that certifies to the Secretary that there are no treaties, statutes, regulations, or other laws that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter;

“(B) in the case of a vessel that will be demise chartered to a person that is owned or controlled by another person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), the other person enters into an agreement with the Secretary not to influence the operation of the vessel in a manner that will adversely affect the interests of the United States; and

“(C) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(ii)(III), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

“(3) VESSEL OWNED AND OPERATED BY DEFENSE CONTRACTOR.—A vessel meets the requirements of this paragraph if—

“(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by a person that—

“(i) is eligible to document a vessel under chapter 121 of this title;

“(ii) operates or manages other United States-documented vessels for the Secretary of Defense, or charters other vessels to the Secretary of Defense;

“(iii) has entered into a special security agreement for purposes of this paragraph with the Secretary of Defense;

“(iv) makes the certification described in paragraph (2)(A)(ii)(III); and

“(v) in the case of a vessel described in paragraph (2)(B), enters into an agreement referred to in that paragraph; and

“(B) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(iv), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

“(4) VESSEL OWNED BY DOCUMENTATION CITIZEN AND CHARTERED TO SECTION 2 CITIZEN.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be—

“(A) owned by a person that is eligible to document a vessel under chapter 121 of this title; and

“(B) demise chartered to a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

“(d) REQUEST BY SECRETARY OF DEFENSE.—The Secretary of Defense shall request the Secretary of Homeland Security to issue any waiver under the first section of Public Law 81–891 (64 Stat. 1120; 46 U.S.C. App. note prec. 3) that is necessary for purposes of this chapter.

“(e) VESSEL STANDARDS.—

“(1) CERTIFICATE OF INSPECTION.—A vessel used to provide oceangoing transportation which the Secretary of the department in which the Coast Guard is operating determines meets the criteria of subsection (b) of this section but which, on the date of enactment of the Maritime Security Act of 2003, is not a documented vessel (as that term is defined in section 12101 of this title) shall be eligible for a certificate of inspection if the Secretary determines that—

“(A) the vessel is classed by and designed in accordance with the rules of the American Bureau of Shipping, or another classification society accepted by the Secretary;

“(B) the vessel complies with applicable international agreements and associated guidelines, as determined by

the country in which the vessel was documented immediately before becoming a documented vessel (as defined in that section); and

“(C) that country has not been identified by the Secretary as inadequately enforcing international vessel regulations as to that vessel.

“(2) CONTINUED ELIGIBILITY FOR CERTIFICATE.—Paragraph (1) does not apply to a vessel after any date on which the vessel fails to comply with the applicable international agreements and associated guidelines referred to in paragraph (1)(B).

“(3) RELIANCE ON CLASSIFICATION SOCIETY.—

“(A) IN GENERAL.—The Secretary may rely on a certification from the American Bureau of Shipping or, subject to subparagraph (B), another classification society accepted by the Secretary to establish that a vessel is in compliance with the requirements of paragraphs (1) and (2).

“(B) FOREIGN CLASSIFICATION SOCIETY.—The Secretary may accept certification from a foreign classification society under subparagraph (A) only—

“(i) to the extent that the government of the foreign country in which the society is headquartered provides access on a reciprocal basis to the American Bureau of Shipping; and

“(ii) if the foreign classification society has offices and maintains records in the United States.

“(f) WAIVER OF AGE RESTRICTION.—The Secretary of Defense, in conjunction with the Secretary of Transportation, may waive the application of an age restriction under subsection (b)(3) if the Secretaries jointly determine that the waiver—

“(1) is in the national interest;

“(2) is appropriate to allow the maintenance of the economic viability of the vessel and any associated operating network; and

“(3) is necessary due to the lack of availability of other vessels and operators that comply with the requirements of this chapter.

“§ 53103. Award of operating agreements

“(a) IN GENERAL.—The Secretary shall require, as a condition of including any vessel in the Fleet, that the person that is the owner or operator of the vessel for purposes of section 53102(c) enter into an operating agreement with the Secretary under this section.

Deadlines.

“(b) PROCEDURE FOR APPLICATIONS.—

“(1) ACCEPTANCE OF APPLICATIONS.—Beginning no later than 30 days after the effective date of this chapter, the Secretary shall accept applications for enrollment of vessels in the Fleet.

“(2) ACTION ON APPLICATIONS.—Within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall approve the application in conjunction with the Secretary of Defense, and shall enter into an operating agreement with the applicant, or provide in writing the reason for denial of that application.

“(3) PARTICIPATING FLEET VESSELS.—

“(A) IN GENERAL.—The Secretary shall accept an application for an operating agreement for a participating

fleet vessel under the priority under subsection (c)(1)(B) only from a person that has authority to enter into an operating agreement for the vessel with respect to the full term of the operating agreement.

“(B) VESSEL UNDER DEMISE CHARTER.—For purposes of subparagraph (A), in the case of a vessel that is subject to a demise charter that terminates by its terms on September 30, 2005 (without giving effect to any extension provided therein for completion of a voyage or to effect the actual redelivery of the vessel), or that is terminable at will by the owner of the vessel after such date, only the owner of the vessel shall be treated as having the authority referred to in paragraph (1).

“(C) VESSEL OWNED BY UNITED STATES CITIZEN TRUST.—For purposes of subparagraph (B), in the case of a vessel owned by a United States citizen trust, the term ‘owner of the vessel’ includes a beneficial owner of the vessel with respect to such trust.

“(c) PRIORITY FOR AWARDING AGREEMENTS.—

“(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

“(A) NEW TANK VESSELS.—First, for any tank vessel that—

“(i) is constructed in the United States after the effective date of this chapter;

“(ii) is eligible to be included in the Fleet under section 53102(b); and

“(iii) during the period of an operating agreement under this chapter that applies to the vessel, will be owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802),

except that the Secretary shall not enter into operating agreements under this subparagraph for more than 5 such vessels.

“(B) PARTICIPATING FLEET VESSELS.—Second, to the extent amounts are available after applying subparagraphs (A), for any participating fleet vessel, except that the Secretary shall not enter into operating agreements under this subparagraph for more than 47 vessels.

“(C) CERTAIN VESSELS OPERATED BY SECTION 2 CITIZENS.—Third, to the extent amounts are available after applying subparagraphs (A) and (B), for any other vessel that is eligible to be included in the Fleet under section 53102(b), and that, during the period of an operating agreement under this chapter that applies to the vessel, will be—

“(i) owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); or

“(ii) owned by a person that is eligible to document the vessel under chapter 121 of this title, and operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

“(D) OTHER ELIGIBLE VESSELS.—Fourth, to the extent amounts are available after applying subparagraphs (A), (B), and (C), for any other vessel that is eligible to be included in the Fleet under section 53102(b).

“(2) REDUCTION IN NUMBER OF SLOTS FOR PARTICIPATING FLEET VESSELS.—The number in paragraph (1)(B) shall be reduced by 1—

“(A) for each participating fleet vessel for which an application for enrollment in the Fleet is not received by the Secretary within the 90-day period beginning on the effective date of this chapter; and

“(B) for each participating fleet vessel for which an application for enrollment in the Fleet received by the Secretary is not approved by the Secretary and the Secretary of Defense within the 90-day period beginning on the date of such receipt.

“(3) DISCRETION WITHIN PRIORITY.—The Secretary—

“(A) subject to subparagraph (B), may award operating agreements within each priority under paragraph (1) as the Secretary considers appropriate; and

“(B) shall award operating agreement within a priority—

“(i) in accordance with operational requirements specified by the Secretary of Defense;

“(ii) in the case of operating agreements awarded under subparagraph (C) or (D) of paragraph (1), according to applicants’ records of owning and operating vessels; and

“(iii) subject to the approval of the Secretary of Defense.

“(4) TREATMENT OF TANK VESSEL TO BE REPLACED.—(A) For purposes of the application of paragraph (1)(A) with respect to the award of an operating agreement, the Secretary may treat an existing tank vessel that is eligible to be included in the Fleet under section 53102(b) as a vessel that is constructed in the United States after the effective date of this chapter, if—

“(i) a binding contract for construction in the United States of a replacement vessel to be operated under the operating agreement is executed by not later than 9 months after the first date amounts are available to carry out this chapter; and

“(ii) the replacement vessel is eligible to be included in the Fleet under section 53102(b).

“(B) No payment under this chapter may be made for an existing tank vessel for which an operating agreement is awarded under this paragraph after the earlier of—

“(i) 4 years after the first date amounts are available to carry out this chapter; or

“(ii) the date of delivery of the replacement tank vessel.

“(d) LIMITATION.—The Secretary may not award operating agreements under this chapter that require payments under section 53106 for a fiscal year for more than 60 vessels.

“§ 53104. Effectiveness of operating agreements

“(a) EFFECTIVENESS, GENERALLY.—The Secretary may enter into an operating agreement under this chapter for fiscal year

2006. Except as provided in subsection (b), the agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations, for each subsequent fiscal year through the end of fiscal year 2015.

“(b) VESSELS UNDER CHARTER TO UNITED STATES.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel that is, on the date of entry into an operating agreement, on charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 53107, shall be the expiration or termination date of the Government charter covering the vessel, or any earlier date the vessel is withdrawn from that charter.

“(c) TERMINATION.—

“(1) TERMINATION BY SECRETARY.—If the contractor with respect to an operating agreement materially fails to comply with the terms of the agreement—

“(A) the Secretary shall notify the contractor and provide a reasonable opportunity to comply with the operating agreement;

“(B) the Secretary shall terminate the operating agreement if the contractor fails to achieve such compliance; and

“(C) upon such termination, any funds obligated by the agreement shall be available to the Secretary to carry out this chapter.

“(2) EARLY TERMINATION BY CONTRACTOR, GENERALLY.—An operating agreement under this chapter shall terminate on a date specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement.

“(3) EARLY TERMINATION BY CONTRACTOR, WITH AVAILABLE REPLACEMENT.—An operating agreement under this chapter shall terminate upon the expiration of the 3-year period beginning on the date a vessel begins operating under the agreement, if—

“(A) the contractor notifies the Secretary, by not later than 2 years after the date the vessel begins operating under the agreement, that the contractor intends to terminate the agreement under this paragraph; and

“(B) the Secretary, in conjunction with the Secretary of Defense, determines that—

“(i) an application for an operating agreement under this chapter has been received for a replacement vessel that is acceptable to the Secretaries; and

“(ii) during the period of an operating agreement under this chapter that applies to the replacement vessel, the replacement vessel will be—

“(I) owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); or

“(II) owned by a person that is eligible to document the vessel under chapter 121 of this title, and operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

“(d) NONRENEWAL FOR LACK OF FUNDS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by this chapter for that fiscal year, then the Secretary shall notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that operating agreements authorized under this chapter for which sufficient funds are not available will not be renewed for that fiscal year if sufficient funds are not appropriated by the 60th day of that fiscal year.

“(e) RELEASE OF VESSELS FROM OBLIGATIONS.—If an operating agreement under this chapter is terminated under subsection (c)(3), or if funds are not appropriated for payments under an operating agreement under this chapter for any fiscal year by the 60th day of that fiscal year, then—

“(1) each vessel covered by the operating agreement is thereby released from any further obligation under the operating agreement;

“(2) the owner or operator of the vessel may transfer and register such vessel under a foreign registry that is acceptable to the Secretary of Transportation and the Secretary of Defense, notwithstanding section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808); and

“(3) if section 902 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1242) is applicable to such vessel after registration of the vessel under such a registry, then the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902 of such Act.

“§ 53105. Obligations and rights under operating agreements

“(a) OPERATION OF VESSEL.—An operating agreement under this chapter shall require that, during the period a vessel is operating under the agreement—

“(1) the vessel—

“(A) shall be operated exclusively in the foreign commerce or in mixed foreign commerce and domestic trade allowed under a registry endorsement issued under section 12105 of this title; and

“(B) shall not otherwise be operated in the coastwise trade; and

“(2) the vessel shall be documented under chapter 121 of this title.

“(b) ANNUAL PAYMENTS BY SECRETARY.—

“(1) IN GENERAL.—An operating agreement under this chapter shall require, subject to the availability of appropriations, that the Secretary make a payment each fiscal year to the contractor in accordance with section 53106.

“(2) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this chapter constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

“(c) DOCUMENTATION REQUIREMENT.—Each vessel covered by an operating agreement (including an agreement terminated under section 53104(c)(2)) shall remain documented under chapter 121 of this title, until the date the operating agreement would terminate according to its terms.

“(d) NATIONAL SECURITY REQUIREMENTS.—

“(1) IN GENERAL.—A contractor with respect to an operating agreement (including an agreement terminated under section 53104(c)(2)) shall continue to be bound by the provisions of section 53107 until the date the operating agreement would terminate according to its terms.

“(2) EMERGENCY PREPAREDNESS AGREEMENT.—All terms and conditions of an Emergency Preparedness Agreement entered into under section 53107 shall remain in effect until the date the operating agreement would terminate according to its terms, except that the terms of such Emergency Preparedness Agreement may be modified by the mutual consent of the contractor, the Secretary of Transportation, and the Secretary of Defense.

“(e) TRANSFER OF OPERATING AGREEMENTS.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person that is eligible to enter into that operating agreement under this chapter, if the transfer is approved by the Secretary and the Secretary of Defense.

“(f) REPLACEMENT VESSEL.—A contractor may replace a vessel under an operating agreement with another vessel that is eligible to be included in the Fleet under section 53102(b), if the Secretary, in conjunction with the Secretary of Defense, approve replacement of the vessel.

“§ 53106. Payments

“(a) ANNUAL PAYMENT.—

“(1) IN GENERAL.—The Secretary, subject to the availability of appropriations and the other provisions of this section, shall pay to the contractor for an operating agreement, for each vessel that is covered by the operating agreement, an amount equal to—

“(A) \$2,600,000 for each of fiscal years 2006, 2007, and 2008;

“(B) \$2,900,000, for each of fiscal years 2009, 2010, and 2011; and

“(C) \$3,100,000 for each fiscal years 2012, 2013, 2014, and 2015.

“(2) TIMING.—The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

“(b) CERTIFICATION REQUIRED FOR PAYMENT.—As a condition of receiving payment under this section for a fiscal year for a vessel, the contractor for the vessel shall certify, in accordance with regulations issued by the Secretary, that the vessel has been and will be operated in accordance with section 53105(a)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

“(c) GENERAL LIMITATIONS.—The Secretary of Transportation shall not make any payment under this chapter for a vessel with respect to any days for which the vessel is—

“(1) under a charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 53107;

“(2) not operated or maintained in accordance with an operating agreement under this chapter; or

“(3) more than—

“(A) 25 years of age, except as provided in subparagraph (B) or (C);

“(B) 20 years of age, in the case of a tank vessel; or

“(C) 30 years of age, in the case of a LASH vessel.

“(d) REDUCTIONS IN PAYMENTS.—With respect to payments under this chapter for a vessel covered by an operating agreement, the Secretary—

“(1) except as provided in paragraph (2), shall not reduce any payment for the operation of the vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241-1), section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States;

“(2) shall not make any payment for any day that the vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), that is bulk cargo; and

“(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that the vessel is not operated in accordance with section 53105(a)(1), with days during which the vessel is drydocked or undergoing survey, inspection, or repair considered to be days on which the vessel is operated.

“(e) LIMITATION REGARDING NONCONTIGUOUS DOMESTIC TRADE.—

“(1) IN GENERAL.—No contractor shall receive payments pursuant to this chapter during a period in which it participates in noncontiguous domestic trade.

“(2) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any person that is a citizen of the United States within the meaning of section 2(c) of the Shipping Act, 1916 (46 U.S.C. App. 802(c)).

“(3) PARTICIPATES IN A NONCONTIGUOUS DOMESTIC TRADE DEFINED.—In this subsection the term ‘participates in a noncontiguous domestic trade’ means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 States and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

“§ 53107. National security requirements

“(a) EMERGENCY PREPAREDNESS AGREEMENT REQUIRED.—The Secretary shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary, in conjunction with the Secretary of Defense, shall include in each operating agreement under this chapter a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this chapter.

“(b) TERMS OF AGREEMENT.—

“(1) IN GENERAL.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, or whenever determined by the Secretary of Defense to be necessary for national security or contingency operation (as that term is defined in section 101 of title 10, United States Code), a contractor for a vessel covered by an operating agreement under this chapter shall make available commercial transportation resources (including services).

“(2) BASIC TERMS.—(A) The basic terms of the Emergency Preparedness Agreement shall be established (subject to subparagraph (B)) by the Secretary and the Secretary of Defense.

“(B) In any Emergency Preparedness Agreement, the Secretary and a contractor may agree to additional or modifying terms appropriate to the contractor’s circumstances if those terms have been approved by the Secretary of Defense.

“(c) PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.—Except as provided by section 53105(d), the Secretary may not require, through an Emergency Preparedness Agreement or operating agreement, that a contractor continue to participate in an Emergency Preparedness Agreement after the operating agreement with the contractor has expired according to its terms or is otherwise no longer in effect. After expiration of an Emergency Preparedness Agreement, a contractor may volunteer to continue to participate in such an agreement.

“(d) RESOURCES MADE AVAILABLE.—The commercial transportation resources to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, intermodal and management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary of Defense may determine to be necessary, seeking to minimize disruption of the contractor’s service to commercial shippers.

“(e) COMPENSATION.—

“(1) IN GENERAL.—The Secretary shall include in each Emergency Preparedness Agreement provisions approved by the Secretary of Defense under which the Secretary of Defense shall pay fair and reasonable compensation for all commercial transportation resources provided pursuant to this section.

“(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

“(A) shall not be less than the contractor’s commercial market charges for like transportation resources;

“(B) shall be fair and reasonable considering all circumstances;

“(C) shall be provided from the time that a vessel or resource is required by the Secretary of Defense until the time that it is redelivered to the contractor and is available to reenter commercial service; and

“(D) shall be in addition to and shall not in any way reflect amounts payable under section 53106.

“(f) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241-1), section 901(a), 901(b), or 901b of

the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States—

“(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated by the Secretary of Defense under an Emergency Preparedness Agreement or under a primary Department of Defense-approved sealift readiness program; and

“(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), and sections 901(a), 901(b), and 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), and 1241b) to the same extent as the eligibility of the vessel or vessel capacity replaced.

“(g) REDELIVERY AND LIABILITY OF UNITED STATES FOR DAMAGES.—

“(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Secretary of Defense shall fully compensate the contractor for any necessary repair or replacement.

“(2) LIMITATION ON LIABILITY OF U.S.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor’s commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources under an Emergency Preparedness Agreement.

“§ 53108. Regulatory relief

“(a) OPERATION IN FOREIGN COMMERCE.—A contractor for a vessel included in an operating agreement under this chapter may operate the vessel in the foreign commerce of the United States without restriction.

“(b) OTHER RESTRICTIONS.—The restrictions of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)) concerning the building, rebuilding, or documentation of a vessel in a foreign country shall not apply to a vessel for any day the operator of that vessel is receiving payments for operation of that vessel under an operating agreement under this chapter.

“(c) TELECOMMUNICATIONS EQUIPMENT.—The telecommunications and other electronic equipment on an existing vessel that is redocumented under the laws of the United States for operation under an operating agreement under this chapter shall be deemed to satisfy all Federal Communications Commission equipment certification requirements, if—

“(1) such equipment complies with all applicable international agreements and associated guidelines as determined by the country in which the vessel was documented immediately before becoming documented under the laws of the United States;

“(2) that country has not been identified by the Secretary as inadequately enforcing international regulations as to that vessel; and

“(3) at the end of its useful life, such equipment will be replaced with equipment that meets Federal Communications Commission equipment certification standards.

“§ 53109. Special rule regarding age of participating fleet vessel

“Any age restriction under section 53102(b)(3) or 53106(c)(3) shall not apply to a participating fleet vessel during the 30-month period beginning on the date the vessel begins operating under an operating agreement under this title, if the Secretary determines that the contractor for the vessel has entered into an arrangement to obtain and operate under the operating agreement for the participating fleet vessel a replacement vessel that, upon commencement of such operation, will be eligible to be included in the Fleet under section 53102(b).

“§ 53110. Regulations

“The Secretary and the Secretary of Defense may each prescribe rules as necessary to carry out their respective responsibilities under this chapter.

“§ 53111. Authorization of appropriations

“There are authorized to be appropriated for payments under section 53106, to remain available until expended—

“(1) \$156,000,000 for each of fiscal years 2006, 2007, and 2008;

“(2) \$174,000,000 for each of fiscal years 2009, 2010, and 2011; and

“(3) \$186,000,000 for each fiscal year thereafter through fiscal year 2015.”.

(b) CONFORMING AMENDMENT.—The table of subtitles at the beginning of title 46, United States Code, is amended by inserting before the item relating to chapter VI the following:

“V. MERCHANT MARINE53101”.

SEC. 3532. RELATED AMENDMENTS TO EXISTING LAW.

(a) AMENDMENT TO SHIPPING ACT, 1916.—Section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) is amended—

(1) by redesignating subsection (e), as added by section 1136(b) of Public Law 104–324 (110 Stat. 3987), as subsection (f); and

(2) by amending subsection (e), as added by section 6 of Public Law 104–239 (110 Stat. 3132), to read as follows:

“(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

“(1)(A) the Secretary, in conjunction with the Secretary of Defense, determines that at least one replacement vessel of equal or greater military capability and of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code,

by the owner of the vessel placed under the foreign registry; and

“(B) the replacement vessel is not more than 10 years of age on the date of that documentation; or

“(2) an operating agreement covering the vessel under chapter 531 of title 46, United States Code, has expired.”.

46 USC app.
1162.

(b) MERCHANT MARINE ACT, 1936.—Section 512 of the Merchant Marine Act, 1936 (46 U.S.C. 1162) is amended—

(1) by striking “Notwithstanding” and inserting “(a) Except as provided in subsection (b), notwithstanding”; and

(2) by adding at the end the following:

“(b)(1) Except as provided in paragraph (2), the restrictions and requirements of section 506 shall terminate upon the expiration of the 20-year period beginning on the date of the original delivery of the vessel from the shipyard for operation of a vessel in any domestic trade in which it has operated at any time since 1996.

“(2) Paragraph (1) shall not affect any requirement to make payments under section 506.”.

46 USC 53110
note.

SEC. 3533. INTERIM RULES.

The Secretary of Transportation and the Secretary of Defense may each prescribe interim rules necessary to carry out their respective responsibilities under this subtitle and the amendments made by this subtitle. For this purpose, the Secretaries are excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this section that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of this subtitle.

SEC. 3534. REPEALS AND CONFORMING AMENDMENTS.

(a) REPEALS.—The following provisions are repealed:

(1) Subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187 et seq.).

(2) Section 804 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1222).

(b) CONFORMING AMENDMENTS.—

(1) Section 12102(d)(4) of title 46, United States Code, is amended by inserting “or chapter 531 of title 46, United States Code” after “Merchant Marine Act, 1936”.

(2) Section 1137 of Public Law 104-324 (46 U.S.C. App. 1187 note) is amended by striking “section 651(b) of the Merchant Marine Act, 1936” and inserting “section 53102(b) of title 46, United States Code”.

46 USC app.
1187–1187e.

SEC. 3535. GAO STUDY OF ADJUSTMENT OF OPERATING AGREEMENT PAYMENT CRITERIA.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the potential impact of amending section 53106 of title 46, United States Code, as amended by this Act—

(1) to increase or decrease the 7,500 ton limitation;

(2) to apply the limitation to bagged cargo as well as bulk cargo; and

(3) to so modify the tonnage limitation and apply it to bagged cargo as well as bulk cargo.

(b) MATTERS TO BE ADDRESSED.—

(1) **SPECIFIC IMPACTS.**—As part of the study required by subsection (a), the Comptroller General shall address, in particular, the impact of such amendments on—

(A) the Maritime Security Fleet established under chapter 531 of title 46, United States Code, as amended by this Act;

(B) the civilian bulk cargo preference program under section 901(a), 901(b), or 901b of such Act (46 U.S.C. App. 1241(a), 1241(b), and 1241f); and

(C) operations of vessels under sections 901a through 901k of such Act (46 U.S.C. App. 1241e through 1241o, the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)), or any other statute in *pari materia*.

(2) **CERTAIN ASPECTS.**—In carrying out paragraph (1), the Comptroller General shall consider, among other matters—

(A) increased or decreased costs to the overall cargo preference program, including transportation costs (for both land and water transportation);

(B) effects on ports;

(C) the number of shipments that would be affected;

(D) increased or decreased administrative and compliance burdens for carriers and Federal agencies; and

(E) increases or decreases in the number of United States-flag operators participating in the cargo preference program.

(3) **BALANCING BENEFITS.**—In the study, the Comptroller General shall also address whether and how such amendments could result in achieving an appropriate balance of benefits between participants in the Maritime Security Fleet program and participants in the cargo preference program.

(c) **REPORT.**—The Comptroller General shall transmit a report of the study, including findings, conclusions, and recommendations (including legislative recommendations, if any), to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate within 9 months after the date of the enactment of this Act.

(d) **AUTHORITY.**—In order to conduct the study required by subsection (a), the Comptroller General, or any of the Comptroller General's duly authorized representatives, shall have access to any books, accounts, documents, papers, and records that relate to the information required to complete the study of owners or operators of vessels—

(1) under operating agreements under subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 651 et seq.) or chapter 531 of title 46, United States Code, as amended by this Act; and

(2) that accept bulk cargo subject to the cargo preference laws of the United States.

SEC. 3536. DEFINITIONS.

In this subtitle, the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

SEC. 3537. EFFECTIVE DATES.

(a) **IN GENERAL.**—Except as provided in subsections (b) and (c), this subtitle shall take effect October 1, 2004.

46 USC 53101
note.

(b) REPEALS AND CONFORMING AMENDMENTS.—Section 3534 shall take effect October 1, 2005.

(c) OTHER PROVISIONS.—Sections 3533, 3535, and this section shall take effect on the date of the enactment of this Act.

Subtitle D—National Defense Tank Vessel Construction Assistance

46 USC 53101
note.

SEC. 3541. NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM.

Establishment.

The Secretary of Transportation shall establish a program for the provision of financial assistance for the construction in the United States of a fleet of up to 5 privately owned product tank vessels—

(1) to be operated in commercial service in foreign commerce; and

(2) to be available for national defense purposes in time of war or national emergency pursuant to an Emergency Preparedness Plan approved by the Secretary of Defense pursuant to section 3543(e).

46 USC 53101
note.

SEC. 3542. APPLICATION PROCEDURE.

(a) REQUEST FOR PROPOSALS.—Within 90 days after the date of the enactment of this subtitle, and on an as-needed basis thereafter, the Secretary, in consultation with the Secretary of Defense, shall publish in the Federal Register a request for competitive proposals for the construction of new product tank vessels necessary to meet the commercial and national security needs of the United States and to be built with assistance under this subtitle.

(b) QUALIFICATION.—Any citizen of the United States or any shipyard in the United States may submit a proposal to the Secretary of Transportation for purposes of constructing a product tank vessel with assistance under this subtitle.

(c) REQUIREMENT.—The Secretary, with the concurrence of the Secretary of Defense, may enter into an agreement with the submitter of a proposal for assistance under this subtitle if the Secretary determines that—

(1) the plans and specifications call for construction of a new product tank vessel of not less than 35,000 deadweight tons and not greater than 60,000 deadweight tons, that—

(A) will meet the requirements of foreign commerce;

(B) is capable of carrying militarily useful petroleum products, and will be suitable for national defense or military purposes in time of war, national emergency, or other military contingency; and

(C) will meet the construction standards necessary to be documented under the laws of the United States;

(2) the shipyard in which the vessel will be constructed has the necessary capacity and expertise to successfully construct the proposed number and type of product tank vessels in a reasonable period of time as determined by the Secretary of Transportation, taking into consideration the recent prior commercial shipbuilding history of the proposed shipyard in delivering a vessel or series of vessels on time and in accordance with the contract price and specifications; and

(3) the person proposed to be the operator of the proposed vessel possesses the ability, experience, financial resources, and any other qualifications determined to be necessary by the Secretary for the operation and maintenance of the vessel.

(d) PRIORITY.—The Secretary—

(1) subject to paragraph (2), shall give priority consideration to a proposal submitted by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); and

(2) may give priority to consideration of proposals that provide the best value to the Government, taking into consideration—

(A) the costs of vessel construction; and

(B) the commercial and national security needs of the United States.

SEC. 3543. AWARD OF ASSISTANCE.

46 USC 53101
note.

(a) IN GENERAL.—If after review of a proposal, the Secretary determines that the proposal fulfills the requirements under this subtitle, the Secretary may enter into a contract with the proposed purchaser and the proposed shipyard for the construction of a product tank vessel with assistance under this subtitle.

(b) AMOUNT OF ASSISTANCE.—The contract shall provide that the Secretary shall pay, subject to the availability of appropriations, up to 75 percent of the actual construction cost of the vessel, but in no case more than \$50,000,000 per vessel.

(c) CONSTRUCTION IN UNITED STATES.—A contract under this section shall require that construction of a vessel with assistance under this subtitle shall be performed in a shipyard in the United States.

(d) DOCUMENTATION OF VESSEL.—

(1) CONTRACT REQUIREMENT.—A contract under this section shall require that, upon delivery of a vessel constructed with assistance under the contract, the vessel shall be documented under chapter 121 of title 46, United States Code, with a registry endorsement only.

(2) RESTRICTION ON COASTWISE ENDORSEMENT.—A vessel constructed with assistance under this subtitle shall not be eligible for a certificate of documentation with a coastwise endorsement.

(3) AUTHORITY TO REFLAG NOT APPLICABLE.—Section 9(g) of the Shipping Act, 1916, (46 U.S.C. App. 808(g)) shall not apply to a vessel constructed with assistance under this subtitle.

(e) EMERGENCY PREPAREDNESS AGREEMENT.—

(1) IN GENERAL.—A contract under this section shall require that the person who will be the operator of a vessel constructed with assistance under the contract shall enter into an Emergency Preparedness Agreement for the vessel under section 53107 of title 46, United States Code, as amended by this Act.

(2) TREATMENT AS CONTRACTOR.—For purposes of the application, under paragraph (1), of section 53107 of title 46, United States Code, to a vessel constructed with assistance under this subtitle, the term “contractor” as used in that section means the person who will be the operator of a vessel constructed with assistance under this subtitle.

(f) **ADDITIONAL TERMS.**—The Secretary shall incorporate in the contract the requirements set forth in this subtitle, and may incorporate in the contract any additional terms the Secretary considers necessary.

46 USC 53101
note.

SEC. 3544. PRIORITY FOR TITLE XI ASSISTANCE.

Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended by adding at the end the following:

“(i) **PRIORITY.**—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall give priority to guarantees and commitments for vessels that are otherwise eligible for a guarantee under this section and that are constructed with assistance under subtitle D of the Maritime Security Act of 2003.”.

46 USC 53101
note.

SEC. 3545. DEFINITIONS.

In this subtitle the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

46 USC 53101
note.

SEC. 3546. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary to carry out this subtitle a total of \$250,000,000 for fiscal years after fiscal year 2004.

Nuclear Security
Initiative Act of
2003.

TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

Sec. 3611. Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.

Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.

Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.

Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

22 USC 5951
note.

SEC. 3601. SHORT TITLE.

This title may be cited as the “Nuclear Security Initiative Act of 2003”.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

SEC. 3611. MANAGEMENT ASSESSMENT OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY THREAT REDUCTION AND NONPROLIFERATION PROGRAMS.

(a) **GAO ASSESSMENT REQUIRED.**—The Comptroller General shall carry out an assessment of the management of the threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy. The matters assessed shall include—

- (1) the effectiveness of the overall strategy used for managing such programs;
- (2) the basis used to allocate the missions of such programs among the executive departments and agencies;
- (3) the criteria used to assess the effectiveness of such programs;
- (4) the strategy and process used to establish priorities for activities carried out under such programs, including the analysis of risks and benefits used in determining how best to allocate the funds made available for such programs;
- (5) the mechanisms used to coordinate the activities carried out under such programs by the executive departments and agencies so as to ensure efficient execution and avoid duplication of effort; and
- (6) the management controls used in carrying out such programs and the effect of such controls on the execution of such programs.

(b) **CONSIDERATIONS.**—In carrying out the assessment required by subsection (a), the Comptroller General shall take into account—

- (1) the national security interests of the United States; and
- (2) the need for accountability in expenditure of funds by the United States.

(c) **REPORT.**—Not later than May 1, 2004, the Comptroller General shall submit a report on the assessment required by subsection (a) to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate.

Deadline.

(d) **DEFINITIONS.**—In this section:

(1) The term “threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy” means—

(A) the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note); and

(B) any programs for which funds are made available under the defense nuclear nonproliferation account of the Department of Energy.

(2) The term “management controls” means any accounting, oversight, or other measure intended to ensure that programs are executed consistent with—

(A) programmatic objectives as stated in budget justification materials submitted to Congress (as submitted

with the budget of the President under section 1105(a) of title 31, United States Code); and

(B) any restrictions related to such objectives as are imposed by law.

Subtitle B—Relations Between the United States and Russia

22 USC 5959
note.

SEC. 3621. COMPREHENSIVE INVENTORY OF RUSSIAN TACTICAL NUCLEAR WEAPONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should, to the extent the President considers prudent, seek to work with the Russian Federation to develop a comprehensive inventory of Russian tactical nuclear weapons.

Deadline.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the President shall submit to Congress a report, in both classified and unclassified form as necessary, describing the progress that has been made toward creating such an inventory.

22 USC 5951
note.

SEC. 3622. ESTABLISHMENT OF INTERPARLIAMENTARY THREAT REDUCTION WORKING GROUP.

(a) ESTABLISHMENT OF WORKING GROUP.—There is hereby established a working group to be known as the “Threat Reduction Working Group” as an interparliamentary group of the Congress of the United States and the legislature of the Russian Federation.

(b) PURPOSE OF WORKING GROUP.—The purpose of the working group established by subsection (a) shall be to explore means to enhance cooperation between the United States and the Russian Federation with respect to nuclear nonproliferation and security and such other issues related to reducing the dangers of weapons of mass destruction as the members of the working group consider appropriate.

(c) MEMBERSHIP.—(1) The majority leader of the Senate, after consultation with the minority leader of the Senate, shall appoint not more than 10 Senators to the working group established by subsection (a).

(2) The Speaker of the House of Representatives, after consultation with the minority leader of the House of Representatives, shall appoint not more than 30 Members of the House to the working group.

22 USC 1928
note.

SEC. 3623. SENSE OF CONGRESS ON COOPERATION BY UNITED STATES AND NATO WITH RUSSIA ON BALLISTIC MISSILE DEFENSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should, in conjunction with the North Atlantic Treaty Organization, encourage appropriate cooperative relationships between the Russian Federation and the United States and North Atlantic Treaty Organization with respect to the development and deployment of ballistic missile defenses.

Deadline.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report (in unclassified or classified form as necessary) on the

feasibility of increasing cooperation between the Russian Federation and the United States and the North Atlantic Treaty Organization on the subject of ballistic missile defense. The report shall include—

- (1) the recommendations of the Secretary;
- (2) a description of the threat such cooperation is intended to address; and
- (3) an assessment of possible benefits to ballistic missile defense programs of the United States.

SEC. 3624. SENSE OF CONGRESS ON ENHANCED COLLABORATION TO ACHIEVE MORE RELIABLE RUSSIAN EARLY WARNING SYSTEMS.

It is the sense of Congress that the President, to the extent consistent with the national security interests of the United States, should—

- (1) encourage joint efforts by the United States and the Russian Federation to reduce the probability of accidental nuclear attack as a result of misinformation or miscalculation by developing the capabilities and increasing the reliability of Russian ballistic missile early-warning systems;
- (2) encourage the development of joint programs by the United States and the Russian Federation to ensure that the Russian Federation has reliable information regarding launches of ballistic missiles anywhere in the world; and
- (3) pending the execution of a new agreement between the United States and the Russian Federation providing for the conduct of the Russian-American Observation Satellite (RAMOS) program, ensure that funds appropriated for that program for fiscal year 2004 are obligated and expended in a manner that provides for the satisfactory continuation of that program.

Subtitle C—Other Matters

SEC. 3631. PROMOTION OF DISCUSSIONS ON NUCLEAR AND RADIOLOGICAL SECURITY AND SAFETY BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

22 USC 6321
note.

(a) SENSE OF CONGRESS REGARDING INITIATION OF DIALOGUE BETWEEN THE IAEA AND THE OECD.—It is the sense of Congress that—

- (1) the United States should seek to initiate discussions between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development for the purpose of exploring issues of nuclear and radiological security and safety, including the creation of new sources of revenue (including debt reduction) for states to provide nuclear security; and
- (2) the discussions referred to in paragraph (1) should also provide a forum to explore possible sources of funds in support of the G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

(b) CONTINGENT REPORT.—(1) Except as provided in paragraph (2), the President shall, not later than 12 months after the date of the enactment of this Act, submit to Congress a report on—

President.
Deadline.

(A) the efforts made by the United States to initiate the discussions described in subsection (a);

(B) the results of those efforts; and

(C) any plans for further discussions and the purposes of such discussions.

(2) Paragraph (1) shall not apply if no efforts referred to in paragraph (1)(A) have been made.

Approved November 24, 2003.

LEGISLATIVE HISTORY—H.R. 1588 (S. 1047) (S. 1050):

HOUSE REPORTS: Nos. 108–106 and Pt. 2 (both from Comm. on Armed Services) and 108–354 (Comm. of Conference).

SENATE REPORTS: No. 108–46 accompanying S. 1050 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 21, 22, considered and passed House.

June 4, considered and passed Senate, amended.

Nov. 7, House agreed to conference report.

Nov. 12, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Nov. 24, Presidential remarks and statement.



Public Law 108–137
108th Congress

An Act

Making appropriations for energy and water development for the fiscal year ending September 30, 2004, and for other purposes.

Dec. 1, 2003
[H.R. 2754]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, for energy and water development, and for other purposes, namely:

Energy and
Water
Development
Appropriations
Act, 2004.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, shore protection, aquatic ecosystem restoration, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, aquatic ecosystem restoration, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by law, surveys and detailed studies and plans and specifications of projects prior to construction, \$116,949,000, to remain available until expended: *Provided*, That for the Ohio Riverfront, Cincinnati, Ohio, project, the cost of planning and design undertaken by non-Federal interests shall be credited toward the non-Federal share of project design costs: *Provided further*, That in conducting the Southwest Valley Flood Damage Reduction Study, Albuquerque, New Mexico, the Secretary of the Army, acting through the Chief of Engineers, shall include an evaluation of flood damage reduction measures that would otherwise be excluded from the feasibility analysis based on policies regarding the frequency of flooding, the drainage areas, and the amount of runoff: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$250,000 for preconstruction engineering and design of Waikiki Beach, Oahu,

Hawaii, the project to be designed and evaluated, as authorized: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$100,000 for the continuation and completion of feasibility studies of Kihei Beach, Maui, Hawaii: *Provided further*, That any recommendations for a National Economic Development Plan shall be accepted notwithstanding the extent of recreation benefits supporting the project features, in view of the fact that recreation is extremely important in sustaining and increasing the economic well-being of the State of Hawaii and the nation.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, aquatic ecosystem restoration, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), \$1,722,319,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund as authorized by Public Law 104-303; and of which such sums as are necessary pursuant to Public Law 99-662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for Lock and Dam 11, Mississippi River, Iowa; Lock and Dam 19, Mississippi River, Iowa; Lock and Dam 24, Mississippi River, Illinois and Missouri; and Lock and Dam 3, Mississippi River, Minnesota: *Provided*, That using \$9,280,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to continue construction of the Dallas Floodway Extension, Texas, project, including the Cadillac Heights feature, generally in accordance with the Chief of Engineers report dated December 7, 1999: *Provided further*, That the Secretary of the Army is directed to accept advance funds, pursuant to section 11 of the River and Harbor Act of 1925, from the non-Federal sponsor of the Los Angeles Harbor, California, project authorized by section 101(b)(5) of Public Law 106-541: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$750,000 of the funds provided herein to continue construction of the Hawaii Water Management Project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$2,500,000 of the funds appropriated herein to continue construction of the navigation project at Kaunapali Harbor, Hawaii: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$6,000,000 of the funds provided herein for the Dam Safety and Seepage/Stability Correction Program to continue construction of seepage control features and to design and construct repairs to the tainter gates at Waterbury Dam, Vermont: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the construction of the New York and New Jersey Harbor project, 50-foot deepening element, upon execution of the Project Cooperation Agreement: *Provided*

further, That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the construction of the Port Jersey element of the New York and New Jersey Harbor or reimbursement to the Local Sponsor for the construction of the Port Jersey element until commitments for construction of container handling facilities are obtained from the non-Federal sponsor for a second user along the Port Jersey element: *Provided further*, That funds appropriated in this Act for the preservation and restoration of the Florida Everglades shall be made available for expenditure unless: (1) the Secretary of the Army, not later than 30 days after the date of enactment of this Act, transmits to the State of Florida and the Committees on Appropriations of the House of Representatives and the Senate a report containing a finding and supporting materials indicating that the waters entering the A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park do not meet the water quality requirements set forth in the Consent Decree entered in *United States v. South Florida Water Management District*; (2) the State fails to submit a satisfactory plan to bring the waters into compliance with the water quality requirements within 45 days of the date of the report; (3) the Secretary transmits to the State and the Committees a follow-up report containing a finding that the State has not submitted such a plan; and (4) either the Committee on Appropriations of the House of Representatives or the Senate issues a written notice disapproving of further expenditure of the funds: *Provided further*, That the Secretary of the Army shall provide the State of Florida with notice and an opportunity to respond to any determination of the Secretary under the preceding proviso before the determination becomes final: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$17,000,000 of the funds appropriated herein to proceed with planning, engineering, design or construction of the Grundy, Buchanan County, and Dickenson County, Virginia, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River Project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$5,400,000 of the funds appropriated herein to proceed with the planning, engineering, design or construction of the Lower Mingo County, Upper Mingo County, Wayne County, McDowell County, West Virginia, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River Project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to continue the Dickenson County Detailed Project Report as generally defined in Plan 4 of the Huntington District Engineer's Draft Supplement to the section 202 General Plan for Flood Damage Reduction dated April 1997, including all Russell Fork tributary streams within the County and special considerations as may be appropriate to address the unique relocations and resettlement needs for the flood prone communities within the County: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the construction of the Seward Harbor, Alaska, project, in accordance with the Report of the Chief of Engineers, dated June 8, 1999, and the economic justification contained therein: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed and authorized to continue the work to replace and upgrade the dam and all

Florida.
Deadline.
Reports.

Florida.
Notice.

connections to the existing system at Kake, Alaska: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the construction of the Wrangell Harbor, Alaska, project in accordance with the Chief of Engineer's report dated December 23, 1999: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$33,400,000 of the funds appropriated herein for the Clover Fork, City of Cumberland, Town of Martin, Pike County (including Levisa Fork and Tug Fork Tributaries), Bell County, Harlan County in accordance with the Draft Detailed Project Report dated January 2002, Floyd County, Martin County, Johnson County, and Knox County, Kentucky, detailed project report, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use funds appropriated for the navigation project, Tampa Harbor, Florida, to carry out, as part of the project, construction of passing lanes in an area approximately 3.5 miles long, centered on Tampa Bay Cut B, if the Secretary determines that such construction is technically sound, environmentally acceptable, and cost effective: *Provided further*, That using \$200,000 appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, may develop an environmental impact statement for introducing non-native oyster species into the Chesapeake Bay: *Provided further*, That during preparation of the environmental impact statement, the Secretary may establish a scientific advisory body consisting of the Virginia Institute of Marine Science, the University of Maryland, and other appropriate research institutions to review the sufficiency of the environmental impact statement: *Provided further*, That in addition, the Secretary shall give consideration to the findings and recommendations of the National Academy of Sciences report on the introduction of non-native oyster species into the Chesapeake Bay in the preparation of the environmental impact statement: *Provided further*, That notwithstanding the cost sharing provisions of section 510(d) of the Water Resources Development Act of 1996 (110 Stat. 3760), the preparation of the environmental impact statement shall be cost shared 50 percent Federal and 50 percent non-Federal, for an estimated cost of \$2,000,000: *Provided further*, That the non-Federal sponsors may meet their 50 percent matching cost share through in-kind services: *Provided further*, That the Secretary determines that work performed by the non-Federal sponsors is reasonable, allowable, allocable, and integral to the development of the environmental impact statement: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to construct the Miami Harbor project, as recommended in the Miami Harbor Letter Report dated August 2002, as revised February 2003: *Provided further*, That using \$500,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to plan, design, and initiate reconstruction of the Cape Girardeau, Missouri, project, originally authorized by the Flood Control Act of 1950, at an estimated total cost of \$9,000,000, with cost sharing on the same basis as cost sharing for the project as originally authorized, if the Secretary determines that the reconstruction is technically sound and environmentally acceptable: *Provided further*, That the planned reconstruction shall be based on the most cost-effective engineering solution and shall require

no further economic justification: *Provided further*, That the Secretary is directed to use \$5,000,000 of the funds appropriated herein to undertake the restoration of Tar Creek and Vicinity, Oklahoma, project.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for the flood damage reduction program for the Mississippi River alluvial valley below Cape Girardeau, Missouri, as authorized by law, \$324,222,000, to remain available until expended: *Provided*, That the Secretary of the Army, acting through the Chief of Engineers, using \$12,000,000 of the funds provided herein, is directed to continue design and real estate activities and to initiate the pump supply contract for the Yazoo Basin, Yazoo Backwater Pumping Plant, Mississippi: *Provided further*, That the pump supply contract shall be performed by awarding continuing contracts in accordance with 33 U.S.C. 621: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers is directed, with funds previously appropriated, to continue construction of water withdrawal features of the Grand Prairie, Arkansas, project.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the operation, maintenance, and care of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects; for providing security for infrastructure owned and operated by, or on behalf of, the United States Army Corps of Engineers, including administrative buildings and facilities, laboratories, and the Washington Aqueduct; for the maintenance of harbor channels provided by a State, municipality, or other public agency that serve essential navigation needs of general commerce, where authorized by law; and for surveys and charting of northern and northwestern lakes and connecting waters, clearing and straightening channels, and removal of obstructions to navigation, \$1,967,925,000, to remain available until expended, of which such sums as become available in the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662 may be derived from that fund, and of which such sums as become available from the special account for the United States Army Corps of Engineers established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l-6a(i)), may be derived from that account for resource protection, research, interpretation, and maintenance activities related to resource protection in the areas at which outdoor recreation is available; and of which such sums as become available under section 217 of the Water Resources Development Act of 1996, Public Law 104-303, shall be used to cover the cost of operation and maintenance of the dredged material disposal facilities for which fees have been collected: *Provided*, That of funds appropriated herein, for the Intracoastal Waterway, Delaware River to Chesapeake Bay, Delaware and Maryland, the Secretary of the Army, acting through the Chief of Engineers, is directed to reimburse the State of Delaware for normal operation and maintenance costs incurred by the State of Delaware for the SR1 Bridge from station 58+00 to station 293+00 between October 1, 2003, and September 30, 2004: *Provided*

further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use funds appropriated herein to rehabilitate the existing dredged material disposal site for the project for navigation, Bodega Bay Harbor, California, and to continue maintenance dredging of the Federal channel: *Provided further*, That the Secretary shall make suitable material excavated from the site as part of the rehabilitation effort available to the non-Federal sponsor, at no cost to the Federal Government, for use by the non-Federal sponsor in the development of public facilities: *Provided further*, That the Corps of Engineers shall not allocate any funds to deposit dredged material along the Laguna Madre portion of the Gulf Intracoastal Waterway except at the placement areas specified in the Dredged Material Management Plan in section 2.11 of the Final Environmental Impact Statement for Maintenance Dredging of the Gulf Intracoastal Waterway, Laguna Madre, Texas, Nueces, Kleberg, Kenedy, Willacy, and Cameron Counties, Texas, prepared by the Corps of Engineers dated September 2003: *Provided further*, That nothing in the above proviso shall prevent the Corps of Engineers from performing necessary maintenance operations along the Gulf Intracoastal Waterway if the following conditions are met: if the Corps proposes to use any placement areas that are not currently specified in the Dredged Material Management Plan and failure to use such alternative placement areas will result in the closure of any segment of the Gulf Intracoastal Waterway, then such proposal shall be analyzed in an Environmental Impact Statement (EIS) and comply with all other applicable requirements of the National Environmental Policy Act, 42 U.S.C. 4321, et seq., and all other applicable State and Federal laws, including the Clean Water Act, 33 U.S.C. 1251 et seq., the Endangered Species Act, 16 U.S.C. 1531 et seq., and the Coastal Zone Management Act, 16 U.S.C. 1451 et seq.: *Provided further*, That \$15,000,000 is provided to be used by the Secretary of the Army, acting through the Chief of Engineers, to repair, restore, and clean up projects and facilities of the Corps of Engineers and dredge navigation channels, restore and clean out area streams, provide emergency stream bank protection, restore other crucial public infrastructure (including water and sewer facilities), document flood impacts, and undertake other flood recovery efforts considered necessary by the Chief of Engineers: *Provided further*, That the Secretary of the Army is directed to use \$75,000 of the funds appropriated herein to remove the weir feature of the project for flood damage reduction, Mayfield Creek and Tributaries, Kentucky, constructed pursuant to section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), without any further environmental or economic analysis or study: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use \$250,000 of the funds appropriated herein for sediment removal and dam repair at Junaluska, North Carolina.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, \$140,000,000, to remain available until expended.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

For expenses necessary to clean up contamination from sites in the United States resulting from work performed as part of the Nation's early atomic energy program, \$140,000,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related civil works functions in the headquarters of the United States Army Corps of Engineers, the offices of the Division Engineers, the Humphreys Engineer Center Support Activity, the Institute for Water Resources, the United States Army Engineer Research and Development Center, and the United States Army Corps of Engineers Finance Center, \$160,000,000, to remain available until expended: *Provided*, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the division offices: *Provided further*, That none of these funds shall be available to support an office of congressional affairs within the executive office of the Chief of Engineers.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for official reception and representation expenses (not to exceed \$5,000); and during the current fiscal year the Revolving Fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. Agreements proposed for execution by the Assistant Secretary of the Army for Civil Works or the United States Army Corps of Engineers after the date of the enactment of this Act pursuant to section 4 of the Rivers and Harbor Act of 1915, Public Law 64-291; section 11 of the River and Harbor Act of 1925, Public Law 68-585; the Civil Functions Appropriations Act, 1936, Public Law 75-208; section 215 of the Flood Control Act of 1968, as amended, Public Law 90-483; sections 104, 203, and 204 of the Water Resources Development Act of 1986, as amended, Public Law 99-662; section 206 of the Water Resources Development Act of 1992, as amended, Public Law 102-580; section 211 of the Water Resources Development Act of 1996, Public Law 104-303; and any other specific project authority, shall be limited to credits and reimbursements per project not to exceed \$10,000,000 in each fiscal year, and total credits and reimbursements for all applicable projects not to exceed \$50,000,000 in each fiscal year.

SEC. 102. None of the funds appropriated in this or any other Act may be used by the United States Army Corps of Engineers to support activities related to the proposed Ridge Landfill in Tuscarawas County, Ohio.

SEC. 103. None of the funds appropriated in this Act, or any other Act, shall be used to demonstrate or implement any plans divesting or transferring of any Civil Works missions, functions,

or responsibilities for the United States Army Corps of Engineers to other government agencies without specific direction in a subsequent Act of Congress.

SEC. 104. None of the funds appropriated in this or any other Act may be used by the United States Army Corps of Engineers to support activities related to the proposed Indian Run Sanitary Landfill in Sandy Township, Stark County, Ohio.

SEC. 105. ALAMOGORDO, NEW MEXICO. The project for flood protection at Alamogordo, New Mexico, authorized by the Flood Control Act of 1962 (Public Law 87-874), is modified to authorize and direct the Secretary to construct a flood detention basin to protect the north side of the City of Alamogordo, New Mexico, from flooding. The flood detention basin shall be constructed to provide protection from a 100-year flood event. The project cost share for the flood detention basin shall be consistent with section 103(a) of the Water Resources Development Act of 1986, notwithstanding section 202(a) of the Water Resources Development Act of 1996.

NAMING OF LOCK AND DAM 3, ALLEGHENY RIVER, PENNSYLVANIA

Sec. 106. (a) DESIGNATION.—Lock and dam numbered 3 on the Allegheny River, Pennsylvania, shall be known and designated as the “C.W. Bill Young Lock and Dam”.

(b) LEGAL REFERENCES.—A reference in any law, regulation, document, record, map, or other paper of the United States to the lock and dam referred to in subsection (a) shall be deemed to be a reference to the “C.W. Bill Young Lock and Dam”.

SEC. 107. The Secretary of the Army may utilize continuing contracts in carrying out the studying, planning, or designing of a water resources project prior to the authorization of the project for construction.

SEC. 108. The Secretary is authorized to remove and dispose of oil bollards and associated debris in Burlington Harbor, Vermont.

SEC. 109. KAKE DAM REPLACEMENT, KAKE, ALASKA TECHNICAL CORRECTIONS. Section 105, Public Law 106-377, is amended by striking “\$7,000,000” and inserting “\$11,000,000 at full Federal expense”.

SEC. 110. DEAUTHORIZATION OF PROJECT FOR NAVIGATION, PAWTUXET COVE, RHODE ISLAND. (a) IN GENERAL.—The portions of the project for navigation, Pawtuxet Cove, Rhode Island, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173) and described in subsection (b) shall no longer be authorized after the date of enactment of this Act.

(b) DESCRIPTIONS.—The portions of the project referred to in subsection (a) are the following:

(1) Beginning at a point along the western edge of the 6-foot channel just south of the 6-foot turning basin: N247,856.00, E530,338.00, thence running north 51 degrees 44 minutes 12.5 seconds west 214.77 feet to a point N247,989.00, E530,169.37, thence running north 13 degrees 14 minutes 48.8 seconds west 149.99 feet to a point N248,135.00, E530,135.00, thence running north 44 degrees 11 minutes 7.4 seconds east 137.77 feet to a point N248,233.79, E530,231.02, thence running north 3 degrees 58 minutes 18.8 seconds west 300.00 feet to a point N248,533.07, E530,210.24 thence running north 86 degrees 1 minute 34.3 seconds east 35.00 feet to a point N248,535.50, E530,245.16, thence running

south 3 degrees 58 minutes 21.0 seconds east 342.49 feet to a point N248,193.83, E530,268.88, thence running south 44 degrees 11 minutes 7.4 seconds west 135.04 feet to a point N248,097.00, E530,174.77, thence running south 13 degrees 14 minutes 48.8 seconds east 85.38 feet to a point N248,013.89, E530,194.33, thence running south 51 degrees 44 minutes 12.5 seconds east 166.56 feet to a point N247,910.74, E530,325.11 thence running south 13 degrees 14 minutes 49.2 seconds east 56.24 feet to the point of origin.

(2) Beginning at a point along the eastern edge of the 6-foot channel opposite the 6-foot turning basin: N248,180.00, E530,335.00, thence running south 32 degrees 12 minutes 35.3 seconds east 88.25 feet to a point N248,105.33, E530,382.04, thence running south 13 degrees 14 minutes 49.2 seconds east 138.48 feet to a point N247,970.53, E530,413.77, thence running north 32 degrees 12 minutes 35.3 seconds west 135.42 feet to a point N248,085.12, E530,341.59, thence running north 3 degrees 58 minutes 21.0 seconds west 95.11 feet to the point of origin.

(3) Beginning at a point along the eastern edge of the channel adjacent to the 6-foot entrance channel: N246,630.77, E530,729.17, thence running south 13 degrees 14 minutes 49.2 seconds east 35.55 feet to a point N246,596.16, E530,737.32, thence running south 51 degrees 31 minutes 38.6 seconds east 283.15 feet to a point N246,420.00, E530,959.00, thence running north 47 degrees 28 minutes 37.2 seconds west 311.84 feet returning to a point N246,630.77, E530,729.17.

SEC. 111. (a) The Secretary of the Army is authorized to provide technical, planning, design and construction assistance to non-Federal interests to remedy adverse environmental and human health impacts in Ottawa County, Oklahoma. In providing assistance, the Secretary shall coordinate with the State, Tribal, and local interests. The Secretary may undertake implementation of such activities as the Secretary determines to be necessary or advisable to demonstrate practicable alternatives, such activities shall include measures to address lead exposure and other environmental problems related to historical mining activities in the area.

(b) In carrying out subsection (a), the Secretary may utilize, through contracts or other means, the services of the University of Oklahoma, the Oklahoma Department of Environmental Quality, or such other entities as the Secretary determines to be appropriate.

(c) Notwithstanding any other provision of law, the Secretary shall not incur liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) for activities undertaken pursuant to this section.

(d) Non-Federal interests shall be responsible for providing any necessary lands, easements or rights-of-way required for implementation of activities authorized by this section and shall be responsible for operating and maintaining any restoration alternatives constructed or carried out pursuant to this section. All other costs shall be borne by the Federal Government.

(e) There is authorized to be appropriated \$15,000,000 to carry out the purposes of this section.

SEC. 112. The amount of \$2,000,000 previously provided under the heading "Construction, General" in title I of the Energy and Water Development Appropriations Act, 2003, division D of Public Law 108-7, is to be used to provide technical assistance at full

Federal expense, to Alaskan communities to address the serious impacts of coastal erosion.

SEC. 113. ST. GEORGES BRIDGE, DELAWARE. None of the funds made available in this Act may be used to carry out any activity relating to closure or removal of the St. Georges Bridge across the Intracoastal Waterway, Delaware River to Chesapeake Bay, Delaware and Maryland, including a hearing or any other activity relating to preparation of an environmental impact statement concerning the closure or removal.

23 USC 2201
note.

SEC. 114. Section 214(a) of Public Law 106–541 is amended by striking “2003” and inserting “2005”.

SEC. 115. The Secretary of the Army, acting through the Chief of Engineers, shall direct construction of Alternative 1 (Northeast Corner) for the project authorized in section 353 of Public Law 105–277 notwithstanding any other provision of law.

SEC. 116. The Secretary of the Army, acting through the Chief of Engineers, is authorized to undertake appropriate planning, design, and construction measures for wildfire prevention and restoration in the Middle Rio Grande bosque in and around the City of Albuquerque. Work shall be directed toward those portions of the bosque which have been damaged by wildfire or are in imminent danger of damage from wildfire due to heavy fuel loads and impediments to emergency vehicle access.

SEC. 117. Section 595 of the Water Resources Development Act of 1999 (113 Stat. 383; 117 Stat. 142) is amended—

(1) by striking the section heading and inserting the following:

“SEC. 595. IDAHO, MONTANA, RURAL NEVADA, NEW MEXICO, AND RURAL UTAH.”;

(2) in subsection (a)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(B) by striking (a) and all that follows through “means—” and inserting the following:

“(a) DEFINITIONS.—In this section:

“(1) RURAL NEVADA.—The term ‘rural Nevada’ means”; and
(C) by adding at the end the following:

“(2) RURAL UTAH.—The term ‘rural Utah’ means—

“(A) the counties of Box Elder, Cache, Rich, Tooele, Morgan, Summit, Daggett, Wasatch, Duchesne, Uintah, Juab, Sanpete, Carbon, Millard, Sevier, Emery, Grand, Beaver, Piute, Wayne, Iron, Garfield, San Juan, and Kane, Utah; and

“(B) the portions of Washington County, Utah, that are located outside the city of St. George, Utah.”;

(3) in subsections (b) and (c), by striking “Nevada, Montana, and Idaho” and inserting “Idaho, Montana, rural Nevada, New Mexico, and rural Utah”; and

(4) in subsection (h), by striking “2001—” and all that follows and inserting “2001 \$25,000,000 for each of Idaho, Montana, New Mexico, and rural Utah, to remain available until expended.”.

33 USC 2336.

SEC. 118. Section 560(f) of Public Law 106–53 is amended by striking “\$5,000,000” and inserting “\$7,500,000”.

SEC. 119. Section 219(f) of the Water Resources Development Act of 1992 (Public Law 102–580; 106 Stat. 4835), as amended

by section 502(b) of the Water Resources Development Act of 1999 (Public Law 106–53; 113 Stat. 335) and section 108(d) of title I of division B of the Miscellaneous Appropriations Act, 2001 (as enacted by Public law 106–554; 114 Stat. 2763A–220), is further amended by adding at the end the following:

“(71) CORONADO, CALIFORNIA.—\$10,000,000 is authorized for wastewater infrastructure, Coronado, California.”.

SEC. 120. Section 592(g) of the Water Resources Development Act of 1999 (Public Law 106–53; 113 Stat. 380) is amended by striking “\$25,000,000 for the period beginning with fiscal year 2000” and inserting “\$100,000,000”.

SEC. 121. PARK RIVER, GRAFTON, NORTH DAKOTA. Section 364(5) of the Water Resources Development Act of 1999 (113 Stat. 314) is amended—

(1) by striking “\$18,265,000” and inserting “\$21,075,000”; and

(2) by striking “\$9,835,000” and inserting “\$7,025,000”.

SEC. 122. SCHUYLKILL RIVER PARK, PHILADELPHIA, PENNSYLVANIA. The Secretary of the Army shall provide technical, planning, design, and construction assistance for Schuylkill River Park, Philadelphia, Pennsylvania, in accordance with section 564(c) of the Water Resources Development Act of 1996 (Public Law 104–303; 110 Stat. 3785), as contained in the February 2003 report of the Philadelphia District based on regional economic development benefits, at a Federal share of 50 percent and a non-Federal share of 50 percent.

SEC. 123. GWYNNS FALLS WATERSHED, BALTIMORE, MARYLAND. The Secretary of the Army shall implement the project for ecosystem restoration, Gwynns Falls, Maryland, in accordance with the Baltimore Metropolitan Water Resources-Gwynns Falls Watershed Feasibility Report prepared by the Corps of Engineers and the City of Baltimore, Maryland.

SEC. 124. SNAKE RIVER CONFLUENCE INTERPRETATIVE CENTER, CLARKSTON, WASHINGTON. (a) IN GENERAL.—The Secretary of the Army, acting through the Chief of Engineers (referred to in this section as the “Secretary”) is authorized and shall carry out a project to plan, design, construct, furnish, and landscape a federally owned and operated Collocated Civil Works Administrative Building and Snake River Confluence Interpretative Center, as described in the Snake River Confluence Center Project Management Plan.

(b) LOCATION.—The project—

(1) shall be located on Federal property at the confluence of the Snake River and the Clearwater River, near Clarkston, Washington; and

(2) shall be considered to be a capital improvement of the Clarkston office of the Lower Granite Project.

(c) EXISTING STRUCTURES.—In carrying out the project, the Secretary may demolish or relocate existing structures.

(d) COST SHARING.—

(1) TOTAL COST.—The total cost of the project shall not exceed \$3,500,000 (excluding interpretative displays).

(2) FEDERAL SHARE.—The Federal share of the cost of the project shall be \$3,000,000.

(3) NON-FEDERAL SHARE.—

(A) IN GENERAL.—The non-Federal share of the cost of the project—

(i) shall be \$500,000; and

(ii) may be provided—

(I) in cash; or

(II) in kind, with credit accorded to the non-Federal sponsor for provision of all necessary services, replacement facilities, replacement land (not to exceed 4 acres), easements, and rights-of-way acceptable to the Secretary and the non-Federal sponsor.

(B) INTERPRETIVE EXHIBITS.—In addition to the non-Federal share described in subparagraph (A), the non-Federal sponsor shall fund, operate, and maintain all interpretative exhibits under the project.

Reports.
Deadline.

SEC. 125. FLOOD DAMAGE REDUCTION, MILL CREEK, CINCINNATI, OHIO. The Secretary of the Army is directed to complete the General Reevaluation Report on the Mill Creek, Ohio, project within 15 months of enactment of this Act at 100 percent Federal cost. The report shall provide plans for flood damage reduction throughout the basin equivalent to and commensurate with that afforded by the authorized, partially implemented, Mill Creek, Ohio, Flood Damage Reduction Project, as authorized in section 201 of the Flood Control Act of 1970 (Public Law 91-611).

SEC. 126. LAKES MARION AND MOULTRIE, SOUTH CAROLINA. Section 219(f)(25) of the Water Resources Development Act of 1992 (113 Stat. 336; 114 Stat. 2763A-220) is amended—

(1) by striking “\$15,000,000” and inserting “\$35,000,000”; and

(2) by inserting “wastewater treatment and” before “water supply”.

SEC. 127. Section 219(f) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335-337; 114 Stat. 2763A-220-221) is amended by adding at the end the following: “CHARLESTON, SOUTH CAROLINA.—\$5,000,000 for wastewater infrastructure, including wastewater collection systems, Charleston, South Carolina.”.

SEC. 128. AMERICAN RIVER WATERSHED, CALIFORNIA. (a) IN GENERAL.—The Secretary of the Army is authorized to carry out the project for flood damage reduction and environmental restoration, American River Watershed, California, substantially in accordance with the plans, and subject to the conditions, described in the Report of the Chief of Engineers dated November 5, 2002, at a total cost of \$257,300,000, with an estimated Federal cost of \$201,200,000 and an estimated non-Federal cost of \$56,100,000; except that the Secretary is authorized to accept funds from State and local governments and other Federal agencies for the purpose of constructing a permanent bridge instead of the temporary bridge described in the recommended plan and may construct such permanent bridge if all additional costs for such bridge, above the \$36,000,000 provided for in the recommended plan for bridge construction, are provided by such governments or agencies.

(b) EXPEDITING BRIDGE DESIGN AND CONSTRUCTION.—The Secretary, in cooperation with appropriate non-Federal interests, shall immediately commence appropriate studies for, and the design of, a permanent bridge (including an evaluation of potential impacts of bridge construction on traffic patterns and identification of alternatives for mitigating such impacts) and, upon execution of a cost-sharing agreement with such non-Federal interests, shall proceed to construction of the bridge as soon as practicable; except that

such studies, design, and construction shall not adversely affect the schedule of design or construction of authorized projects for flood damage reduction.

SEC. 129. AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA. The project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662-3663) and modified by section 366 of the Water Resources Development Act of 1999 (113 Stat. 319-320), is further modified to direct the Secretary to carry out the project, at a total cost of \$205,000,000.

SEC. 130. PLACER AND EL DORADO COUNTIES, CALIFORNIA. (a) ESTABLISHMENT OF PROGRAM.—The Secretary of the Army may establish a program to provide environmental assistance to non-Federal interests in Placer and El Dorado Counties, California.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance to improve the efficiency and use of existing water supplies in Placer and El Dorado Counties through water and wastewater projects, programs, and infrastructure.

(c) OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) PARTNERSHIP AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a partnership agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each partnership agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each partnership agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR WORK.—The non-Federal interests shall receive credit for the reasonable cost of design work on a project completed by the non-Federal interest before entering into a partnership agreement with the Secretary for such project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs

associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) NONPROFIT ENTITIES.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), for any project undertaken under this section, a non-Federal interest may include a nonprofit entity with the consent of the affected local government.

(g) CORPS OF ENGINEERS EXPENSES.—Ten percent of the amounts appropriated to carry out this section may be used by the Corps of Engineers district offices to administer projects under this section at 100 percent Federal expense.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$40,000,000. Such sums shall remain available until expended.

SEC. 131. SACRAMENTO AREA, CALIFORNIA. Section 219(f)(23) of the Water Resources Development Act of 1992 (106 Stat. 4835-4836; 113 Stat. 336) is amended by striking “\$25,000,000” and inserting “\$35,000,000”.

SEC. 132. UPPER KLAMATH BASIN, CALIFORNIA. (a) DEFINITION OF UPPER KLAMATH BASIN.—In this section, the term “Upper Klamath Basin” means the counties of Klamath, Oregon, and Siskiyou and Modoc, California.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of the Army may establish a program to provide environmental assistance to non-Federal interests in the Upper Klamath Basin.

(c) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance to improve the efficiency and use of existing water supplies in the Upper Klamath Basin through water and wastewater and ecosystem restoration projects, programs, and infrastructure.

(d) OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) PARTNERSHIP AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a partnership agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each partnership agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each partnership agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR WORK.—The non-Federal interests shall receive credit for the reasonable cost of design work on a project completed by the non-Federal interest before entering into a partnership agreement with the Secretary for such project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) NONPROFIT ENTITIES.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), for any project undertaken under this section, a non-Federal interest may include a nonprofit entity with the consent of the affected local government.

(h) CORPS OF ENGINEERS EXPENSES.—Ten percent of the amounts appropriated to carry out this section may be used by the Corps of Engineers district offices to administer projects under this section at 100 percent Federal expense.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000. Such sums shall remain available until expended.

SEC. 133. ADDITIONAL ASSISTANCE FOR CRITICAL PROJECTS. Section 219(f) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335-337; 114 Stat. 2763A-220-221) is amended by adding at the end the following:

“(71) PLACER AND EL DORADO COUNTIES, CALIFORNIA.—\$35,000,000 to improve the efficiency and use of existing water supplies in Placer and El Dorado Counties, California, through water and wastewater projects, programs, and infrastructure.

“(72) LASSEN, PLUMAS, BUTTE, SIERRA, AND NEVADA COUNTIES, CALIFORNIA.—\$25,000,000 to improve the efficiency and use of existing water supplies in the counties of Lassen, Plumas, Butte, Sierra, and Nevada, California, through water and waste water projects, programs, and infrastructure.”.

SEC. 134. BRIDGE AUTHORIZATION. There is authorized to be appropriated \$30,000,000 for the construction of the permanent bridge described in section 128(a).

SEC. 135. Section 504(a)(2) of the Water Resources Development Act of 1999 (113 Stat. 338) is amended by striking “Kehly Run Dam” and inserting “Kehly Run Dams”.

SEC. 136. The McClellan-Kerr Arkansas River navigation project, authorized under the comprehensive plan for the Arkansas River Basin by section 3 of the Act entitled “An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes”, approved June 28, 1938 (52 Stat. 1218) and section 10 of the Flood Control Act of 1946 (60 Stat. 647) and where applicable the provisions of the River and Harbor Act of 1946 (60 Stat. 634) and modified by section 108 of the Energy and Water Development Appropriations Act, 1988 (101 Stat. 1329–112), is further modified to authorize a project depth of 12 feet.

SEC. 137. The Secretary shall provide credit to the non-Federal sponsor for preconstruction engineering and design work performed by the non-Federal sponsor for the environmental dredging project at Ashtabula River, Ohio, prior to execution of a Project Cooperation Agreement.

SEC. 138. GATEWAY POINT, NORTH TONAWANDA, NEW YORK. The Secretary shall review the shoreline stabilization, recreation, and public access components of the feasibility report for waterfront development at Gateway Point, North Tonawanda, New York, entitled “City of North Tonawanda, Gateway Point Feasibility”, dated February 6, 2003, and prepared by the non-Federal interest and, if the Secretary determines that those components meet the evaluation and design standards of the Corps of Engineers and that the components are feasible, may carry out the components at a Federal cost not to exceed \$3,300,000.

SEC. 139. CHICAGO RIVER AND HARBOR ILLINOIS. Those portions of the projects for navigation, Chicago River and Chicago Harbor, authorized by the River and Harbor Act of March 3, 1899, (30 Stat. 1129) extending 50 feet riverward of the existing dock wall on the south side of the channel from Lake Street to Franklin Street and 25 feet riverward of the existing dock wall on the south side of the channel from Franklin Street to Wabash Avenue, and those areas within 20 feet of the bridge abutments on the south side of the channel for the length of the protection bridge piers from the Franklin Street Bridge to the Michigan Avenue Bridge shall no longer be authorized after the date of enactment of this Act.

SEC. 140. SAN FRANCISCO, CALIFORNIA. CAPITAL IMPROVEMENT PROJECT.—

(1) ESTABLISHMENT OF OFFICE.—The Secretary shall establish a centralized office at the office of the district engineer, San Francisco, California, for the use of all Federal and State agencies that are or will be involved in issuing permits and conducting environmental reviews for the capital improvement

project to repair and upgrade the water supply and delivery system for the city of San Francisco.

(2) CONTRIBUTIONS.—The Secretary may use the authority under section 214 of the Water Resources Development Act of 2000 (33 U.S.C. 2201 note) for the project described in paragraph (1).

(3) PROTECTION OF IMPARTIAL DECISIONMAKING.—In carrying out this section, the Secretary and the heads of Federal agencies receiving funds under such section 214 for the project described in paragraph (1) shall ensure that the use of the funds accepted under such section for such project will not impact impartial decision making with respect to the issuance of permits, either substantively or procedurally, or diminish, modify, or otherwise affect the statutory or regulatory authorities of such agencies.

SEC. 141. WOLF LAKE, INDIANA. The project for aquatic ecosystem restoration, Wolf Lake, Indiana, being carried out under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330), is modified to direct the Secretary to credit toward the non-Federal share of the cost of the project the cost of planning, design, and construction work carried out by the non-Federal interest before the date of the project cooperation agreement for the project if the Secretary determines that the work is integral to the project.

SEC. 142. COOK COUNTY, ILLINOIS. The Secretary of the Army is directed to credit up to \$80,000 for design work completed by non-Federal interests, prior to and after the signing of the project cooperation agreement, toward the non-Federal share of the project for Calumet and Burr Oaks Schools Sewer Improvements, Cook County, Illinois, authorized by section 219(f)(54) of the Water Resources Development Act of 1992 (Public Law 102-580, as amended), if the Secretary determines that the work is integral to the project.

SEC. 143. LOS ANGELES HARBOR, LOS ANGELES, CALIFORNIA. The project for navigation, Los Angeles Harbor, Los Angeles, California, authorized by section 101(b)(5) of the Water Resources Development Act of 2000 (114 Stat. 2577), is modified to direct the Secretary to credit toward the non-Federal share of the cost of the project the cost of the planning, design, and construction work carried out by the non-Federal interest before the date of the partnership agreement for the project if the Secretary determines the work is integral to the project.

SEC. 144. SAN LORENZO RIVER, CALIFORNIA. The project for flood control, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1996 (110 Stat. 3663), is modified to direct the Secretary to credit not more than \$2,000,000 toward the non-Federal share of the cost of the project for the cost of the work carried out by the non-Federal interest before the date of the project cooperation agreement for the project if the Secretary determines the work is integral to the project.

SEC. 145. CALUMET REGION, INDIANA. Section 219(f)(12) of the Water Resources Development Act of 1992 (113 Stat. 335) is amended—

(1) by striking “\$10,000,000” and inserting “\$30,000,000”; and

(2) by striking “Lake and Porter” and inserting “Benton, Jasper, Lake, Newton, and Porter”.

SEC. 146. The Secretary of the Army, acting through the Chief of Engineers, is authorized to construct the project for flood control, Meramec River Basin, Valley Park Levee, Missouri, originally authorized by Public Law 97-128 (95 Stat. 1682) and modified by section 1128 of WRDA 1986 and section 333 of WRDA 1999, at a maximum Federal expenditure of \$50,000,000.

SEC. 147. The project for flood control, Saw Mill Run, Pennsylvania, authorized by section 401(a) of Public Law 99-662 (100 Stat. 4124) and modified by section 301(a) of Public Law 104-303 (110 Stat. 3708), is further modified to authorize the Secretary to carry out the project at a total cost of \$22,000,000, with an estimated Federal cost of \$16,500,000 and an estimated non-Federal cost of \$5,500,000.

SEC. 148. The project for flood control, Roanoke River Upper Basin, Virginia, authorized by section 401(a) of Public Law 99-662 (100 Stat. 4126), is further modified to authorize the Secretary to construct the project at a total cost of \$61,700,000, with an estimated Federal cost of \$43,000,000 and an estimated non-Federal cost of \$18,700,000.

SEC. 149. The project for harbor deepening, Brunswick Harbor, Georgia, authorized by section 101(a)(19), Public Law 106-53, and amended by the fiscal year 2003 Consolidated Appropriations Act, Public Law 108-7, is further modified to authorize the Secretary to construct the project at a total cost of \$96,276,000 with an estimated Federal cost of \$61,709,000 and an estimated non-Federal cost of \$34,567,000.

SEC. 150. The project for flood control, Lackawanna River at Olyphant, Pennsylvania, authorized by section 101(16) of Public Law 102-580 (106 Stat. 4797), is modified to authorize the Secretary to carry out the project at a total cost of \$23,000,000, with an estimated Federal cost of \$17,250,000 and an estimated non-Federal cost of \$5,750,000.

SEC. 151. PERRY CREEK, IOWA. The project for flood protection, Perry Creek Flood Control Project, Sioux City, Iowa, authorized under section 401(a) of the Water Resources Development Act of 1986, is modified to increase the project authorization to \$96,870,000 (Federal cost of \$58,677,000 and non-Federal cost of \$38,193,000).

113 Stat. 312.

SEC. 152. ELIZABETH RIVER, CHESAPEAKE, VIRGINIA. Section 358 of Public Law 106-53 is modified by striking “September 30, 1999,” and inserting “May 1, 1997,”.

114 Stat.
2763A-221.

SEC. 153. Section 219(f) of the Water Resources Development Act of 1992 is amended by adding at the end the following:

“(71) \$6,430,000 for environmental infrastructure for Indianapolis, Indiana;”.

SEC. 154. MISSISSIPPI RIVER AND BIG MUDDY RIVER, ILLINOIS. (a) IN GENERAL.—The project for flood control, Mississippi River and Big Muddy River, Illinois, authorized by the Flood Control Act of 1938, is modified to authorize the Secretary to carry out repair and rehabilitation of the project at a total cost of \$22,600,000, with an estimated Federal cost of \$16,950,000 and an estimated non-Federal cost of \$5,650,000, and to perform operation and maintenance of the project thereafter.

(b) **OTHER ASSISTANCE.**—Federal assistance made available through the Department of Agriculture may be used toward payment of the non-Federal share of the costs of the repair and rehabilitation under this section.

(c) **UNITED STATES LANDS.**—Costs under this section for the repair and rehabilitation allocable to the protection of lands owned by the United States shall be a Federal responsibility. The Secretary shall seek reimbursement from the Secretary of Agriculture for the costs allocated to protecting lands owned by the Department of Agriculture.

(d) **OPERATION AND MAINTENANCE OF NON-FEDERAL LANDS.**—The cost of operation and maintenance under this section allocated to protecting non-Federal lands shall be a non-Federal responsibility.

SEC. 155. MOSS LAKE, LOUISIANA. The Secretary of the Army, acting through the Chief of Engineers, is authorized to carry out a project to restore lake depths at Moss Lake, Louisiana, adjacent to the Calcasieu River and Pass channel at a total project cost of \$2,500,000.

SEC. 156. The project for navigation, Manatee Harbor, Florida, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4093), and modified by section 102(j) of the Water Resources Development Act of 1990 (104 Stat. 4612), is further modified—

(1) to include the construction of an extension of the south channel a distance of approximately 1584 feet consistent with the general reevaluation report, dated April 2002, prepared by the Jacksonville District Corps of Engineers, at a total cost of \$11,300,000, with an estimated Federal cost of \$8,475,000 and an estimated non-Federal cost of \$2,825,000;

(2) to direct the Secretary to credit toward the non-Federal share of the cost of the project the cost of in-kind services and materials provided for the project by the non-Federal interest;

(3) to direct the Secretary to credit toward the non-Federal share of the cost of the project the cost of planning, design, and construction work carried out by the non-Federal interest before the date of the partnership agreement for the project if the Secretary determines that the work is integral to the project; and

(4) to authorize the Secretary to carry out the project as modified at a total cost of \$61,500,000.

SEC. 157. HARRIS GULLY, HARRIS COUNTY, TEXAS.

(a) **STUDY.**—

(1) **IN GENERAL.**—The Secretary shall conduct a study to determine the feasibility of carrying out a project for flood damage reduction in the Harris Gully watershed, Harris County, Texas, to provide flood protection for the Texas Medical Center, Houston, Texas.

(2) **USE OF LOCAL STUDIES AND PLANS.**—In conducting the study, the Secretary shall use, to the extent practicable, studies and plans developed by the non-Federal interest if the Secretary determines that such studies and plans meet the evaluation and design standards of the Corps of Engineers.

(3) **COMPLETION DATE.**—The Secretary shall complete the study by July 1, 2004.

(b) CRITICAL FLOOD DAMAGE REDUCTION MEASURES.—The Secretary may carry out critical flood damage reduction measures that the Secretary determines are feasible and that will provide immediate and substantial flood damage reduction benefits in the Harris Gully watershed, at a Federal cost of \$7,000,000.

(c) CREDIT.—The Secretary shall credit toward the non-Federal share of the cost of the project the cost of planning, design, and construction work carried out by the non-Federal interest before the date of the partnership agreement for the project if the Secretary determines that such work is integral to the project.

(d) NONPROFIT ENTITY.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), a nonprofit entity may, with the consent of the local government, serve as a non-Federal interest for the project undertaken under this section.

SEC. 158. The Secretary may carry out the Reach J, Segment 1, element of the project for hurricane and storm damage reduction, Morganza to the Gulf of Mexico, Louisiana, in accordance with the report of the Chief of Engineers, dated August 23, 2002, and supplemental report dated July 22, 2003, at a total cost of \$4,000,000.

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For carrying out activities authorized by the Central Utah Project Completion Act, \$36,463,000, to remain available until expended, of which \$9,423,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, \$1,728,000, to remain available until expended.

BUREAU OF RECLAMATION

The following appropriations shall be expended to execute authorized functions of the Bureau of Reclamation:

WATER AND RELATED RESOURCES

(INCLUDING TRANSFER OF FUNDS)

For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, Indian tribes, and others, \$857,498,000, to remain available until expended, of which \$51,330,000 shall be available for transfer to the Upper Colorado River Basin Fund and \$33,570,000 shall be available for transfer to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund; and of which not more than

\$500,000 is for high priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C. 1706: *Provided*, That such transfers may be increased or decreased within the overall appropriation under this heading: *Provided further*, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C. 460l–6a(i) shall be derived from that Fund or account: *Provided further*, That funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which contributed: *Provided further*, That funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: *Provided further*, That funds available for expenditure for the Departmental Irrigation Drainage Program may be expended by the Bureau of Reclamation for site remediation on a non-reimbursable basis: *Provided further*, That \$1,000,000 is to be used for completion of the Santa Fe wells project in New Mexico through a cooperative agreement with the City of Santa Fe: *Provided further*, That \$10,000,000 of the funds appropriated herein shall be deposited in the San Gabriel Basin Restoration Fund established by section 110 of division B, title I of Public Law 106–554, as amended: *Provided further*, That section 301 of Public Law 102–250, Reclamation States Emergency Drought Relief Act of 1991, as amended, is amended further by inserting “2003, and 2004” in lieu of “and 2003”. 43 USC 2241.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

For administrative expenses necessary to carry out the program for direct loans and/or grants, \$200,000, to remain available until expended, of which the amount that can be financed by the Reclamation Fund shall be derived from that fund.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, \$39,600,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f), and 3406(c)(1) of Public Law 102–575, to remain available until expended: *Provided*, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575: *Provided further*, That none of the funds made available under this heading may be used for the acquisition or leasing of water for in-stream purposes if the water is already committed to in-stream purposes by a court adopted decree or order.

POLICY AND ADMINISTRATION

For necessary expenses of policy, administration, and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, \$55,525,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: *Provided*, That no part of any other appropriation

in this Act shall be available for activities or functions budgeted as policy and administration expenses.

WORKING CAPITAL FUND

(RESCISSION)

From unobligated balances under this heading, \$4,525,000 are rescinded.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 14 passenger motor vehicles, of which 12 are for replacement only.

GENERAL PROVISIONS

DEPARTMENT OF THE INTERIOR

SEC. 201. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the "Cleanup Program-Alternative Repayment Plan" and the "SJVDP-Alternative Repayment Plan" described in the report entitled "Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995", prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.

SEC. 202. None of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to purchase or lease water in the Middle Rio Grande or the Carlsbad Projects in New Mexico unless said purchase or lease is in compliance with the purchase requirements of section 202 of Public Law 106-60.

104 Stat. 2087.

SEC. 203. Subsection 206(b) of Public Law 101-514 is amended as follows: In paragraph (1), strike ", with annual quantities delivered under these contracts to be determined by the Secretary based upon the quantity of water actually needed within the Sacramento County Water Agency service area and San Juan Suburban Water District after considering reasonable efforts to: (i) promote full utilization of existing water entitlements within Sacramento County; (ii) implement water conservation and metering programs within the areas served by the contract; and (iii) implement programs to maximize to the extent feasible conjunctive use of surface water and groundwater".

SEC. 204. The Secretary of the Interior is authorized and directed to amend the Central Valley Project water supply contracts of the Sacramento County Water Agency and the San Juan Suburban Water District by deleting a provision requiring a determination of annual water needs included pursuant to section 206 of Public Law 101-514.

SEC. 205. LOWER COLORADO RIVER BASIN DEVELOPMENT. (a) IN GENERAL.—Notwithstanding section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)), no amount from the Lower Colorado River Basin Development Fund shall be paid to the general fund of the Treasury until each provision of the revised Stipulation Regarding a Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, filed in United States District Court on April 24, 2003, in Central Arizona Water Conservation District v. United States (No. CIV 95-625-TUC-WDB (EHC), No. CIV 95-1720-OHX-EHC (Consolidated Action)), and any amendment or revision thereof, is met. 43 USC 1543 note.

(b) PAYMENT TO GENERAL FUND.—If any of the provisions of the stipulation referred to in subsection (a) are not met by the date that is 10 years after the date of enactment of this Act, payments to the general fund of the Treasury shall resume in accordance with section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)).

(c) AUTHORIZATION.—Amounts in the Lower Colorado River Basin Development Fund that but for this section would be returned to the general fund of the Treasury shall not be expended until further Act of Congress.

SEC. 206. The second paragraph under the heading “Administrative Provisions” in Public Law 102-377 (43 U.S.C. 377b) is amended by inserting “, not to exceed \$5,000,000 for each causal event giving rise to a claim or claims” after “activities of the Bureau of Reclamation”.

SEC. 207. Funds under this title for Drought Emergency Assistance shall be made available primarily for leasing of water for specified drought related purposes from willing lessors, in compliance with existing State laws and administered under State water priority allocation. Such leases may be entered into with an option to purchase: *Provided*, That such purchase is approved by the State in which the purchase takes place and the purchase does not cause economic harm within the State in which the purchase is made.

SEC. 208. (a) Notwithstanding any other provision of law, the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, may not obligate funds appropriated for the current fiscal year or any prior Energy and Water Development Appropriations Act, or funds otherwise made available to the Commissioner of the Bureau of Reclamation, and may not use discretion, if any, to restrict, reduce or reallocate any water stored in Heron Reservoir or delivered pursuant to San Juan-Chama Project contracts, including execution of said contracts facilitated by the Middle Rio Grande Project, to meet the requirements of the Endangered Species Act, unless such water is acquired or otherwise made available from a willing seller or lessor and the use is in compliance with the laws of the State of New Mexico, including but not limited to, permitting requirements.

(b) Complying with the reasonable and prudent alternatives and the incidental take limits defined in the Biological Opinion

released by the United States Fish and Wildlife Service dated March 17, 2003 combined with efforts carried out pursuant to Public Law 106-377, Public Law 107-66, and Public Law 108-7 fully meet all requirements of the Endangered Species Act (16 U.S.C. 1531 et seq.) for the conservation of the Rio Grande Silvery Minnow (*Hybognathus amarus*) and the Southwestern Willow Flycatcher (*Empidonax trailii extimus*) on the Middle Rio Grande in New Mexico.

Applicability.

(c) This section applies only to those Federal agency and non-Federal actions addressed in the March 17, 2003 Biological Opinion.

Termination date.

(d) Subsection (b) will remain in effect for 2 years following the implementation of this Act.

Establishment.

SEC. 209. ENDANGERED SPECIES COLLABORATIVE PROGRAM. (a) Using funds previously appropriated, the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation and the Director of the Fish and Wildlife Service, for purposes of improving the efficiency and expediting the efforts of the Endangered Species Act Collaborative Program Workgroup, is directed to establish an executive committee of seven members consisting of—

- (1) one member from the Bureau of Reclamation;
- (2) one member from the Fish and Wildlife Service; and
- (3) one member at large representing each of the following seven entities (selected at the discretion of the entity in consultation with the Bureau of Reclamation and the Fish and Wildlife Service) currently participating as signatories to the existing Memorandum of Understanding:
 - (A) other Federal agencies;
 - (B) State agencies;
 - (C) municipalities;
 - (D) universities and environmental groups;
 - (E) agricultural communities;
 - (F) Middle Rio Grande Pueblos (Sandia, Isleta, San Felipe, Cochiti, Santa Ana, and Santo Domingo); and
 - (G) Middle Rio Grande Conservancy District.

Deadline.

(b) Formation of this Committee shall not occur later than 45 days after enactment of this Act.

(c) Fiscal year 2004 appropriations shall not be obligated or expended prior to approval of a detailed spending plan by the House and Senate Committees on Appropriations.

Effective date.

(d) The above section shall come into effect within 180 days of enactment of this Act, unless the Bureau of Reclamation, in consultation with the above listed parties, has provided an alternative workgroup structure which has been approved by the House and Senate Committees on Appropriations.

SEC. 210. TULAROSA BASIN NATIONAL DESALINATION RESEARCH FACILITY. (a) DESALINATION DEMONSTRATION AND DEVELOPMENT.—Pursuant to section 4(a) of Public Law 104-298; 110 Stat. 3622 (October 11, 1996), the Secretary may hereafter conduct or contract for the design, construction, testing and operation of the Tularosa Basin National Desalination Research Facility.

(b) The Tularosa Basin National Desalination Research Facility is hereafter exempt from all provisions of section 7 of Public Law 104-298; 110 Stat. 3622 (October 11, 1996). The Federal share of the cost of the Tularosa Basin National Desalination Research Facility may be up to 100 percent, including the cost of design, construction, operation, maintenance, repair and rehabilitation.

SEC. 211. The Secretary of the Interior, in carrying out CALFED-related activities, may undertake feasibility studies for Sites Reservoir, Los Vaqueros Reservoir Enlargement, and Upper San Joaquin Storage projects, hereafter. These storage studies should be pursued along with ongoing environmental and other projects in a balanced manner.

SEC. 212. The Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to enter into grants, cooperative agreements, and other agreements with irrigation or water districts to fund up to 50 percent of the cost of planning, designing, and constructing improvements that will conserve water, increase water use efficiency, or enhance water management through measurement or automation, at existing water supply projects within the states identified in the Act of June 17, 1902, as amended, and supplemented: *Provided*, That when such improvements are to federally owned facilities, such funds may be provided in advance on a non-reimbursable basis to an entity operating affected transferred works or may be deemed non-reimbursable for non-transferred works: *Provided further*, That the calculation of the non-Federal contribution shall provide for consideration of the value of any in-kind contributions, but shall not include funds received from other Federal agencies: *Provided further*, That the cost of operating and maintaining such improvements shall be the responsibility of the non-Federal entity: *Provided further*, That this section shall not supercede any existing project-specific funding authority. The Secretary is also authorized to enter into grants or cooperative agreements with universities or non-profit research institutions to fund water use efficiency research.

SEC. 213. HAWAII WATER RESOURCES STUDY. The Hawaii Water Resources Act of 2000 (Public Law 106–566; 114 Stat. 2818) is amended—

(1) in section 103—

114 Stat. 2818.

(A) in subsection (b)(1), by striking “Not” and all that follows through “the Secretary” and inserting “The Secretary” and

(B) in subsection (e), by striking “\$300,000” and all that follows and inserting “\$2,000,000 for the Federal share of the activities authorized under this section”; and

(2) in section 104(b), by striking “cost-effective,” and all that follows and inserting “cost-effective.”

114 Stat. 2819.

SEC. 214. Notwithstanding the provisions of title IV of Public Law 102–575 (106 Stat. 4648), the contributions of the Western Area Power Administration to the Utah Reclamation Mitigation and Conservation Account shall expire 10 fiscal years from the date of enactment of this Act. Such contributions shall be from an account established by the Western Area Power Administration for this purpose and such contributions shall be made available to the Utah Reclamation Mitigation and Conservation Account subject to appropriations. After 10 fiscal years from the date of enactment of this Act, the Utah Reclamation Mitigation and Conservation Commission is hereby authorized to utilize interest earned and accrued to the Utah Reclamation Mitigation and Conservation Account.

Expiration date.

SEC. 215. TUALATIN RIVER BASIN, OREGON. (a) AUTHORIZATION TO CONDUCT FEASIBILITY STUDY.—The Secretary of the Interior may conduct a Tualatin River Basin water supply feasibility study—

(1) to identify ways to meet future water supply needs for agricultural, municipal, and industrial uses;

(2) to identify water conservation and water storage measures;

(3) to identify measures that would—

(A) improve water quality; and

(B) enable environmental and species protection; and

(4) as appropriate, to evaluate integrated water resource management and supply needs in the Tualatin River Basin, Oregon.

(b) **FEDERAL SHARE.**—The Federal share of the cost of the study conducted under subsection (a)—

(1) shall not exceed 50 percent; and

(2) shall be nonreimbursable and nonreturnable.

(c) **ACTIVITIES.**—No activity carried out under this section shall be considered a supplemental or additional benefit under Federal reclamation law (the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.)).

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$2,900,000, to remain available until expended.

SEC. 216. FACILITATION OF INDIAN WATER RIGHTS IN ARIZONA. In order to facilitate Indian water rights settlements in the State of Arizona, the Secretary may:

(1) Extend, on an annual basis, the repayment schedule of debt incurred under section 9(d) of the Act of August 4, 1939 (43 U.S.C. 485h(d)) by irrigation districts who have contracts for water delivery from the Central Arizona Project.

(2) If requested by either the Gila River Indian Community or the San Carlos Apache Tribe, utilize appropriated funds transferred into the Lower Colorado River Basin Development Fund for construction of Indian Distribution systems to assist in the partial funding of costs associated with the on-reservation delivery of CAP water to these Indian tribes as set forth in the Bureau of Reclamation's FY 2004 Budget Justifications, PF-2B Schedules for construction of the Central Arizona Project. These funds shall be non-reimbursable Operation and Maintenance funds and shall not exceed amounts projected for construction by these Indian tribes as set forth in the Bureau of Reclamation's PF-2B Schedules that support the FY 2004 Budget Justifications for the Central Arizona Project.

Nevada.

SEC. 217. RESTORATION OF FISH AND WILDLIFE HABITAT, PROVISION OF BOTTLED WATER FOR FALLON SCHOOLCHILDREN, AND ASSOCIATED PROVISIONS. (a) **IN GENERAL.**—In carrying out section 2507 of Public Law 107-171, title II, subtitle F, the Secretary of Interior, acting through the Commissioner of Reclamation, shall—

(1) Notwithstanding section 2507 (b) of Public Law 107-171, title II, subtitle F, and in accordance with Public Law 101-618, provide \$2,500,000 to the State of Nevada to purchase water rights from willing sellers and make necessary improvements to benefit Carson Lake and Pasture: *Provided*, That such funds shall only be provided by the Bureau of Reclamation when the title to Carson Lake and Pasture is conveyed to the State of Nevada.

(2) As soon as practicable after enactment, provide \$133,000 to Families in Search of the Truth, Fallon, Nevada, for the

purchase of bottled water and costs associated with providing such water to schoolchildren in Fallon-area schools.

(3) In consultation with the Pershing County Water Conservation District, the Commissioner shall expend \$270,000 for the State of Nevada's costs associated with the National Environmental Policy Act review of the Humboldt Title Transfer: *Provided*, That notwithstanding Public Law 107-282, section 804(d)-(f), the State of Nevada shall pay any other costs assigned to the State as an entity receiving title in Public Law 107-282, section 804(b)-(e) or due to any reconveyance under Public Law 107-282, section 804(f), including any such National Environmental Policy Act costs that exceed the \$270,000 expended by the Commissioner under this subparagraph.

(4) Provide \$1,000,000 to the University of Nevada, Reno's Biodiversity initiative for public education and associated technical assistance and outreach concerning the issues affecting the restoration of Walker Lake.

(b) ADMINISTRATION.—The Secretary of the Interior, acting through the Commissioner of Reclamation, may provide financial assistance to State and local public agencies, Indian tribes, nonprofit organizations, and individuals to carry out this section and section 2507 of Public Law 107-171.

SEC. 218. The Secretary of the Interior shall extend the term of the Sacramento River Settlement Contracts, long- and short-form, entered into by the United States with various districts and individuals, section 14 of the Reclamation Project Act of 1939 (53 Stat. 1197), for a period of 2 additional years after the date on which each of the contracts, respectively, would expire but for this section, or until renewal contracts are executed, whichever occurs earlier.

Contracts.

SEC. 219. (a) Section 1(b) of Public Law 105-295 (112 Stat. 2820) is amended by striking the second sentence and inserting the following: "The Federal share of the costs of constructing the temperature control device and associated temperature monitoring facilities shall be 50 percent and shall be nonreimbursable. The temperature control device and associated temperature monitoring facilities shall be operated by the non-Federal facility owner at its expense in coordination with the Central Valley Project for the benefit and propagation of Chinook salmon and steelhead trout in the American River, California."

(b) Section 1(c) of Public Law 105-295 (112 Stat. 2820) is amended by striking "\$1,000,000" and inserting "\$3,500,000".

SEC. 220. Not subject to fiscal year limitation, the Secretary of the Interior is hereafter authorized to implement, and enter into financial assistance or other agreements as may be necessary to undertake such activities identified for implementation (including construction) generally in accordance with section III of, and the Pumping/Dam Removal Plan as defined in, United States District Court Consent Decree "United States, et al., v. Grants Pass Irrigation District, Civil No. 98-3034-HO" (August 27, 2001). There are authorized to be appropriated such sums as may be necessary to carry out this provision, and activities conducted under this provision shall be nonreimbursable and nonreturnable.

SEC. 221. EXTENSION OF CERTAIN IRRIGATION PROJECT CONTRACTS. Section 2 of the Irrigation Project Contract Extension Act of 1998 (112 Stat. 2816, 114 Stat. 1441, 1441A-70) is amended—

(1) in subsection (a), by striking “December 31, 2003” and inserting “December 31, 2005”; and

(2) in subsection (b)—

(A) in the first sentence, by striking “beyond December 31, 2003” and inserting “beyond December 31, 2005”; and

(B) in the second sentence, by striking “prior to December 31, 2003” and inserting “before December 31, 2005”.

TITLE III

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY SUPPLY

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy supply activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed 12 passenger motor vehicles for replacement only, including two buses; \$737,537,000, to remain available until expended.

NON-DEFENSE SITE ACCELERATION COMPLETION

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental management site acceleration activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$163,375,000, to remain available until expended.

NON-DEFENSE ENVIRONMENTAL SERVICES

For Department of Energy expenses necessary for non-defense environmental services activities conducted as a result of nuclear energy research and development activities that indirectly support the accelerated cleanup and closure mission at environmental management sites, as well as new work scope transferred to the Environmental Management program, including the purchase, construction, and acquisition of plant and capital equipment and other necessary expenses, \$339,468,000, to remain available until expended.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions, and other activities of title II of the Atomic Energy Act of 1954 and title X, subtitle A, of the Energy Policy Act of 1992, \$416,484,000, to be derived from the Fund, to remain available

until expended, of which \$51,000,000 shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

SCIENCE

For Department of Energy expenses including the purchase, construction and acquisition of plant and capital equipment, and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not to exceed 15 passenger motor vehicles for replacement only, including not to exceed one ambulance, \$3,451,700,000, to remain available until expended.

NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, \$190,000,000, to remain available until expended and to be derived from the Nuclear Waste Fund: *Provided*, That none of the funds provided herein may be used for international travel.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed \$35,000), \$216,533,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department for miscellaneous revenues estimated to total \$123,000,000 in fiscal year 2004 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 2004, and any related unappropriated receipt account balances remaining from prior years' miscellaneous revenues, so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$93,533,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$39,462,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; one fixed wing aircraft for replacement only; and the purchase of not to exceed six passenger motor vehicles, of which four shall be for replacement only, including not to exceed two buses; \$6,272,511,000, to remain available until expended: *Provided*, That \$87,000,000 is authorized to be appropriated for Project 01-D-108, Microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico: *Provided further*, That \$3,564,000 is authorized to be appropriated for Project 04-D-103, Project engineering and design (PED), various locations: *Provided further*, That a plant or construction project for which amounts are made available under this heading in this fiscal year with a current estimated cost of less than \$10,000,000 is considered for purposes of section 3622 of Public Law 107-314 as a plant project for which the approved total estimated cost does not exceed the minor construction threshold and for purposes of section 3623 of Public Law 107-314 as a construction project with a current estimated cost of less than the minor construction threshold.

DEFENSE NUCLEAR NONPROLIFERATION

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense, defense nuclear nonproliferation activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$1,327,612,000, to remain available until expended.

NAVAL REACTORS

For Department of Energy expenses necessary for naval reactors activities to carry out the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition (by purchase, condemnation, construction, or otherwise) of real property, plant, and capital equipment, facilities, and facility expansion, and the purchase of not to exceed one bus; \$766,400,000, to remain available until expended.

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Office of the Administrator in the National Nuclear Security Administration, including official

reception and representation expenses (not to exceed \$12,000), \$339,980,000, to remain available until expended.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE SITE ACCELERATION COMPLETION

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense site acceleration completion activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; \$5,651,062,000, to remain available until expended: *Provided*, That the Secretary of Energy is directed to use \$1,000,000 of the funds provided for regulatory and technical assistance to the State of New Mexico, to amend the existing WIPP Hazardous Waste Permit to comply with the provisions of section 310 of this Act.

DEFENSE ENVIRONMENTAL SERVICES

For Department of Energy expenses necessary for defense-related environmental services activities that indirectly support the accelerated cleanup and closure mission at environmental management sites, including the purchase, construction, and acquisition of plant and capital equipment and other necessary expenses, and the purchase of not to exceed one ambulance for replacement only, \$991,144,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$674,491,000, to remain available until expended.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, \$390,000,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93–454, are approved for official reception and representation expenses in an amount not to exceed \$1,500. During fiscal year 2004, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER
ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, \$5,100,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, up to \$19,000,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER
ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed \$1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, \$28,600,000, to remain available until expended: *Provided*, That, notwithstanding the provisions of 31 U.S.C. 3302, up to \$1,512,000 collected by the Southwestern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures; in addition, notwithstanding 31 U.S.C. 3302, beginning in fiscal year 2004 and thereafter, such funds as are received by the Southwestern Power Administration from any State, municipality, corporation, association, firm, district, or individual as advance payment for work that is associated with Southwestern's transmission facilities, consistent with that authorized in section 5 of the Flood Control Act, shall be credited to this account and be available until expended.

16 USC 825s-4.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE,
WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed \$1,500, \$177,950,000, to remain available until expended, of which \$167,236,000 shall be derived from the Department of the Interior Reclamation Fund: *Provided*, That of the amount herein appropriated, \$6,200,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992: *Provided further*, That notwithstanding the provision of 31 U.S.C. 3302,

up to \$162,108,000 collected by the Western Area Power Administration pursuant to the Flood Control Act of 1944 and the Reclamation Project Act of 1939 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: *Provided further*, That the \$750,000 that is made available under this heading for a transmission study on the placement of 500 megawatt wind energy in North Dakota and South Dakota may be nonreimbursable: *Provided further*, That, in accordance with section 203 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1593), electrical power supply and delivery assistance may be provided to the local distribution utility as required to maintain proper voltage levels at the Big Sandy River Diffuse Source Control Unit.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, \$2,640,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed \$3,000), \$204,400,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, not to exceed \$204,400,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2004 shall be retained and used for necessary expenses in this account, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the general fund shall be reduced as revenues are received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$0.

42 USC 7171
note.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

(RESCISSION)

Of the funds appropriated in prior Energy and Water Development Appropriation Acts, \$15,329,000 of unexpended balances of prior appropriations are rescinded: *Provided*, That \$13,329,000 shall be derived from the Paducah Disposal Facility Privatization (OR–574) and \$2,000,000 shall be derived from the Portsmouth Disposal Facility Privatization (OR–674).

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

Contracts.
Deadline.
Notification.

SEC. 301. (a)(1) None of the funds in this or any other appropriations Act for fiscal year 2004 or any previous fiscal year may be used to make payments for a noncompetitive management and operating contract unless the Secretary of Energy, not later than 60 days after the date of the enactment of this Act, publishes in the Federal Register and submits to the Committees on Appropriations of the House of Representatives and the Senate a written notification, with respect to each such contract, of the Secretary's decision to use competitive procedures for the award of the contract, or to not renew the contract, when the term of the contract expires.

(2) Notwithstanding paragraph (1), the Secretary of Energy may use appropriated funds to maintain operations of noncompetitive management and operating contracts as necessary during the 60-day period beginning on the date of the enactment of this Act.

(3) Paragraph (1) does not apply to an extension for up to 2 years of a noncompetitive management and operating contract, if the extension is for purposes of allowing time to award competitively a new contract, to provide continuity of service between contracts, or to complete a contract that will not be renewed.

(b) In this section:

(1) The term "noncompetitive management and operating contract" means a contract that was awarded more than 50 years ago without competition for the management and operation of Ames Laboratory, Argonne National Laboratory, Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory.

(2) The term "competitive procedures" has the meaning provided in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) and includes procedures described in section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) other than a procedure that solicits a proposal from only one source.

SEC. 302. None of the funds appropriated by this Act may be used to—

(1) develop or implement a workforce restructuring plan that covers employees of the Department of Energy; or

(2) provide enhanced severance payments or other benefits for employees of the Department of Energy, under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 42 U.S.C. 7274h).

SEC. 303. None of the funds appropriated by this Act may be used to augment the \$13,400,000 made available for obligation by this Act for severance payments and other benefits and community assistance grants under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 42 U.S.C. 7274h) unless the Department of Energy submits a reprogramming request subject to approval by the appropriate congressional committees.

SEC. 304. None of the funds appropriated by this Act may be used to prepare or initiate Requests For Proposals (RFPs) for a program if the program has not been funded by Congress.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 305. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 306. None of the funds in this or any other Act for the Administrator of the Bonneville Power Administration may be used to enter into any agreement to perform energy efficiency services outside the legally defined Bonneville service territory, with the exception of services provided internationally, including services provided on a reimbursable basis, unless the Administrator certifies in advance that such services are not available from private sector businesses.

SEC. 307. When the Department of Energy makes a user facility available to universities and other potential users, or seeks input from universities and other potential users regarding significant characteristics or equipment in a user facility or a proposed user facility, the Department shall ensure broad public notice of such availability or such need for input to universities and other potential users. When the Department of Energy considers the participation of a university or other potential user as a formal partner in the establishment or operation of a user facility, the Department shall employ full and open competition in selecting such a partner. For purposes of this section, the term “user facility” includes, but is not limited to: (1) a user facility as described in section 2203(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 13503(a)(2)); (2) a National Nuclear Security Administration Defense Programs Technology Deployment Center/User Facility; and (3) any other Departmental facility designated by the Department as a user facility.

SEC. 308. The Administrator of the National Nuclear Security Administration may authorize the manager of a covered nuclear weapons research, development, testing or production facility to engage in research, development, and demonstration activities with respect to the engineering and manufacturing capabilities at such facility in order to maintain and enhance such capabilities at such facility: *Provided*, That of the amount allocated to a covered nuclear weapons facility each fiscal year from amounts available to the Department of Energy for such fiscal year for national security programs, not more than an amount equal to 2 percent of such amount may be used for these activities: *Provided further*, That for purposes of this section, the term “covered nuclear weapons facility” means the following:

- (1) the Kansas City Plant, Kansas City, Missouri;
- (2) the Y–12 Plant, Oak Ridge, Tennessee;
- (3) the Pantex Plant, Amarillo, Texas;
- (4) the Savannah River Plant, South Carolina; and
- (5) the Nevada Test Site.

SEC. 309. Funds appropriated by this or any other Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of the Intelligence Authorization Act for fiscal year 2004.

50 USC 2812
note.

SEC. 310. None of the funds in this Act may be used to dispose of transuranic waste in the Waste Isolation Pilot Plant which contains concentrations of plutonium in excess of 20 percent by weight for the aggregate of any material category on the date of enactment of this Act, or is generated after such date. For the purposes of this section, the material categories of transuranic waste at the Rocky Flats Environmental Technology Site include: (1) ash residues; (2) salt residues; (3) wet residues; (4) direct repackaging residues; and (5) scrub alloy as referenced in the “Final Environmental Impact Statement on Management of Certain Plutonium Residues and Scrub Alloy Stored at the Rocky Flats Environmental Technology Site”.

SEC. 311. (a) The Secretary of Energy is directed to file a permit modification to the Waste Analysis Plan (WAP) and associated provisions contained in the Hazardous Waste Facility Permit for the Waste Isolation Pilot Plant (WIPP). For purposes of determining compliance of the modifications to the WAP with the hazardous waste analysis requirements of the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), or other applicable laws waste confirmation for all waste received for storage and disposal shall be limited to: (1) confirmation that the waste contains no ignitable, corrosive, or reactive waste through the use of either radiography or visual examination of a statistically representative subpopulation of the waste; and (2) review of the Waste Stream Profile Form to verify that the waste contains no ignitable, corrosive, or reactive waste and that assigned Environmental Protection Agency hazardous waste numbers are allowed for storage and disposal by the WIPP Hazardous Waste Facility Permit.

(b) Compliance with the disposal room performance standards of the WAP shall be demonstrated exclusively by monitoring airborne volatile organic compounds in underground disposal rooms in which waste has been emplaced until panel closure.

SEC. 312. Notwithstanding any other provision of law, the material in the concrete silos at the Fernald uranium processing facility currently managed by the Department of Energy and the ore processing residual materials in the Niagara Falls Storage Site subsurface waste containment structure managed by the United States Army Corps of Engineers under the Formerly Utilized Sites Remedial Action Program shall be considered “byproduct material” as defined by section 11e.(2) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014(e)(2)). The Nuclear Regulatory Commission or an Agreement State, as appropriate, shall regulate the material as “11e.(2) by-product material” for the purpose of disposition of the material in an NRC-regulated or Agreement State-regulated facility.

Deadline.
Reports.

SEC. 313. No funds appropriated or otherwise made available under this title under the heading “ATOMIC ENERGY DEFENSE ACTIVITIES” may be obligated or expended for additional and exploratory studies under the Advanced Concepts Initiative until 30 days after the date on which the Administrator for Nuclear Security submits to Congress a detailed report on the planned activities for additional and exploratory studies under the initiative for fiscal year 2004. The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 314. MARTIN’S COVE LEASE. (a) DEFINITIONS.—In this section:

(1) BUREAU OF LAND MANAGEMENT.—The term “Bureau of Land Management”, hereafter referred to as the “BLM”, means an agency of the Department of the Interior.

(2) CORPORATION.—The term “Corporation” means the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, located at 50 East North Temple Street, Salt Lake City, Utah.

(3) MARTIN’S COVE.—The term “Martin’s Cove” means the area, consisting of approximately 940 acres of public lands in Natrona County, Wyoming as depicted on the Martin’s Cove map numbered MC-001.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(b) LEASE.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary shall enter into an agreement with the Corporation to lease, for a term of 25 years, approximately 940 acres of Federal land depicted on the Martin’s Cove map MC-001. The Corporation shall retain the right of ingress and egress in, from and to any part of the leasehold for its use and management as an important historical site. Deadline.

(2) TERMS AND CONDITIONS.—

(A) SURVEY.—As a condition of the agreement under paragraph (1), the Corporation shall provide a boundary survey to the Secretary, acceptable to the Corporation and the Secretary, of the parcels of land to be leased under paragraph (1).

(B) ACCESS.—

(i) IN GENERAL.—The Secretary and the Corporation shall enter into a lease covenant, binding on any successor or assignee that ensures that, consistent with the historic purposes of the site, public access will be provided across private land owned by the Corporation to Martin’s Cove and Devil’s Gate. Access shall—

(I) ensure public visitation for historic, educational and scenic purposes through private lands owned by the Corporation to Martin’s Cove and Devil’s Gate;

(II) provide for public education, ecologic and preservation at the Martin’s Cove site;

(III) be provided to the public without charge; and

(IV) permit the Corporation, in consultation with the BLM, to regulate entry as may be required to protect the environmental and historic values of the resource at Martin’s Cove or at such times as necessitated by weather conditions, matters of public safety and nighttime hours.

(C) IMPROVEMENTS.—The Corporation may, upon approval of the BLM, improve the leasehold as may become necessary from time to time in order to accommodate visitors to the leasehold.

(D) ARCHAEOLOGICAL PRESERVATION.—The Corporation shall have the obligation to protect and maintain any historical or archaeological artifacts discovered or otherwise identified at Martin’s Cove.

(E) VISITATION GUIDELINES.—The Corporation may establish, in consultation with the BLM, visitation guidelines with respect to such issues as firearms, alcoholic beverages, and controlled substances and conduct consistent with the historic nature of the resource, and to protect public health and safety.

(F) NO ABRIDGEMENT.—The lease shall not be subject to abridgement, modification, termination, or other taking in the event any surrounding area is subsequently designated as a wilderness or other protected areas. The lease shall contain a provision limiting the ability of the Secretary from administratively placing Martin's Cove in a restricted land management status such as a Wilderness Study Area.

(G) RIGHT OF FIRST REFUSAL.—The Corporation shall be granted a right of first refusal to lease or otherwise manage Martin's Cove in the event the Secretary proposes to lease or transfer control or title of the land to another party.

(H) FAIR MARKET VALUE LEASE PAYMENTS.—The Corporation shall make lease payments which reflect the fair market rental value of the public lands to be leased, provided however, such lease payments shall be offset by value of the public easements granted by the Corporation to the Secretary across private lands owned by the Corporation for access to Martin's Cove and Devil's Gate.

(I) RENEWAL.—The Secretary may offer to renew such lease on terms which are mutually acceptable to the parties.

(c) MINERAL WITHDRAWAL.—The Secretary shall retain the subsurface mineral estate under the 940 acres under the leasehold. The 940 acres described in subsection (a)(3) are hereby withdrawn from mining location and from all forms of entry, appropriation, and disposal under the public land laws.

(d) NO PRECEDENT SET.—This Act does not set a precedent for the terms and conditions of leases between or among private entities and the United States.

(e) VALID AND EXISTING RIGHTS.—The Lease provided for under this section shall be subject to valid existing rights with respect to any lease, right-of-way, permit, or other valid existing rights to which the property is subject.

(f) AVAILABILITY OF MAP.—The Secretary shall keep the map identified in this section on file and available for public inspection in the Casper District Office of the BLM in Wyoming and the State Office of the BLM, Cheyenne, Wyoming.

(g) NEPA COMPLIANCE.—The Secretary shall comply with the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in carrying out this section.

SEC. 315. REINSTATEMENT AND TRANSFER OF THE FEDERAL LICENSE FOR PROJECT NO. 2696. (a) DEFINITIONS.—

(1) COMMISSION.—The term "Commission" means the Federal Energy Regulatory Commission.

(2) TOWN.—The term "town" means the town of Stuyvesant, New York, the holder of Federal Energy Regulatory Commission Preliminary Permit No. 11787.

(b) REINSTATEMENT AND TRANSFER.—Notwithstanding section 8 of the Federal Power Act (16 U.S.C. 801) or any other provision

Deadline.

of that Act, the Commission shall, not later than 30 days after the date of enactment of this Act—

(1) reinstate the license for Project No. 2696; and

(2) transfer the license to the town.

(c) HYDROELECTRIC INCENTIVES.—Project No. 2696 shall be entitled to the full benefit of any Federal law that—

(1) promotes hydroelectric development; and

(2) that is enacted within 2 years before or after the date of enactment of this Act.

(d) CO-LICENSEE.—Notwithstanding the issuance of a preliminary permit to the town and any consideration of municipal preference, the town may at any time add as a co-licensee to the reinstated license a private or public entity.

(e) PROJECT FINANCING.—The town may receive loans under sections 402 and 403 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2702, 2703) or similar programs for the reimbursement of the costs of any feasibility studies and project costs incurred during the period beginning on January 1, 2001 and ending on December 31, 2006.

(f) ENERGY CREDITS.—Any power produced by the project shall be deemed to be incremental hydropower for purposes of qualifying for energy credits or similar benefits.

SEC. 316. Of the funds made available in this Act for Defense Environmental Services, \$1,000,000 shall be provided to the State of Nevada solely for expenditures, other than salaries and expenses of State employees, to conduct scientific oversight responsibilities and participate in licensing activities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended: *Provided*, That \$4,000,000 shall be provided to affected units of local governments, as defined in Public Law 97-425, to conduct appropriate activities pursuant to the Act: *Provided further*, That the distribution of the funds as determined by the units of local government shall be approved by the Department of Energy: *Provided further*, That the funds for the State of Nevada shall be made available solely to the Nevada Division of Emergency Management by direct payment and units of local government by direct payment: *Provided further*, That within 90 days of the completion of each Federal fiscal year, the Nevada Division of Emergency Management and the Governor of the State of Nevada and each local entity shall provide certification to the Department of Energy that all funds expended from such payments have been expended for activities authorized by Public Law 97-425 and this Act. Failure to provide such certification shall cause such entity to be prohibited from any further funding provided for similar activities: *Provided further*, That none of the funds herein appropriated may be: (1) used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for lobbying activity as provided in 18 U.S.C. 1913; (2) used for litigation expenses; or (3) used to support multi-State efforts or other coalition building activities inconsistent with the restrictions contained in this Act: *Provided further*, That all proceeds and recoveries realized by the Secretary in carrying out activities authorized by the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, including but not limited to, any proceeds from the sale of assets, shall be available without further appropriation and shall remain available until expended.

Deadline.
Nevada.
Certification.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, \$66,000,000, to remain available until expended.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100–456, section 1441, \$19,559,000, to remain available until expended.

DELTA REGIONAL AUTHORITY

SALARIES AND EXPENSES

For necessary expenses of the Delta Regional Authority and to carry out its activities, as authorized by the Delta Regional Authority Act of 2000, as amended, notwithstanding sections 382C(b)(2), 382F(d), and 382M(b) of said Act, \$5,000,000, to remain available until expended.

DENALI COMMISSION

For expenses of the Denali Commission including the purchase, construction and acquisition of plant and capital equipment as necessary and other expenses, \$55,000,000, to remain available until expended: *Provided*, That \$5,500,000 shall not be available until the Denali Commission submits to the House and Senate Committees on Appropriations a detailed budget justification for fiscal year 2005.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including official representation expenses (not to exceed \$15,000), and purchase of promotional items for use in the recruitment of individuals for employment, \$618,800,000, to remain available until expended: *Provided*, That of the amount appropriated herein, \$33,100,000 shall be derived from the Nuclear Waste Fund: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections estimated at \$538,844,000 in fiscal year 2004 shall be retained and used for necessary salaries and expenses in this

account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation estimated at not more than \$79,956,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$7,300,000, to remain available until expended: *Provided*, That revenues from licensing fees, inspection services, and other services and collections estimated at \$6,716,000 in fiscal year 2004 shall be retained and be available until expended, for necessary salaries and expenses in this account notwithstanding 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation estimated at not more than \$584,000.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100–203, section 5051, \$3,177,000, to be derived from the Nuclear Waste Fund, and to remain available until expended.

TITLE V

GENERAL PROVISIONS

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913.

SEC. 502. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 503. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

50 USC 2811.

SEC. 504. CLARIFICATION OF INDEMNIFICATION TO PROMOTE ECONOMIC DEVELOPMENT. (a) Subsection (b)(2) of section 3158 of the National Defense Authorization Act for Fiscal Year 1998 (42 U.S.C. 7274q(b)(2)) is amended by adding the following after subparagraph (C):

“(D) Any successor, assignee, transferee, lender, or lessee of a person or entity described in subparagraphs (A) through (C).”.

Effective date.
50 USC 2811
note.

(b) The amendment made by section 506, as amended by this section, is effective as of the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

This Act may be cited as the “Energy and Water Development Appropriations Act, 2004”.

Approved December 1, 2003.

LEGISLATIVE HISTORY—H.R. 2754 (S. 1424):

HOUSE REPORTS: Nos. 108–212 (Comm. on Appropriations) and 108–357 (Comm. of Conference).

SENATE REPORTS: No. 108–105 accompanying S. 1424 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 18, considered and passed House.

Sept. 11, 15, 16, considered and passed Senate, amended, in lieu of S. 1424.

Sept. 17, further amended in Senate.

Nov. 18, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 1, Presidential statement.



Public Law 108–138
108th Congress

An Act

To correct a technical error from Unit T–07 of the John H. Chafee Coastal Barrier Resources System.

Dec. 1, 2003
[S. 1066]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPLACEMENT OF JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM MAP.

16 USC 3503
note.

(a) IN GENERAL.—The map described in subsection (b) is replaced by the map entitled “John H. Chafee Coastal Barrier Resources System Matagorda Peninsula Unit T07/T07P” and dated July 12, 2002.

(b) DESCRIPTION OF REPLACED MAP.—The map referred to in subsection (a) is the map relating to the John H. Chafee Coastal Barrier System unit designated as Coastal Barrier Resources System Matagorda Peninsula Unit T07/T07P that is subtitled “T07/T07P” and included in the set of maps entitled “Coastal Barrier Resources System” and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the replacement map referred to in subsection (a) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

Approved December 1, 2003.

LEGISLATIVE HISTORY—S. 1066:

SENATE REPORTS: No. 108–177 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 6, considered and passed Senate.

Nov. 17, considered and passed House.



Public Law 108–139
108th Congress

Joint Resolution

Dec. 1, 2003
[S.J. Res. 18]

Commending the Inspectors General for their efforts to prevent and detect waste, fraud, abuse, and mismanagement, and to promote economy, efficiency, and effectiveness in the Federal Government during the past 25 years.

Whereas the Inspector General Act of 1978 (5 U.S.C. App.) was signed into law on October 12, 1978, with overwhelming bipartisan support;

Whereas Inspectors General now exist in the 29 largest executive branch agencies and in 28 other designated Federal entities;

Whereas Inspectors General work to serve the American taxpayer by promoting economy, efficiency, effectiveness, and integrity in the administration of the programs and operations of the Federal Government;

Whereas Inspectors General conduct audits and investigations to both prevent and detect waste, fraud, abuse, and mismanagement in the programs and operations of the Federal Government;

Whereas Inspectors General make Congress and agency heads aware, through semiannual reports and other communications, of problems and deficiencies in the administration of programs and operations of the Federal Government;

Whereas Congress and agency heads utilize the recommendations of Inspectors General in the development and implementation of policies that promote economy and efficiency in the administration of, or prevent and detect waste, fraud, abuse, and mismanagement in, the programs and operations of the Federal Government;

Whereas Federal employees and other dedicated citizens report information to Inspectors General regarding the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to public health and safety;

Whereas Inspector General audits and investigations result in annual recommendations for more effective spending of billions of taxpayer dollars, thousands of successful criminal prosecutions, hundreds of millions of dollars returned to the United States Treasury through investigative recoveries, and the suspension and debarment of thousands of individuals or entities from doing business with the Government; and

Whereas for 25 years the Inspectors General have worked with Congress to facilitate effective oversight to improve the programs and operations of the Federal Government: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) recognizes the many accomplishments of the Inspectors General in preventing and detecting waste, fraud, abuse, and mismanagement in the Federal Government;

(2) commends the Inspectors General and their employees for the dedication and professionalism displayed in the performance of their duties; and

(3) reaffirms the role of Inspectors General in promoting economy, efficiency, and effectiveness in the administration of the programs and operations of the Federal Government.

Approved December 1, 2003.

LEGISLATIVE HISTORY—S.J. Res. 18 (H.J. Res. 70):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 14, considered and passed Senate.

Nov. 17, considered and passed House.



Public Law 108–140
108th Congress

Joint Resolution

Dec. 1, 2003
[S.J. Res. 22]

Recognizing the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research.

Whereas the Agricultural Research Service is the primary research agency of the Department of Agriculture and provides the Department of Agriculture and other Federal offices with objective research that is critical to the missions of those offices;

Whereas the agricultural research conducted by the Agricultural Research Service has an enormous impact on the economic viability of agriculture in the United States and around the world;

Whereas people around the world, especially rural Americans, enjoy a higher quality of life due in part to the work of the Agricultural Research Service to expand scientific knowledge;

Whereas the Agricultural Research Service has achieved major scientific breakthroughs that have benefited farmers, ranchers, agribusiness, and consumers;

Whereas the Agricultural Research Service has made scientific discoveries and technological developments that address agricultural problems of broad scope and high national priority, ensure safe and high quality food and other agricultural products that meet nutritional needs, and maintain a quality environment and natural resource base; and

Whereas the Agricultural Research Service continues to play a vital role in maintaining the global competitiveness and leadership of the United States in the next millennium: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) recognizes the Agricultural Research Service of the Department of Agriculture for 50 years of outstanding service to the Nation through agricultural research; and

(2) acknowledges the promise of the Agricultural Research Service to continue to perform outstanding agricultural research in the next 50 years and beyond.

Approved December 1, 2003.

LEGISLATIVE HISTORY—S.J. Res. 22:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 3, considered and passed Senate.

Nov. 17, considered and passed House.



Public Law 108–141
108th Congress

An Act

Dec. 1, 2003
[S. 1590]

To redesignate the facility of the United States Postal Service, located at 315 Empire Boulevard in Crown Heights, Brooklyn, New York, as the “James E. Davis Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JAMES E. DAVIS POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 315 Empire Boulevard in Crown Heights, Brooklyn, New York, shall be known and designated as the “James E. Davis Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the James E. Davis Post Office Building.

Approved December 1, 2003.

LEGISLATIVE HISTORY—S. 1590:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Oct. 29, considered and passed Senate.
Nov. 17, considered and passed House.



Public Law 108–142
108th Congress

An Act

To revise the boundary of the Kaloko-Honokōhau National Historical Park in the State of Hawaii, and for other purposes.

Dec. 2, 2003
[S. 254]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Kaloko-Honokōhau National Historical Park Addition Act of 2003”.

SEC. 2. ADDITIONS TO KALOKO-HONOKŌHAU NATIONAL HISTORICAL PARK.

Section 505(a) of Public Law 95–625 (16 U.S.C. 396d(a)) is amended—

- (1) by striking “(a) In order” and inserting “(a)(1) In order”;
- (2) by striking “1978,” and all that follows and inserting “1978.”; and

- (3) by adding at the end the following new paragraphs:

“(2) The boundaries of the park are modified to include lands and interests therein comprised of Parcels 1 and 2 totaling 2.14 acres, identified as ‘Tract A’ on the map entitled ‘Kaloko-Honokōhau National Historical Park Proposed Boundary Adjustment’, numbered PWR (PISO) 466/82,043 and dated April 2002.

“(3) The maps referred to in this subsection shall be on file and available for public inspection in the appropriate offices of the National Park Service.”.

Kaloko-Honokōhau National Historical Park Addition Act of 2003.
16 USC 396d note.

SEC. 3. AUTHORIZATIONS OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

Approved December 2, 2003.

LEGISLATIVE HISTORY—S. 254:

HOUSE REPORTS: No. 108–296 (Comm. on Resources).

SENATE REPORTS: No. 108–10 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 4, considered and passed Senate.

Nov. 18, considered and passed House.



Public Law 108–143
108th Congress

An Act

To designate the facility of the United States Postal Service located at 710 Wicks Lane in Billings, Montana, as the “Ronald Reagan Post Office Building”.

Dec. 2, 2003
[S. 867]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RONALD REAGAN POST OFFICE BUILDING.

(a) IN GENERAL.—The facility of the United States Postal Service located at 710 Wicks Lane in Billings, Montana, shall be known and designated as the “Ronald Reagan Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Ronald Reagan Post Office Building.

Approved December 2, 2003.

LEGISLATIVE HISTORY—S. 867:

CONGRESSIONAL RECORD, Vol. 149 (2003):
June 25, considered and passed Senate.
Nov. 18, considered and passed House.



Public Law 108–144
108th Congress

An Act

Dec. 2, 2003
[S. 1718]

To designate the facility of the United States Postal Service located at 3710 West 73rd Terrace in Prairie Village, Kansas, as the “Senator James B. Pearson Post Office”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SENATOR JAMES B. PEARSON POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 3710 West 73rd Terrace in Prairie Village, Kansas, shall be known and designated as the “Senator James B. Pearson Post Office”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Senator James B. Pearson Post Office.

Approved December 2, 2003.

LEGISLATIVE HISTORY—S. 1718:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Oct. 29, considered and passed Senate.
Nov. 18, considered and passed House.



Public Law 108–145
108th Congress

An Act

To reauthorize the adoption incentive payments program under part E of title IV of the Social Security Act, and for other purposes.

Dec. 2, 2003

[H.R. 3182]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Adoption Promotion Act of 2003”.

Adoption
Promotion Act of
2003.
42 USC 1305
note.

SEC. 2. FINDINGS.

The Congress finds the following:

42 USC 637b
note.

(1) In 1997, the Congress passed the Adoption and Safe Families Act of 1997 to promote comprehensive child welfare reform to ensure that consideration of children’s safety is paramount in child welfare decisions, and to provide a greater sense of urgency to find every child a safe, permanent home.

(2) The Adoption and Safe Families Act of 1997 also created the Adoption Incentives program, which authorizes incentive payments to States to promote adoptions, with additional incentives provided for the adoption of foster children with special needs.

(3) Since 1997, all States, the District of Columbia, and Puerto Rico have qualified for incentive payments for their work in promoting adoption of foster children.

(4) Between 1997 and 2002, adoptions increased by 64 percent, and adoptions of children with special needs increased by 63 percent; however, 542,000 children remain in foster care, and 126,000 are eligible for adoption.

(5) Although substantial progress has been made to promote adoptions, attention should be focused on promoting adoption of older children. Recent data suggest that half of the children waiting to be adopted are age 9 or older.

SEC. 3. REAUTHORIZATION OF ADOPTION INCENTIVE PAYMENTS PROGRAM.

(a) IN GENERAL.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended—

(1) in subsection (b)—

(A) by striking paragraph (2) and inserting the following:

“(2)(A) the number of foster child adoptions in the State during the fiscal year exceeds the base number of foster child adoptions for the State for the fiscal year; or

“(B) the number of older child adoptions in the State during the fiscal year exceeds the base number of older child adoptions for the State for the fiscal year.”.

(B) in paragraph (4), by striking “and 2002” and inserting “through 2007”; and

(C) in paragraph (5), by striking “2002” and inserting “2007”;

(2) in subsection (c), by striking paragraph (2) and inserting the following:

“(2) DETERMINATION OF NUMBERS OF ADOPTIONS BASED ON AFCARS DATA.—The Secretary shall determine the numbers of foster child adoptions, of special needs adoptions that are not older child adoptions, and of older child adoptions in a State during each of fiscal years 2002 through 2007, for purposes of this section, on the basis of data meeting the requirements of the system established pursuant to section 479, as reported by the State and approved by the Secretary by August 1 of the succeeding fiscal year.”;

(3) in subsection (d)(1)—

(A) in subparagraph (A), by striking “and”;

(B) in subparagraph (B)—

(i) by inserting “that are not older child adoptions” after “adoptions” each place it appears; and

(ii) by striking the period and inserting “; and”;

and

(C) by adding at the end the following:

“(C) \$4,000, multiplied by the amount (if any) by which the number of older child adoptions in the State during the fiscal year exceeds the base number of older child adoptions for the State for the fiscal year.”;

(4) in subsection (g)—

(A) in paragraph (3), by striking subparagraphs (A) and (B) and inserting the following:

“(A) with respect to fiscal year 2003, the number of foster child adoptions in the State in fiscal year 2002; and

“(B) with respect to any subsequent fiscal year, the number of foster child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.”;

(B) in paragraph (4)—

(i) in the paragraph heading, by inserting “THAT ARE NOT OLDER CHILD ADOPTIONS” after “ADOPTIONS”; and

(ii) by striking subparagraphs (A) and (B) and inserting the following:

“(A) with respect to fiscal year 2003, the number of special needs adoptions that are not older child adoptions in the State in fiscal year 2002; and

“(B) with respect to any subsequent fiscal year, the number of special needs adoptions that are not older child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.”; and

(C) by adding at the end the following:

“(5) **BASE NUMBER OF OLDER CHILD ADOPTIONS.**—The term ‘base number of older child adoptions for a State’ means—

“(A) with respect to fiscal year 2003, the number of older child adoptions in the State in fiscal year 2002; and

“(B) with respect to any subsequent fiscal year, the number of older child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.

“(6) **OLDER CHILD ADOPTIONS.**—The term ‘older child adoptions’ means the final adoption of a child who has attained 9 years of age if—

“(A) at the time of the adoptive placement, the child was in foster care under the supervision of the State; or

“(B) an adoption assistance agreement was in effect under section 473 with respect to the child.”;

(5) in subsection (h)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking “and”;

(ii) in subparagraph (C), by striking the period and inserting “; and”; and

(iii) by adding at the end the following:

“(D) \$43,000,000 for each of fiscal years 2004 through 2008.”; and

(B) in paragraph (2)—

(i) by inserting “, or under any other law for grants under subsection (a),” after “(1)”; and

(ii) by striking “2003” and inserting “2008”;

(6) in subsection (i)(4), by striking “1998 through 2000” and inserting “2004 through 2006”; and

(7) by striking subsection (j).

(b) **REPORT ON ADOPTION AND OTHER PERMANENCY OPTIONS FOR CHILDREN IN FOSTER CARE.**—Not later than October 1, 2004, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on State efforts to promote adoption and other permanency options for children in foster care, with special emphasis on older children in foster care. In preparing this report, the Secretary shall review State waiver programs and consult with representatives from State governments, public and private child welfare agencies, and child advocacy organizations to identify promising approaches. Deadline.

SEC. 4. AUTHORITY TO IMPOSE PENALTIES FOR FAILURE TO SUBMIT AFCARS REPORT.

Section 474 of the Social Security Act (42 U.S.C. 674) is amended by adding at the end the following:

“(f)(1) If the Secretary finds that a State has failed to submit to the Secretary data, as required by regulation, for the data collection system implemented under section 479, the Secretary shall, within 30 days after the date by which the data was due to be so submitted, notify the State of the failure and that payments to the State under this part will be reduced if the State fails to submit the data, as so required, within 6 months after the date the data was originally due to be so submitted. Deadlines.
Notification.

“(2) If the Secretary finds that the State has failed to submit the data, as so required, by the end of the 6-month period referred to in paragraph (1) of this subsection, then, notwithstanding subsection (a) of this section and any regulations promulgated under section 1123A(b)(3), the Secretary shall reduce the amounts otherwise payable to the State under this part, for each quarter ending in the 6-month period (and each quarter ending in each subsequent consecutively occurring 6-month period until the Secretary finds that the State has submitted the data, as so required), by—

“(A) $\frac{1}{6}$ of 1 percent of the total amount expended by the State for administration of foster care activities under the State plan approved under this part in the quarter so ending, in the case of the 1st 6-month period during which the failure continues; or

“(B) $\frac{1}{4}$ of 1 percent of the total amount so expended, in the case of the 2nd or any subsequent such 6-month period.”.

42 USC 673b
note.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 2003.

Approved December 2, 2003.

LEGISLATIVE HISTORY—H.R. 3182:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 8, considered and passed House.

Nov. 12, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 2, Presidential remarks.



Public Law 108–146
108th Congress

An Act

To amend the Housing and Community Development Act of 1974 to authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

Dec. 3, 2003
[H.R. 23]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Tornado Shelters Act”.

Tornado Shelters
Act.
42 USC 5301
note.

SEC. 2. CDBG ELIGIBLE ACTIVITIES.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

- (1) in paragraph (22), by striking “and” at the end;
- (2) in paragraph (23), by striking the period at the end and inserting a semicolon; and
- (3) by inserting after paragraph (23) the following new paragraph:

“(24) the construction or improvement of tornado-safe shelters for residents of manufactured housing, and the provision of assistance (including loans and grants) to nonprofit and for-profit entities (including owners of manufactured housing parks) for such construction or improvement, except that—

“(A) a shelter assisted with amounts provided pursuant to this paragraph may be located only in a neighborhood (including a manufactured housing park) that—

“(i) contains not less than 20 manufactured housing units that are within such proximity to the shelter that the shelter is available to the residents of such units in the event of a tornado;

“(ii) consists predominantly of persons of low and moderate income; and

“(iii) is located within a State in which a tornado has occurred during the fiscal year for which the amounts to be used under this paragraph were made available or any of the 3 preceding fiscal years, as determined by the Secretary after consultation with the Director of the Federal Emergency Management Agency;

“(B) such a shelter shall comply with standards for construction and safety as the Secretary, after consultation with the Director of the Federal Emergency Management Agency, shall provide to ensure protection from tornadoes;

“(C) such a shelter shall be of a size sufficient to accommodate, at a single time, all occupants of manufactured housing units located within the neighborhood in which the shelter is located; and

“(D) amounts may not be used for a shelter as provided under this paragraph unless there is located, within the neighborhood in which the shelter is located (or, in the case of a shelter located in a manufactured housing park, within 1,500 feet of such park), a warning siren that is operated in accordance with such local, regional, or national disaster warning programs or systems as the Secretary, after consultation with the Director of the Federal Emergency Management Agency, considers appropriate to ensure adequate notice of occupants of manufactured housing located in such neighborhood or park of a tornado; and”.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

In addition to any amounts otherwise made available for grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), there is authorized to be appropriated for assistance only for activities pursuant to section 105(a)(24) of such Act \$5,000,000 for fiscal year 2004.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 23:

HOUSE REPORTS: No. 108–151 (Comm. on Financial Services).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 21, considered and passed House.

Nov. 18, considered and passed Senate.



Public Law 108–147
108th Congress

An Act

To increase, effective as of December 1, 2003, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.

Dec. 3, 2003
[H.R. 1683]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Veterans'
Compensation
Cost-of-Living
Adjustment Act
of 2003.
38 USC 101 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2003”.

SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

38 USC 1114
note.

(a) **RATE ADJUSTMENT.**—The Secretary of Veterans Affairs shall, effective on December 1, 2003, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) **AMOUNTS TO BE INCREASED.**—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) **COMPENSATION.**—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) **ADDITIONAL COMPENSATION FOR DEPENDENTS.**—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) **CLOTHING ALLOWANCE.**—The dollar amount in effect under section 1162 of such title.

(4) **NEW DIC RATES.**—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) **OLD DIC RATES.**—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) **ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.**—The dollar amount in effect under section 1311(b) of such title.

(7) **ADDITIONAL DIC FOR DISABILITY.**—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) **DIC FOR DEPENDENT CHILDREN.**—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) **DETERMINATION OF INCREASE.**—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 2003.

(2) Except as provided in paragraph (3), each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security

Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2003, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) Each dollar amount increased pursuant to paragraph (2) shall, if not a whole dollar amount, be rounded down to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

Federal Register,
publication.
38 USC 1114
note.

SEC. 3. PUBLICATION OF ADJUSTED RATES.

At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 2004, the Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in subsection (b) of section 2, as increased pursuant to that section.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 1683:

HOUSE REPORTS: No. 108–108 (Comm. on Veterans' Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 20, 22, considered and passed House.

Nov. 21, considered and passed Senate.



Public Law 108–148
108th Congress

An Act

To improve the capacity of the Secretary of Agriculture and the Secretary of the Interior to conduct hazardous fuels reduction projects on National Forest System lands and Bureau of Land Management lands aimed at protecting communities, watersheds, and certain other at-risk lands from catastrophic wildfire, to enhance efforts to protect watersheds and address threats to forest and rangeland health, including catastrophic wildfire, across the landscape, and for other purposes.

Dec. 3, 2003

[H.R. 1904]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Healthy Forests Restoration Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Healthy Forests
Restoration Act
of 2003.

16 USC 6501
note.

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

TITLE I—HAZARDOUS FUEL REDUCTION ON FEDERAL LAND

- Sec. 101. Definitions.
- Sec. 102. Authorized hazardous fuel reduction projects.
- Sec. 103. Prioritization.
- Sec. 104. Environmental analysis.
- Sec. 105. Special administrative review process.
- Sec. 106. Judicial review in United States district courts.
- Sec. 107. Effect of title.
- Sec. 108. Authorization of appropriations.

TITLE II—BIOMASS

- Sec. 201. Improved biomass use research program.
- Sec. 202. Rural revitalization through forestry.
- Sec. 203. Biomass commercial utilization grant program.

TITLE III—WATERSHED FORESTRY ASSISTANCE

- Sec. 301. Findings and purposes.
- Sec. 302. Watershed forestry assistance program.
- Sec. 303. Tribal watershed forestry assistance.

TITLE IV—INSECT INFESTATIONS AND RELATED DISEASES

- Sec. 401. Findings and purpose.
- Sec. 402. Definitions.
- Sec. 403. Accelerated information gathering regarding forest-damaging insects.
- Sec. 404. Applied silvicultural assessments.
- Sec. 405. Relation to other laws.
- Sec. 406. Authorization of appropriations.

TITLE V—HEALTHY FORESTS RESERVE PROGRAM

- Sec. 501. Establishment of healthy forests reserve program.
- Sec. 502. Eligibility and enrollment of lands in program.
- Sec. 503. Restoration plans.

- Sec. 504. Financial assistance.
- Sec. 505. Technical assistance.
- Sec. 506. Protections and measures
- Sec. 507. Involvement by other agencies and organizations.
- Sec. 508. Authorization of appropriations.

TITLE VI—MISCELLANEOUS

- Sec. 601. Forest stands inventory and monitoring program to improve detection of and response to environmental threats.

16 USC 6501.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to reduce wildfire risk to communities, municipal water supplies, and other at-risk Federal land through a collaborative process of planning, prioritizing, and implementing hazardous fuel reduction projects;

(2) to authorize grant programs to improve the commercial value of forest biomass (that otherwise contributes to the risk of catastrophic fire or insect or disease infestation) for producing electric energy, useful heat, transportation fuel, and petroleum-based product substitutes, and for other commercial purposes;

(3) to enhance efforts to protect watersheds and address threats to forest and rangeland health, including catastrophic wildfire, across the landscape;

(4) to promote systematic gathering of information to address the impact of insect and disease infestations and other damaging agents on forest and rangeland health;

(5) to improve the capacity to detect insect and disease infestations at an early stage, particularly with respect to hardwood forests; and

(6) to protect, restore, and enhance forest ecosystem components—

(A) to promote the recovery of threatened and endangered species;

(B) to improve biological diversity; and

(C) to enhance productivity and carbon sequestration.

16 USC 6502.

SEC. 3. DEFINITIONS.

In this Act:

(1) **FEDERAL LAND.**—The term “Federal land” means—

(A) land of the National Forest System (as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a))) administered by the Secretary of Agriculture, acting through the Chief of the Forest Service; and

(B) public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)), the surface of which is administered by the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(2) **INDIAN TRIBE.**—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

TITLE I—HAZARDOUS FUEL REDUCTION ON FEDERAL LAND

SEC. 101. DEFINITIONS.

16 USC 6511.

In this title:

(1) **AT-RISK COMMUNITY.**—The term “at-risk community” means an area—

(A) that is comprised of—

(i) an interface community as defined in the notice entitled “Wildland Urban Interface Communities Within the Vicinity of Federal Lands That Are at High Risk From Wildfire” issued by the Secretary of Agriculture and the Secretary of the Interior in accordance with title IV of the Department of the Interior and Related Agencies Appropriations Act, 2001 (114 Stat. 1009) (66 Fed. Reg. 753, January 4, 2001); or

(ii) a group of homes and other structures with basic infrastructure and services (such as utilities and collectively maintained transportation routes) within or adjacent to Federal land;

(B) in which conditions are conducive to a large-scale wildland fire disturbance event; and

(C) for which a significant threat to human life or property exists as a result of a wildland fire disturbance event.

(2) **AUTHORIZED HAZARDOUS FUEL REDUCTION PROJECT.**—The term “authorized hazardous fuel reduction project” means the measures and methods described in the definition of “appropriate tools” contained in the glossary of the Implementation Plan, on Federal land described in section 102(a) and conducted under sections 103 and 104.

(3) **COMMUNITY WILDFIRE PROTECTION PLAN.**—The term “community wildfire protection plan” means a plan for an at-risk community that—

(A) is developed within the context of the collaborative agreements and the guidance established by the Wildland Fire Leadership Council and agreed to by the applicable local government, local fire department, and State agency responsible for forest management, in consultation with interested parties and the Federal land management agencies managing land in the vicinity of the at-risk community;

(B) identifies and prioritizes areas for hazardous fuel reduction treatments and recommends the types and methods of treatment on Federal and non-Federal land that will protect 1 or more at-risk communities and essential infrastructure; and

(C) recommends measures to reduce structural ignitability throughout the at-risk community.

(4) **CONDITION CLASS 2.**—The term “condition class 2”, with respect to an area of Federal land, means the condition class description developed by the Forest Service Rocky Mountain Research Station in the general technical report entitled “Development of Coarse-Scale Spatial Data for Wildland Fire and Fuel Management” (RMRS–87), dated April 2000 (including any subsequent revision to the report), under which—

(A) fire regimes on the land have been moderately altered from historical ranges;

(B) there exists a moderate risk of losing key ecosystem components from fire;

(C) fire frequencies have increased or decreased from historical frequencies by 1 or more return intervals, resulting in moderate changes to—

(i) the size, frequency, intensity, or severity of fires; or

(ii) landscape patterns; and

(D) vegetation attributes have been moderately altered from the historical range of the attributes.

(5) **CONDITION CLASS 3.**—The term “condition class 3”, with respect to an area of Federal land, means the condition class description developed by the Rocky Mountain Research Station in the general technical report referred to in paragraph (4) (including any subsequent revision to the report), under which—

(A) fire regimes on land have been significantly altered from historical ranges;

(B) there exists a high risk of losing key ecosystem components from fire;

(C) fire frequencies have departed from historical frequencies by multiple return intervals, resulting in dramatic changes to—

(i) the size, frequency, intensity, or severity of fires; or

(ii) landscape patterns; and

(D) vegetation attributes have been significantly altered from the historical range of the attributes.

(6) **DAY.**—The term “day” means—

(A) a calendar day; or

(B) if a deadline imposed by this title would expire on a nonbusiness day, the end of the next business day.

(7) **DECISION DOCUMENT.**—The term “decision document” means—

(A) a decision notice (as that term is used in the Forest Service Handbook);

(B) a decision record (as that term is used in the Bureau of Land Management Handbook); and

(C) a record of decision (as that term is used in applicable regulations of the Council on Environmental Quality).

(8) **FIRE REGIME I.**—The term “fire regime I” means an area—

(A) in which historically there have been low-severity fires with a frequency of 0 through 35 years; and

(B) that is located primarily in low elevation forests of pine, oak, or pinyon juniper.

(9) **FIRE REGIME II.**—The term “fire regime II” means an area—

(A) in which historically there are stand replacement severity fires with a frequency of 0 through 35 years; and

(B) that is located primarily in low- to mid-elevation rangeland, grassland, or shrubland.

(10) FIRE REGIME III.—The term “fire regime III” means an area—

(A) in which historically there are mixed severity fires with a frequency of 35 through 100 years; and

(B) that is located primarily in forests of mixed conifer, dry Douglas fir, or wet Ponderosa pine.

(11) IMPLEMENTATION PLAN.—The term “Implementation Plan” means the Implementation Plan for the Comprehensive Strategy for a Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment, dated May 2002, developed pursuant to the conference report to accompany the Department of the Interior and Related Agencies Appropriations Act, 2001 (House Report No. 106-64) (and subsequent revisions).

(12) MUNICIPAL WATER SUPPLY SYSTEM.—The term “municipal water supply system” means the reservoirs, canals, ditches, flumes, laterals, pipes, pipelines, and other surface facilities and systems constructed or installed for the collection, impoundment, storage, transportation, or distribution of drinking water.

(13) RESOURCE MANAGEMENT PLAN.—The term “resource management plan” means—

(A) a land and resource management plan prepared for 1 or more units of land of the National Forest System described in section 3(1)(A) under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604); or

(B) a land use plan prepared for 1 or more units of the public land described in section 3(1)(B) under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712).

(14) SECRETARY.—The term “Secretary” means—

(A) the Secretary of Agriculture, with respect to land of the National Forest System described in section 3(1)(A); and

(B) the Secretary of the Interior, with respect to public lands described in section 3(1)(B).

(15) THREATENED AND ENDANGERED SPECIES HABITAT.—The term “threatened and endangered species habitat” means Federal land identified in—

(A) a determination that a species is an endangered species or a threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(B) a designation of critical habitat of the species under that Act; or

(C) a recovery plan prepared for the species under that Act.

(16) WILDLAND-URBAN INTERFACE.—The term “wildland-urban interface” means—

(A) an area within or adjacent to an at-risk community that is identified in recommendations to the Secretary in a community wildfire protection plan; or

(B) in the case of any area for which a community wildfire protection plan is not in effect—

(i) an area extending ½-mile from the boundary of an at-risk community;

(ii) an area within 1½ miles of the boundary of an at-risk community, including any land that—

(I) has a sustained steep slope that creates the potential for wildfire behavior endangering the at-risk community;

(II) has a geographic feature that aids in creating an effective fire break, such as a road or ridge top; or

(III) is in condition class 3, as documented by the Secretary in the project-specific environmental analysis; and

(iii) an area that is adjacent to an evacuation route for an at-risk community that the Secretary determines, in cooperation with the at-risk community, requires hazardous fuel reduction to provide safer evacuation from the at-risk community.

16 USC 6512.

SEC. 102. AUTHORIZED HAZARDOUS FUEL REDUCTION PROJECTS.

(a) **AUTHORIZED PROJECTS.**—As soon as practicable after the date of enactment of this Act, the Secretary shall implement authorized hazardous fuel reduction projects, consistent with the Implementation Plan, on—

(1) Federal land in wildland-urban interface areas;

(2) condition class 3 Federal land, in such proximity to a municipal water supply system or a stream feeding such a system within a municipal watershed that a significant risk exists that a fire disturbance event would have adverse effects on the water quality of the municipal water supply or the maintenance of the system, including a risk to water quality posed by erosion following such a fire disturbance event;

(3) condition class 2 Federal land located within fire regime I, fire regime II, or fire regime III, in such proximity to a municipal water supply system or a stream feeding such a system within a municipal watershed that a significant risk exists that a fire disturbance event would have adverse effects on the water quality of the municipal water supply or the maintenance of the system, including a risk to water quality posed by erosion following such a fire disturbance event;

(4) Federal land on which windthrow or blowdown, ice storm damage, the existence of an epidemic of disease or insects, or the presence of such an epidemic on immediately adjacent land and the imminent risk it will spread, poses a significant threat to an ecosystem component, or forest or rangeland resource, on the Federal land or adjacent non-Federal land; and

(5) Federal land not covered by paragraphs (1) through (4) that contains threatened and endangered species habitat, if—

(A) natural fire regimes on that land are identified as being important for, or wildfire is identified as a threat to, an endangered species, a threatened species, or habitat of an endangered species or threatened species in a species recovery plan prepared under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533), or a notice published in the Federal Register determining a species to be an endangered species or a threatened species or designating critical habitat;

(B) the authorized hazardous fuel reduction project will provide enhanced protection from catastrophic wildfire

for the endangered species, threatened species, or habitat of the endangered species or threatened species; and

(C) the Secretary complies with any applicable guidelines specified in any management or recovery plan described in subparagraph (A).

(b) RELATION TO AGENCY PLANS.—An authorized hazardous fuel reduction project shall be conducted consistent with the resource management plan and other relevant administrative policies or decisions applicable to the Federal land covered by the project.

(c) ACREAGE LIMITATION.—Not more than a total of 20,000,000 acres of Federal land may be treated under authorized hazardous fuel reduction projects.

(d) EXCLUSION OF CERTAIN FEDERAL LAND.—The Secretary may not conduct an authorized hazardous fuel reduction project that would occur on—

(1) a component of the National Wilderness Preservation System;

(2) Federal land on which the removal of vegetation is prohibited or restricted by Act of Congress or Presidential proclamation (including the applicable implementation plan); or

(3) a Wilderness Study Area.

(e) OLD GROWTH STANDS.—

(1) DEFINITIONS.—In this subsection and subsection (f):

(A) APPLICABLE PERIOD.—The term “applicable period” means—

(i) the 2-year period beginning on the date of enactment of this Act; or

(ii) in the case of a resource management plan that the Secretary is in the process of revising as of the date of enactment of this Act, the 3-year period beginning on the date of enactment of this Act.

(B) COVERED PROJECT.—The term “covered project” means an authorized hazardous fuel reduction project carried out on land described in paragraph (1), (2), (3), or (5) of subsection (a).

(C) MANAGEMENT DIRECTION.—The term “management direction” means definitions, designations, standards, guidelines, goals, or objectives established for an old growth stand under a resource management plan developed in accordance with applicable law, including section 6(g)(3)(B) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(g)(3)(B)).

(D) OLD GROWTH STAND.—The term “old growth stand” has the meaning given the term under management direction used pursuant to paragraphs (3) and (4), based on the structure and composition characteristic of the forest type, and in accordance with applicable law, including section 6(g)(3)(B) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(g)(3)(B)).

(2) PROJECT REQUIREMENTS.—In carrying out a covered project, the Secretary shall fully maintain, or contribute toward the restoration of, the structure and composition of old growth stands according to the pre-fire suppression old growth conditions characteristic of the forest type, taking into account the contribution of the stand to landscape fire adaptation and

watershed health, and retaining the large trees contributing to old growth structure.

(3) NEWER MANAGEMENT DIRECTION.—

(A) IN GENERAL.—If the management direction for an old growth stand was established on or after December 15, 1993, the Secretary shall meet the requirements of paragraph (2) in carrying out a covered project by implementing the management direction.

(B) AMENDMENTS OR REVISIONS.—Any amendment or revision to management direction for which final administrative approval is granted after the date of enactment of this Act shall be consistent with paragraph (2) for the purpose of carrying out covered projects.

(4) OLDER MANAGEMENT DIRECTION.—

(A) IN GENERAL.—If the management direction for an old growth stand was established before December 15, 1993, the Secretary shall meet the requirements of paragraph (2) in carrying out a covered project during the applicable period by implementing the management direction.

(B) REVIEW REQUIRED.—Subject to subparagraph (C), during the applicable period for management direction referred to in subparagraph (A), the Secretary shall—

(i) review the management direction for affected covered projects, taking into account any relevant scientific information made available since the adoption of the management direction; and

(ii) amend the management direction for affected covered projects to be consistent with paragraph (2), if necessary to reflect relevant scientific information the Secretary did not consider in formulating the management direction.

(C) REVIEW NOT COMPLETED.—If the Secretary does not complete the review of the management direction in accordance with subparagraph (B) before the end of the applicable period, the Secretary shall not carry out any portion of affected covered projects in stands that are identified as old growth stands (based on substantial supporting evidence) by any person during scoping, within the period—

(i) beginning at the close of the applicable period for the management direction governing the affected covered projects; and

(ii) ending on the earlier of—

(I) the date the Secretary completes the action required by subparagraph (B) for the management direction applicable to the affected covered projects; or

(II) the date on which the acreage limitation specified in subsection (c) (as that limitation may be adjusted by a subsequent Act of Congress) is reached.

(5) LIMITATION TO COVERED PROJECTS.—Nothing in this subsection requires the Secretary to revise or otherwise amend a resource management plan to make the project requirements of paragraph (2) apply to an activity other than a covered project.

(f) LARGE TREE RETENTION.—

(1) IN GENERAL.—Except in old growth stands where the management direction is consistent with subsection (e)(2), the Secretary shall carry out a covered project in a manner that—

(A) focuses largely on small diameter trees, thinning, strategic fuel breaks, and prescribed fire to modify fire behavior, as measured by the projected reduction of uncharacteristically severe wildfire effects for the forest type (such as adverse soil impacts, tree mortality or other impacts); and

(B) maximizes the retention of large trees, as appropriate for the forest type, to the extent that the trees promote fire-resilient stands.

(2) WILDFIRE RISK.—Nothing in this subsection prevents achievement of the purposes described in section 2(1).

(g) MONITORING AND ASSESSING FOREST AND RANGELAND HEALTH.—

(1) IN GENERAL.—For each Forest Service administrative region and each Bureau of Land Management State Office, the Secretary shall—

(A) monitor the results of a representative sample of the projects authorized under this title for each management unit; and

(B) not later than 5 years after the date of enactment of this Act, and each 5 years thereafter, issue a report that includes—

Deadline.
Reports.

(i) an evaluation of the progress towards project goals; and

(ii) recommendations for modifications to the projects and management treatments.

(2) CONSISTENCY OF PROJECTS WITH RECOMMENDATIONS.—An authorized hazardous fuel reduction project approved following the issuance of a monitoring report shall, to the maximum extent practicable, be consistent with any applicable recommendations in the report.

(3) SIMILAR VEGETATION TYPES.—The results of a monitoring report shall be made available for use (if appropriate) in an authorized hazardous fuels reduction project conducted in a similar vegetation type on land under the jurisdiction of the Secretary.

(4) MONITORING AND ASSESSMENTS.—Monitoring and assessment shall include a description of the changes in condition class, using the Fire Regime Condition Class Guidebook or successor guidance, specifically comparing end results to—

(A) pretreatment conditions;

(B) historical fire regimes; and

(C) any applicable watershed or landscape goals or objectives in the resource management plan or other relevant direction.

(5) MULTIPARTY MONITORING.—

(A) IN GENERAL.—In an area where significant interest is expressed in multiparty monitoring, the Secretary shall establish a multiparty monitoring, evaluation, and accountability process in order to assess the positive or negative ecological and social effects of authorized hazardous fuel reduction projects and projects conducted pursuant to section 404.

(B) DIVERSE STAKEHOLDERS.—The Secretary shall include diverse stakeholders (including interested citizens and Indian tribes) in the process required under subparagraph (A).

(C) FUNDING.—Funds to carry out this paragraph may be derived from operations funds for projects described in subparagraph (A).

(6) COLLECTION OF MONITORING DATA.—The Secretary may collect monitoring data by entering into cooperative agreements or contracts with, or providing grants to, small or micro-businesses, cooperatives, nonprofit organizations, Youth Conservation Corps work crews, or related State, local, and other non-Federal conservation corps.

(7) TRACKING.—For each administrative unit, the Secretary shall track acres burned, by the degree of severity, by large wildfires (as defined by the Secretary).

(8) MONITORING AND MAINTENANCE OF TREATED AREAS.—The Secretary shall, to the maximum extent practicable, develop a process for monitoring the need for maintenance of treated areas, over time, in order to preserve the forest health benefits achieved.

16 USC 6513.

SEC. 103. PRIORITIZATION.

(a) IN GENERAL.—In accordance with the Implementation Plan, the Secretary shall develop an annual program of work for Federal land that gives priority to authorized hazardous fuel reduction projects that provide for the protection of at-risk communities or watersheds or that implement community wildfire protection plans.

(b) COLLABORATION.—

(1) IN GENERAL.—The Secretary shall consider recommendations under subsection (a) that are made by at-risk communities that have developed community wildfire protection plans.

(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the planning process and recommendations concerning community wildfire protection plans.

(c) ADMINISTRATION.—

(1) IN GENERAL.—Federal agency involvement in developing a community wildfire protection plan, or a recommendation made in a community wildfire protection plan, shall not be considered a Federal agency action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) COMPLIANCE.—In implementing authorized hazardous fuel reduction projects on Federal land, the Secretary shall, in accordance with section 104, comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(d) FUNDING ALLOCATION.—

(1) FEDERAL LAND.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall use not less than 50 percent of the funds allocated for authorized hazardous fuel reduction projects in the wildland-urban interface.

(B) APPLICABILITY AND ALLOCATION.—The funding allocation in subparagraph (A) shall apply at the national level. The Secretary may allocate the proportion of funds differently than is required under subparagraph (A) within individual management units as appropriate, in particular

to conduct authorized hazardous fuel reduction projects on land described in section 102(a)(4).

(C) WILDLAND-URBAN INTERFACE.—In the case of an authorized hazardous fuel reduction project for which a decision notice is issued during the 1-year period beginning on the date of enactment of this Act, the Secretary shall use existing definitions of the term “wildland-urban interface” rather than the definition of that term provided under section 101.

(2) NON-FEDERAL LAND.—

(A) IN GENERAL.—In providing financial assistance under any provision of law for hazardous fuel reduction projects on non-Federal land, the Secretary shall consider recommendations made by at-risk communities that have developed community wildfire protection plans.

(B) PRIORITY.—In allocating funding under this paragraph, the Secretary should, to the maximum extent practicable, give priority to communities that have adopted a community wildfire protection plan or have taken proactive measures to encourage willing property owners to reduce fire risk on private property.

SEC. 104. ENVIRONMENTAL ANALYSIS.

16 USC 6514.

(a) AUTHORIZED HAZARDOUS FUEL REDUCTION PROJECTS.—Except as otherwise provided in this title, the Secretary shall conduct authorized hazardous fuel reduction projects in accordance with—

(1) the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.); and

(2) other applicable laws.

(b) ENVIRONMENTAL ASSESSMENT OR ENVIRONMENTAL IMPACT STATEMENT.—The Secretary shall prepare an environmental assessment or an environmental impact statement pursuant to section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)) for each authorized hazardous fuel reduction project.

(c) CONSIDERATION OF ALTERNATIVES.—

(1) IN GENERAL.—Except as provided in subsection (d), in the environmental assessment or environmental impact statement prepared under subsection (b), the Secretary shall study, develop, and describe—

(A) the proposed agency action;

(B) the alternative of no action; and

(C) an additional action alternative, if the additional alternative—

(i) is proposed during scoping or the collaborative process under subsection (f); and

(ii) meets the purpose and need of the project, in accordance with regulations promulgated by the Council on Environmental Quality.

(2) MULTIPLE ADDITIONAL ALTERNATIVES.—If more than 1 additional alternative is proposed under paragraph (1)(C), the Secretary shall—

(A) select which additional alternative to consider, which is a choice that is in the sole discretion of the Secretary; and

(B) provide a written record describing the reasons for the selection.

(d) ALTERNATIVE ANALYSIS PROCESS FOR PROJECTS IN WILDLAND-URBAN INTERFACE.—

(1) PROPOSED AGENCY ACTION AND 1 ACTION ALTERNATIVE.—

For an authorized hazardous fuel reduction project that is proposed to be conducted in the wildland-urban interface, the Secretary is not required to study, develop, or describe more than the proposed agency action and 1 action alternative in the environmental assessment or environmental impact statement prepared pursuant to section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

(2) PROPOSED AGENCY ACTION.—Notwithstanding paragraph (1), but subject to paragraph (3), if an authorized hazardous fuel reduction project proposed to be conducted in the wildland-urban interface is located no further than 1½ miles from the boundary of an at-risk community, the Secretary is not required to study, develop, or describe any alternative to the proposed agency action in the environmental assessment or environmental impact statement prepared pursuant to section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

(3) PROPOSED AGENCY ACTION AND COMMUNITY WILDFIRE PROTECTION PLAN ALTERNATIVE.—In the case of an authorized hazardous fuel reduction project described in paragraph (2), if the at-risk community has adopted a community wildfire protection plan and the proposed agency action does not implement the recommendations in the plan regarding the general location and basic method of treatments, the Secretary shall evaluate the recommendations in the plan as an alternative to the proposed agency action in the environmental assessment or environmental impact statement prepared pursuant to section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

(e) PUBLIC NOTICE AND MEETING.—

(1) PUBLIC NOTICE.—The Secretary shall provide notice of each authorized hazardous fuel reduction project in accordance with applicable regulations and administrative guidelines.

(2) PUBLIC MEETING.—During the preparation stage of each authorized hazardous fuel reduction project, the Secretary shall—

(A) conduct a public meeting at an appropriate location proximate to the administrative unit of the Federal land on which the authorized hazardous fuel reduction project will be conducted; and

(B) provide advance notice of the location, date, and time of the meeting.

(f) PUBLIC COLLABORATION.—In order to encourage meaningful public participation during preparation of authorized hazardous fuel reduction projects, the Secretary shall facilitate collaboration among State and local governments and Indian tribes, and participation of interested persons, during the preparation of each authorized fuel reduction project in a manner consistent with the Implementation Plan.

(g) ENVIRONMENTAL ANALYSIS AND PUBLIC COMMENT.—In accordance with section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)) and the applicable regulations

and administrative guidelines, the Secretary shall provide an opportunity for public comment during the preparation of any environmental assessment or environmental impact statement for an authorized hazardous fuel reduction project.

(h) **DECISION DOCUMENT.**—The Secretary shall sign a decision document for authorized hazardous fuel reduction projects and provide notice of the final agency actions.

SEC. 105. SPECIAL ADMINISTRATIVE REVIEW PROCESS.

16 USC 6515.

(a) **INTERIM FINAL REGULATIONS.**—

(1) **IN GENERAL.**—Not later than 30 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate interim final regulations to establish a predecisional administrative review process for the period described in paragraph (2) that will serve as the sole means by which a person can seek administrative review regarding an authorized hazardous fuel reduction project on Forest Service land.

Deadline.

(2) **PERIOD.**—The predecisional administrative review process required under paragraph (1) shall occur during the period—

(A) beginning after the completion of the environmental assessment or environmental impact statement; and

(B) ending not later than the date of the issuance of the final decision approving the project.

(3) **ELIGIBILITY.**—To be eligible to participate in the administrative review process for an authorized hazardous fuel reduction project under paragraph (1), a person shall submit to the Secretary, during scoping or the public comment period for the draft environmental analysis for the project, specific written comments that relate to the proposed action.

(4) **EFFECTIVE DATE.**—The interim final regulations promulgated under paragraph (1) shall take effect on the date of promulgation of the regulations.

(b) **FINAL REGULATIONS.**—The Secretary shall promulgate final regulations to establish the process described in subsection (a)(1) after the interim final regulations have been published and reasonable time has been provided for public comment.

(c) **ADMINISTRATIVE REVIEW.**—

(1) **IN GENERAL.**—A person may bring a civil action challenging an authorized hazardous fuel reduction project in a Federal district court only if the person has challenged the authorized hazardous fuel reduction project by exhausting—

(A) the administrative review process established by the Secretary of Agriculture under this section; or

(B) the administrative hearings and appeals procedures established by the Department of the Interior.

(2) **ISSUES.**—An issue may be considered in the judicial review of an action under section 106 only if the issue was raised in an administrative review process described in paragraph (1).

(3) **EXCEPTION.**—

(A) **IN GENERAL.**—An exception to the requirement of exhausting the administrative review process before seeking judicial review shall be available if a Federal court finds that the futility or inadequacy exception applies to a specific plaintiff or claim.

(B) INFORMATION.—If an agency fails or is unable to make information timely available during the administrative review process, a court should evaluate whether the administrative review process was inadequate for claims or issues to which the information is material.

16 USC 6516.

SEC. 106. JUDICIAL REVIEW IN UNITED STATES DISTRICT COURTS.

(a) VENUE.—Notwithstanding section 1391 of title 28, United States Code, or other applicable law, an authorized hazardous fuels reduction project conducted under this title shall be subject to judicial review only in the United States district court for a district in which the Federal land to be treated under the authorized hazardous fuels reduction project is located.

(b) EXPEDITIOUS COMPLETION OF JUDICIAL REVIEW.—In the judicial review of an action challenging an authorized hazardous fuel reduction project under subsection (a), Congress encourages a court of competent jurisdiction to expedite, to the maximum extent practicable, the proceedings in the action with the goal of rendering a final determination on jurisdiction, and (if jurisdiction exists) a final determination on the merits, as soon as practicable after the date on which a complaint or appeal is filed to initiate the action.

(c) INJUNCTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the length of any preliminary injunctive relief and stays pending appeal covering an authorized hazardous fuel reduction project carried out under this title shall not exceed 60 days.

(2) RENEWAL.—

(A) IN GENERAL.—A court of competent jurisdiction may issue 1 or more renewals of any preliminary injunction, or stay pending appeal, granted under paragraph (1).

(B) UPDATES.—In each renewal of an injunction in an action, the parties to the action shall present the court with updated information on the status of the authorized hazardous fuel reduction project.

(3) BALANCING OF SHORT- AND LONG-TERM EFFECTS.—As part of its weighing the equities while considering any request for an injunction that applies to an agency action under an authorized hazardous fuel reduction project, the court reviewing the project shall balance the impact to the ecosystem likely affected by the project of—

(A) the short- and long-term effects of undertaking the agency action; against

(B) the short- and long-term effects of not undertaking the agency action.

16 USC 6517.

SEC. 107. EFFECT OF TITLE.

(a) OTHER AUTHORITY.—Nothing in this title affects, or otherwise biases, the use by the Secretary of other statutory or administrative authority (including categorical exclusions adopted to implement the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)) to conduct a hazardous fuel reduction project on Federal land (including Federal land identified in section 102(d)) that is not conducted using the process authorized by section 104.

(b) NATIONAL FOREST SYSTEM.—For projects and activities of the National Forest System other than authorized hazardous fuel reduction projects, nothing in this title affects, or otherwise biases,

the notice, comment, and appeal procedures for projects and activities of the National Forest System contained in part 215 of title 36, Code of Federal Regulations, or the consideration or disposition of any legal action brought with respect to the procedures.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

16 USC 6518.

There is authorized to be appropriated \$760,000,000 for each fiscal year to carry out—

- (1) activities authorized by this title; and
- (2) other hazardous fuel reduction activities of the Secretary, including making grants to States, local governments, Indian tribes, and other eligible recipients for activities authorized by law.

TITLE II—BIOMASS

SEC. 201. IMPROVED BIOMASS USE RESEARCH PROGRAM.

(a) USES OF GRANTS, CONTRACTS, AND ASSISTANCE.—Section 307(d) of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

7 USC 8101 note.

- (1) in paragraph (3), by striking “or” at the end;
- (2) in paragraph (4), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(5) research to integrate silviculture, harvesting, product development, processing information, and economic evaluation to provide the science, technology, and tools to forest managers and community developers for use in evaluating forest treatment and production alternatives, including—

“(A) to develop tools that would enable land managers, locally or in a several-State region, to estimate—

“(i) the cost to deliver varying quantities of wood to a particular location; and

“(ii) the amount that could be paid for stumpage if delivered wood was used for a specific mix of products;

“(B) to conduct research focused on developing appropriate thinning systems and equipment designs that are—

“(i) capable of being used on land without significant adverse effects on the land;

“(ii) capable of handling large and varied landscapes;

“(iii) adaptable to handling a wide variety of tree sizes;

“(iv) inexpensive; and

“(v) adaptable to various terrains; and

“(C) to develop, test, and employ in the training of forestry managers and community developers curricula materials and training programs on matters described in subparagraphs (A) and (B).”.

(b) FUNDING.—Section 310(b) of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended by striking “\$49,000,000” and inserting “\$54,000,000”.

7 USC 8101 note.

SEC. 202. RURAL REVITALIZATION THROUGH FORESTRY.

Section 2371 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601) is amended by adding at the end the following:

“(d) RURAL REVITALIZATION TECHNOLOGIES.—

“(1) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service, in consultation with the State and Private Forestry Technology Marketing Unit at the Forest Products Laboratory, and in collaboration with eligible institutions, may carry out a program—

“(A) to accelerate adoption of technologies using biomass and small-diameter materials;

“(B) to create community-based enterprises through marketing activities and demonstration projects; and

“(C) to establish small-scale business enterprises to make use of biomass and small-diameter materials.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2004 through 2008.”.

16 USC 6531.

SEC. 203. BIOMASS COMMERCIAL UTILIZATION GRANT PROGRAM.

(a) IN GENERAL.—In addition to any other authority of the Secretary of Agriculture to make grants to a person that owns or operates a facility that uses biomass as a raw material to produce electric energy, sensible heat, transportation fuel, or substitutes for petroleum-based products, the Secretary may make grants to a person that owns or operates a facility that uses biomass for wood-based products or other commercial purposes to offset the costs incurred to purchase biomass.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2004 through 2008.

TITLE III—WATERSHED FORESTRY ASSISTANCE

16 USC 6541.

SEC. 301. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there has been a dramatic shift in public attitudes and perceptions about forest management, particularly in the understanding and practice of sustainable forest management;

(2) it is commonly recognized that the proper stewardship of forest land is essential to sustaining and restoring the health of watersheds;

(3) forests can provide essential ecological services in filtering pollutants, buffering important rivers and estuaries, and minimizing flooding, which makes forest restoration worthy of special focus; and

(4) strengthened education, technical assistance, and financial assistance for nonindustrial private forest landowners and communities, relating to the protection of watershed health, is needed to realize the expectations of the general public.

(b) PURPOSES.—The purposes of this title are—

(1) to improve landowner and public understanding of the connection between forest management and watershed health;

(2) to encourage landowners to maintain tree cover on property and to use tree plantings and vegetative treatments as creative solutions to watershed problems associated with varying land uses;

(3) to enhance and complement forest management and buffer use for watersheds, with an emphasis on community watersheds;

(4) to establish new partnerships and collaborative watershed approaches to forest management, stewardship, and conservation;

(5) to provide technical and financial assistance to States to deliver a coordinated program that enhances State forestry best-management practices programs, and conserves and improves forested land and potentially forested land, through technical, financial, and educational assistance to qualifying individuals and entities; and

(6) to maximize the proper management and conservation of wetland forests and to assist in the restoration of those forests.

SEC. 302. WATERSHED FORESTRY ASSISTANCE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5 (16 U.S.C. 2103a) the following:

“SEC. 6. WATERSHED FORESTRY ASSISTANCE PROGRAM.

16 USC 2103b.

“(a) **DEFINITION OF NONINDUSTRIAL PRIVATE FOREST LAND.**—In this section, the term ‘nonindustrial private forest land’ means rural land, as determined by the Secretary, that—

“(1) has existing tree cover or that is suitable for growing trees; and

“(2) is owned by any nonindustrial private individual, group, association, corporation, or other private legal entity, that has definitive decisionmaking authority over the land.

“(b) **GENERAL AUTHORITY AND PURPOSE.**—The Secretary, acting through the Chief of the Forest Service and (where appropriate) through the Cooperative State Research, Education, and Extension Service, may provide technical, financial, and related assistance to State foresters, equivalent State officials, or Cooperative Extension officials at land grant colleges and universities and 1890 institutions for the purpose of expanding State forest stewardship capacities and activities through State forestry best-management practices and other means at the State level to address watershed issues on non-Federal forested land and potentially forested land.

“(c) **TECHNICAL ASSISTANCE TO PROTECT WATER QUALITY.**—

“(1) **IN GENERAL.**—The Secretary, in cooperation with State foresters or equivalent State officials, shall engage interested members of the public, including nonprofit organizations and local watershed councils, to develop a program of technical assistance to protect water quality described in paragraph (2).

“(2) **PURPOSE OF PROGRAM.**—The program under this subsection shall be designed—

“(A) to build and strengthen watershed partnerships that focus on forested landscapes at the State, regional, and local levels;

“(B) to provide State forestry best-management practices and water quality technical assistance directly to owners of nonindustrial private forest land;

“(C) to provide technical guidance to land managers and policymakers for water quality protection through forest management;

“(D) to complement State and local efforts to protect water quality and provide enhanced opportunities for consultation and cooperation among Federal and State agencies charged with responsibility for water and watershed management; and

“(E) to provide enhanced forest resource data and support for improved implementation and monitoring of State forestry best-management practices.

“(3) IMPLEMENTATION.—In the case of a participating State, the program of technical assistance shall be implemented by State foresters or equivalent State officials.

“(d) WATERSHED FORESTRY COST-SHARE PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a watershed forestry cost-share program—

“(A) which shall be—

“(i) administered by the Forest Service; and

“(ii) implemented by State foresters or equivalent State officials in participating States; and

“(B) under which funds or other support provided to participating States shall be made available for State forestry best-management practices programs and watershed forestry projects.

“(2) WATERSHED FORESTRY PROJECTS.—The State forester, an equivalent State official of a participating State, or a Cooperative Extension official at a land grant college or university or 1890 institution, in coordination with the State Forest Stewardship Coordinating Committee established under section 19(b) (or an equivalent committee) for that State, shall make awards to communities, nonprofit groups, and owners of non-industrial private forest land under the program for watershed forestry projects described in paragraph (3).

“(3) PROJECT ELEMENTS AND OBJECTIVES.—A watershed forestry project shall accomplish critical forest stewardship, watershed protection, and restoration needs within a State by demonstrating the value of trees and forests to watershed health and condition through—

“(A) the use of trees as solutions to water quality problems in urban and rural areas;

“(B) community-based planning, involvement, and action through State, local, and nonprofit partnerships;

“(C) application of and dissemination of monitoring information on forestry best-management practices relating to watershed forestry;

“(D) watershed-scale forest management activities and conservation planning; and

“(E)(i) the restoration of wetland (as defined by the States) and stream-side forests; and

“(ii) the establishment of riparian vegetative buffers.

“(4) COST-SHARING.—

“(A) FEDERAL SHARE.—

“(i) FUNDS UNDER THIS SUBSECTION.—Funds provided under this subsection for a watershed forestry project may not exceed 75 percent of the cost of the project.

“(ii) OTHER FEDERAL FUNDS.—The percentage of the cost of a project described in clause (i) that is not covered by funds made available under this subsection may be paid using other Federal funding sources, except that the total Federal share of the costs of the project may not exceed 90 percent.

“(B) FORM.—The non-Federal share of the costs of a project may be provided in the form of cash, services, or other in-kind contributions.

“(5) PRIORITIZATION.—The State Forest Stewardship Coordinating Committee for a State, or equivalent State committee, shall prioritize watersheds in that State to target watershed forestry projects funded under this subsection.

“(6) WATERSHED FORESTER.—Financial and technical assistance shall be made available to the State Forester or equivalent State official to create a State watershed or best-management practice forester position to—

“(A) lead statewide programs; and

“(B) coordinate watershed-level projects.

“(e) DISTRIBUTION.—

“(1) IN GENERAL.—Of the funds made available for a fiscal year under subsection (g), the Secretary shall use—

“(A) at least 75 percent of the funds to carry out the cost-share program under subsection (d); and

“(B) the remainder of the funds to deliver technical assistance, education, and planning, at the local level, through the State Forester or equivalent State official.

“(2) SPECIAL CONSIDERATIONS.—Distribution of funds by the Secretary among States under paragraph (1) shall be made only after giving appropriate consideration to—

“(A) the acres of agricultural land, nonindustrial private forest land, and highly erodible land in each State;

“(B) the miles of riparian buffer needed;

“(C) the miles of impaired stream segments and other impaired water bodies where forestry practices can be used to restore or protect water resources;

“(D) the number of owners of nonindustrial private forest land in each State; and

“(E) water quality cost savings that can be achieved through forest watershed management.

“(f) WILLING OWNERS.—

“(1) IN GENERAL.—Participation of an owner of nonindustrial private forest land in the watershed forestry assistance program under this section is voluntary.

“(2) WRITTEN CONSENT.—The watershed forestry assistance program shall not be carried out on nonindustrial private forest land without the written consent of the owner of, or entity having definitive decisionmaking over, the nonindustrial private forest land.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$15,000,000 for each of fiscal years 2004 through 2008.”.

SEC. 303. TRIBAL WATERSHED FORESTRY ASSISTANCE.

16 USC 6542.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the “Secretary”), acting through the Chief of the Forest Service, shall provide technical, financial, and related

assistance to Indian tribes for the purpose of expanding tribal stewardship capacities and activities through tribal forestry best-management practices and other means at the tribal level to address watershed issues on land under the jurisdiction of or administered by the Indian tribes.

(b) TECHNICAL ASSISTANCE TO PROTECT WATER QUALITY.—

(1) IN GENERAL.—The Secretary, in cooperation with Indian tribes, shall develop a program to provide technical assistance to protect water quality, as described in paragraph (2).

(2) PURPOSE OF PROGRAM.—The program under this subsection shall be designed—

(A) to build and strengthen watershed partnerships that focus on forested landscapes at the State, regional, tribal, and local levels;

(B) to provide tribal forestry best-management practices and water quality technical assistance directly to Indian tribes;

(C) to provide technical guidance to tribal land managers and policy makers for water quality protection through forest management;

(D) to complement tribal efforts to protect water quality and provide enhanced opportunities for consultation and cooperation among Federal agencies and tribal entities charged with responsibility for water and watershed management; and

(E) to provide enhanced forest resource data and support for improved implementation and monitoring of tribal forestry best-management practices.

(c) WATERSHED FORESTRY PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a watershed forestry program in cooperation with Indian tribes.

(2) PROGRAMS AND PROJECTS.—Funds or other support provided under the program shall be made available for tribal forestry best-management practices programs and watershed forestry projects.

(3) ANNUAL AWARDS.—The Secretary shall annually make awards to Indian tribes to carry out this subsection.

(4) PROJECT ELEMENTS AND OBJECTIVES.—A watershed forestry project shall accomplish critical forest stewardship, watershed protection, and restoration needs within land under the jurisdiction of or administered by an Indian tribe by demonstrating the value of trees and forests to watershed health and condition through—

(A) the use of trees as solutions to water quality problems;

(B) application of and dissemination of monitoring information on forestry best-management practices relating to watershed forestry;

(C) watershed-scale forest management activities and conservation planning;

(D) the restoration of wetland and stream-side forests and the establishment of riparian vegetative buffers; and

(E) tribal-based planning, involvement, and action through State, tribal, local, and nonprofit partnerships.

(5) PRIORITIZATION.—An Indian tribe that participates in the program under this subsection shall prioritize watersheds in land under the jurisdiction of or administered by the Indian

tribe to target watershed forestry projects funded under this subsection.

(6) **WATERSHED FORESTER.**—The Secretary may provide to Indian tribes under this section financial and technical assistance to establish a position of tribal forester to lead tribal programs and coordinate small watershed-level projects.

(d) **DISTRIBUTION.**—The Secretary shall devote—

(1) at least 75 percent of the funds made available for a fiscal year under subsection (e) to the program under subsection (c); and

(2) the remainder of the funds to deliver technical assistance, education, and planning in the field to Indian tribes.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$2,500,000 for each of fiscal years 2004 through 2008.

TITLE IV—INSECT INFESTATIONS AND RELATED DISEASES

SEC. 401. FINDINGS AND PURPOSE.

16 USC 6551.

(a) **FINDINGS.**—Congress finds that—

(1) high levels of tree mortality resulting from insect infestation (including the interaction between insects and diseases) may result in—

(A) increased fire risk;

(B) loss of old trees and old growth;

(C) loss of threatened and endangered species;

(D) loss of species diversity;

(E) degraded watershed conditions;

(F) increased potential for damage from other agents of disturbance, including exotic, invasive species; and

(G) decreased timber values;

(2)(A) forest-damaging insects destroy hundreds of thousands of acres of trees each year;

(B) in the West, more than 21,000,000 acres are at high risk of forest-damaging insect infestation, and in the South, more than 57,000,000 acres are at risk across all land ownerships; and

(C) severe drought conditions in many areas of the South and West will increase the risk of forest-damaging insect infestations;

(3) the hemlock woolly adelgid is—

(A) destroying streamside forests throughout the mid-Atlantic and Appalachian regions;

(B) threatening water quality and sensitive aquatic species; and

(C) posing a potential threat to valuable commercial timber land in northern New England;

(4)(A) the emerald ash borer is a nonnative, invasive pest that has quickly become a major threat to hardwood forests because an emerald ash borer infestation is almost always fatal to affected trees; and

(B) the emerald ash borer pest threatens to destroy more than 692,000,000 ash trees in forests in Michigan and Ohio alone, and between 5 and 10 percent of urban street trees in the Upper Midwest;

(5)(A) epidemic populations of Southern pine beetles are ravaging forests in Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia; and

(B) in 2001, Florida and Kentucky experienced 146 percent and 111 percent increases, respectively, in Southern pine beetle populations;

(6) those epidemic outbreaks of Southern pine beetles have forced private landowners to harvest dead and dying trees, in rural areas and increasingly urbanized settings;

(7) according to the Forest Service, recent outbreaks of the red oak borer in Arkansas and Missouri have been unprecedented, with more than 1,000,000 acres infested at population levels never seen before;

(8) much of the damage from the red oak borer has taken place in national forests, and the Federal response has been inadequate to protect forest ecosystems and other ecological and economic resources;

(9)(A) previous silvicultural assessments, while useful and informative, have been limited in scale and scope of application; and

(B) there have not been sufficient resources available to adequately test a full array of individual and combined applied silvicultural assessments;

(10) only through the full funding, development, and assessment of potential applied silvicultural assessments over specific time frames across an array of environmental and climatic conditions can the most innovative and cost effective management applications be determined that will help reduce the susceptibility of forest ecosystems to attack by forest pests;

(11)(A) often, there are significant interactions between insects and diseases;

(B) many diseases (such as white pine blister rust, beech bark disease, and many other diseases) can weaken trees and forest stands and predispose trees and forest stands to insect attack; and

(C) certain diseases are spread using insects as vectors (including Dutch elm disease and pine pitch canker); and

(12) funding and implementation of an initiative to combat forest pest infestations and associated diseases should not come at the expense of supporting other programs and initiatives of the Secretary.

(b) PURPOSES.—The purposes of this title are—

(1) to require the Secretary to develop an accelerated basic and applied assessment program to combat infestations by forest-damaging insects and associated diseases;

(2) to enlist the assistance of colleges and universities (including forestry schools, land grant colleges and universities, and 1890 Institutions), State agencies, and private landowners to carry out the program; and

(3) to carry out applied silvicultural assessments.

In this title:

(1) APPLIED SILVICULTURAL ASSESSMENT.—

(A) IN GENERAL.—The term “applied silvicultural assessment” means any vegetative or other treatment carried out for information gathering and research purposes.

(B) INCLUSIONS.—The term “applied silvicultural assessment” includes timber harvesting, thinning, prescribed burning, pruning, and any combination of those activities.

(2) 1890 INSTITUTION.—

(A) IN GENERAL.—The term “1890 Institution” means a college or university that is eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.).

(B) INCLUSION.—The term “1890 Institution” includes Tuskegee University.

(3) FOREST-DAMAGING INSECT.—The term “forest-damaging insect” means—

(A) a Southern pine beetle;

(B) a mountain pine beetle;

(C) a spruce bark beetle;

(D) a gypsy moth;

(E) a hemlock woolly adelgid;

(F) an emerald ash borer;

(G) a red oak borer;

(H) a white oak borer; and

(I) such other insects as may be identified by the Secretary.

(4) SECRETARY.—The term “Secretary” means—

(A) the Secretary of Agriculture, acting through the Forest Service, with respect to National Forest System land; and

(B) the Secretary of the Interior, acting through appropriate offices of the United States Geological Survey, with respect to federally owned land administered by the Secretary of the Interior.

SEC. 403. ACCELERATED INFORMATION GATHERING REGARDING FOREST-DAMAGING INSECTS. 16 USC 6553.

(a) INFORMATION GATHERING.—The Secretary, acting through the Forest Service and United States Geological Survey, as appropriate, shall establish an accelerated program—

(1) to plan, conduct, and promote comprehensive and systematic information gathering on forest-damaging insects and associated diseases, including an evaluation of—

(A) infestation prevention and suppression methods;

(B) effects of infestations and associated disease interactions on forest ecosystems;

(C) restoration of forest ecosystem efforts;

(D) utilization options regarding infested trees; and

(E) models to predict the occurrence, distribution, and impact of outbreaks of forest-damaging insects and associated diseases;

(2) to assist land managers in the development of treatments and strategies to improve forest health and reduce the susceptibility of forest ecosystems to severe infestations of forest-damaging insects and associated diseases on Federal land and State and private land; and

(3) to disseminate the results of the information gathering, treatments, and strategies.

(b) COOPERATION AND ASSISTANCE.—The Secretary shall—

(1) establish and carry out the program in cooperation with—

(A) scientists from colleges and universities (including forestry schools, land grant colleges and universities, and 1890 Institutions);

(B) Federal, State, and local agencies; and

(C) private and industrial landowners; and

(2) designate such colleges and universities to assist in carrying out the program.

16 USC 6554.

SEC. 404. APPLIED SILVICULTURAL ASSESSMENTS.

(a) ASSESSMENT EFFORTS.—For information gathering and research purposes, the Secretary may conduct applied silvicultural assessments on Federal land that the Secretary determines is at risk of infestation by, or is infested with, forest-damaging insects.

(b) LIMITATIONS.—

(1) EXCLUSION OF CERTAIN AREAS.—Subsection (a) does not apply to—

(A) a component of the National Wilderness Preservation System;

(B) any Federal land on which, by Act of Congress or Presidential proclamation, the removal of vegetation is restricted or prohibited;

(C) a congressionally-designated wilderness study area; or

(D) an area in which activities under subsection (a) would be inconsistent with the applicable land and resource management plan.

(2) CERTAIN TREATMENT PROHIBITED.—Nothing in subsection (a) authorizes the application of insecticides in municipal watersheds or associated riparian areas.

(3) PEER REVIEW.—

(A) IN GENERAL.—Before being carried out, each applied silvicultural assessment under this title shall be peer reviewed by scientific experts selected by the Secretary, which shall include non-Federal experts.

(B) EXISTING PEER REVIEW PROCESSES.—The Secretary may use existing peer review processes to the extent the processes comply with subparagraph (A).

(c) PUBLIC NOTICE AND COMMENT.—

(1) PUBLIC NOTICE.—The Secretary shall provide notice of each applied silvicultural assessment proposed to be carried out under this section.

(2) PUBLIC COMMENT.—The Secretary shall provide an opportunity for public comment before carrying out an applied silviculture assessment under this section.

(d) CATEGORICAL EXCLUSION.—

(1) IN GENERAL.—Applied silvicultural assessment and research treatments carried out under this section on not more than 1,000 acres for an assessment or treatment may be categorically excluded from documentation in an environmental impact statement and environmental assessment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) **ADMINISTRATION.**—Applied silvicultural assessments and research treatments categorically excluded under paragraph (1)—

(A) shall not be carried out in an area that is adjacent to another area that is categorically excluded under paragraph (1) that is being treated with similar methods; and

(B) shall be subject to the extraordinary circumstances procedures established by the Secretary pursuant to section 1508.4 of title 40, Code of Federal Regulations.

(3) **MAXIMUM CATEGORICAL EXCLUSION.**—The total number of acres categorically excluded under paragraph (1) shall not exceed 250,000 acres.

(4) **NO ADDITIONAL FINDINGS REQUIRED.**—In accordance with paragraph (1), the Secretary shall not be required to make any findings as to whether an applied silvicultural assessment project, either individually or cumulatively, has a significant effect on the environment.

SEC. 405. RELATION TO OTHER LAWS.

16 USC 6555.

The authority provided to each Secretary under this title is supplemental to, and not in lieu of, any authority provided to the Secretaries under any other law.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

16 USC 6556.

There are authorized to be appropriated such sums as are necessary to carry out this title for each of fiscal years 2004 through 2008.

TITLE V—HEALTHY FORESTS RESERVE PROGRAM

SEC. 501. ESTABLISHMENT OF HEALTHY FORESTS RESERVE PROGRAM.

16 USC 6571.

(a) **ESTABLISHMENT.**—The Secretary of Agriculture shall establish the healthy forests reserve program for the purpose of restoring and enhancing forest ecosystems—

(1) to promote the recovery of threatened and endangered species;

(2) to improve biodiversity; and

(3) to enhance carbon sequestration.

(b) **COORDINATION.**—The Secretary of Agriculture shall carry out the healthy forests reserve program in coordination with the Secretary of the Interior and the Secretary of Commerce.

SEC. 502. ELIGIBILITY AND ENROLLMENT OF LANDS IN PROGRAM.

16 USC 6572.

(a) **IN GENERAL.**—The Secretary of Agriculture, in coordination with the Secretary of the Interior and the Secretary of Commerce, shall describe and define forest ecosystems that are eligible for enrollment in the healthy forests reserve program.

(b) **ELIGIBILITY.**—To be eligible for enrollment in the healthy forests reserve program, land shall be—

(1) private land the enrollment of which will restore, enhance, or otherwise measurably increase the likelihood of recovery of a species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

(2) private land the enrollment of which will restore, enhance, or otherwise measurably improve the well-being of species that—

(A) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

(B) are candidates for such listing, State-listed species, or special concern species.

(c) OTHER CONSIDERATIONS.—In enrolling land that satisfies the criteria under subsection (b), the Secretary of Agriculture shall give additional consideration to land the enrollment of which will—

(1) improve biological diversity; and

(2) increase carbon sequestration.

(d) ENROLLMENT BY WILLING OWNERS.—The Secretary of Agriculture shall enroll land in the healthy forests reserve program only with the consent of the owner of the land.

(e) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the healthy forests reserve program shall not exceed 2,000,000 acres.

(f) METHODS OF ENROLLMENT.—

(1) IN GENERAL.—Land may be enrolled in the healthy forests reserve program in accordance with—

(A) a 10-year cost-share agreement;

(B) a 30-year easement; or

(C) an easement of not more than 99 years.

(2) PROPORTION.—The extent to which each enrollment method is used shall be based on the approximate proportion of owner interest expressed in that method in comparison to the other methods.

(g) ENROLLMENT PRIORITY.—

(1) SPECIES.—The Secretary of Agriculture shall give priority to the enrollment of land that provides the greatest conservation benefit to—

(A) primarily, species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

(B) secondarily, species that—

(i) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

(ii) are candidates for such listing, State-listed species, or special concern species.

(2) COST-EFFECTIVENESS.—The Secretary of Agriculture shall also consider the cost-effectiveness of each agreement or easement, and associated restoration plans, so as to maximize the environmental benefits per dollar expended.

16 USC 6573.

SEC. 503. RESTORATION PLANS.

(a) IN GENERAL.—Land enrolled in the healthy forests reserve program shall be subject to a restoration plan, to be developed jointly by the landowner and the Secretary of Agriculture, in coordination with the Secretary of Interior.

(b) PRACTICES.—The restoration plan shall require such restoration practices as are necessary to restore and enhance habitat for—

(1) species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

(2) animal or plant species before the species reach threatened or endangered status, such as candidate, State-listed species, and special concern species.

SEC. 504. FINANCIAL ASSISTANCE.

16 USC 6574.

(a) **EASEMENTS OF NOT MORE THAN 99 YEARS.**—In the case of land enrolled in the healthy forests reserve program using an easement of not more than 99 years described in section 502(f)(1)(C), the Secretary of Agriculture shall pay the owner of the land an amount equal to not less than 75 percent, nor more than 100 percent, of (as determined by the Secretary)—

(1) the fair market value of the enrolled land during the period the land is subject to the easement, less the fair market value of the land encumbered by the easement; and

(2) the actual costs of the approved conservation practices or the average cost of approved practices carried out on the land during the period in which the land is subject to the easement.

(b) **THIRTY-YEAR EASEMENT.**—In the case of land enrolled in the healthy forests reserve program using a 30-year easement, the Secretary of Agriculture shall pay the owner of the land an amount equal to not more than (as determined by the Secretary)—

(1) 75 percent of the fair market value of the land, less the fair market value of the land encumbered by the easement; and

(2) 75 percent of the actual costs of the approved conservation practices or 75 percent of the average cost of approved practices.

(c) **TEN-YEAR AGREEMENT.**—In the case of land enrolled in the healthy forests reserve program using a 10-year cost-share agreement, the Secretary of Agriculture shall pay the owner of the land an amount equal to not more than (as determined by the Secretary)—

(1) fifty percent of the actual costs of the approved conservation practices; or

(2) fifty percent of the average cost of approved practices.

(d) **ACCEPTANCE OF CONTRIBUTIONS.**—The Secretary of Agriculture may accept and use contributions of non-Federal funds to make payments under this section.

SEC. 505. TECHNICAL ASSISTANCE.

16 USC 6575.

(a) **IN GENERAL.**—The Secretary of Agriculture shall provide landowners with technical assistance to assist the owners in complying with the terms of plans (as included in agreements or easements) under the healthy forests reserve program.

(b) **TECHNICAL SERVICE PROVIDERS.**—The Secretary of Agriculture may request the services of, and enter into cooperative agreements with, individuals or entities certified as technical service providers under section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842), to assist the Secretary in providing technical assistance necessary to develop and implement the healthy forests reserve program.

16 USC 6576.

SEC. 506. PROTECTIONS AND MEASURES.

(a) **PROTECTIONS.**—In the case of a landowner that enrolls land in the program and whose conservation activities result in a net conservation benefit for listed, candidate, or other species, the Secretary of Agriculture shall make available to the landowner safe harbor or similar assurances and protection under—

(1) section 7(b)(4) of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4)); or

(2) section 10(a)(1) of that Act (16 U.S.C. 1539(a)(1)).

(b) **MEASURES.**—If protection under subsection (a) requires the taking of measures that are in addition to the measures covered by the applicable restoration plan agreed to under section 503, the cost of the additional measures, as well as the cost of any permit, shall be considered part of the restoration plan for purposes of financial assistance under section 504.

16 USC 6577.

SEC. 507. INVOLVEMENT BY OTHER AGENCIES AND ORGANIZATIONS.

In carrying out this title, the Secretary of Agriculture may consult with—

(1) nonindustrial private forest landowners;

(2) other Federal agencies;

(3) State fish and wildlife agencies;

(4) State forestry agencies;

(5) State environmental quality agencies;

(6) other State conservation agencies; and

(7) nonprofit conservation organizations.

16 USC 6578.

SEC. 508. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) \$25,000,000 for fiscal year 2004; and

(2) such sums as are necessary for each of fiscal years 2005 through 2008.

TITLE VI—MISCELLANEOUS

16 USC 6591.

SEC. 601. FOREST STANDS INVENTORY AND MONITORING PROGRAM TO IMPROVE DETECTION OF AND RESPONSE TO ENVIRONMENTAL THREATS.

(a) **IN GENERAL.**—The Secretary of Agriculture shall carry out a comprehensive program to inventory, monitor, characterize, assess, and identify forest stands (with emphasis on hardwood forest stands) and potential forest stands—

(1) in units of the National Forest System (other than those units created from the public domain); and

(2) on private forest land, with the consent of the owner of the land.

(b) **ISSUES TO BE ADDRESSED.**—In carrying out the program, the Secretary shall address issues including—

(1) early detection, identification, and assessment of environmental threats (including insect, disease, invasive species, fire, and weather-related risks and other episodic events);

(2) loss or degradation of forests;

(3) degradation of the quality forest stands caused by inadequate forest regeneration practices;

(4) quantification of carbon uptake rates; and

(5) management practices that focus on preventing further forest degradation.

(c) **EARLY WARNING SYSTEM.**—In carrying out the program, the Secretary shall develop a comprehensive early warning system for potential catastrophic environmental threats to forests to increase the likelihood that forest managers will be able to—

(1) isolate and treat a threat before the threat gets out of control; and

(2) prevent epidemics, such as the American chestnut blight in the first half of the twentieth century, that could be environmentally and economically devastating to forests.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2004 through 2008.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 1904:

HOUSE REPORTS: Nos. 108–96, Pt. 1 (Comm. on Agriculture) and Pt. 2 (Comm. on the Judiciary) and 108–386 (Comm. of Conference).

SENATE REPORTS: No. 108–121 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 149 (2003):

May 20, considered and passed House.

Oct. 29, 30, considered and passed Senate, amended.

Nov. 21, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 3, Presidential remarks.



Public Law 108–149
108th Congress

An Act

Dec. 3, 2003
[H.R. 2744]

To designate the facility of the United States Postal Service located at 514 17th Street in Moline, Illinois, as the “David Bybee Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 514 17th Street in Moline, Illinois, shall be known and designated as the “David Bybee Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “David Bybee Post Office Building”.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 2744 (S. 1405):
CONGRESSIONAL RECORD, Vol. 149 (2003):
Oct. 28, considered and passed House.
Nov. 18, considered and passed Senate.



Public Law 108–150
108th Congress

An Act

To designate the facility of the United States Postal Service located at 2650 Cleveland Avenue, NW in Canton, Ohio, as the “Richard D. Watkins Post Office Building”.

Dec. 3, 2003

[H.R. 3175]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 2650 Cleveland Avenue, NW in Canton, Ohio, shall be known and designated as the “Richard D. Watkins Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Richard D. Watkins Post Office Building”.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 3175:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 28, considered and passed House.

Nov. 18, considered and passed Senate.



Public Law 108–151
108th Congress

An Act

Dec. 3, 2003
[H.R. 3379]

To designate the facility of the United States Postal Service located at 3210 East 10th Street in Bloomington, Indiana, as the “Francis X. McCloskey Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 3210 East 10th Street in Bloomington, Indiana, shall be known and designated as the “Francis X. McCloskey Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Francis X. McCloskey Post Office Building”.

Approved December 3, 2003.

LEGISLATIVE HISTORY—H.R. 3379:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 5, considered and passed House.

Nov. 18, considered and passed Senate.



Public Law 108–152
108th Congress

An Act

To authorize the Secretary of Agriculture to sell or exchange certain land in the State of Florida, and for other purposes.

Dec. 3, 2003
[S. 117]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Florida National
Forest Land
Management Act
of 2003.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Florida National Forest Land Management Act of 2003”.

SEC. 2. DEFINITIONS.

In this Act:

(1) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(2) STATE.—The term “State” means the State of Florida.

SEC. 3. SALE OR EXCHANGE OF LAND.

(a) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary may prescribe, sell or exchange any right, title, and interest of the United States in and to the parcels of Federal land in the State described in subsection (b).

(b) DESCRIPTION OF LAND.—The parcels of Federal land in the State referred to in subsection (a) consist of—

(1) tract A–942a, East Bay, Santa Rosa County, consisting of approximately 61 acres, and more particularly described as T. 1 S., R. 27 W., sec. 31, W $\frac{1}{2}$ of SW $\frac{1}{4}$;

(2) tract A–942b, East Bay, Santa Rosa County, consisting of approximately 40 acres, and more particularly described as T. 1 S., R. 27 W., sec. 38;

(3) tract A–942c, Ft. Walton, Okaloosa County, located southeast of the intersection of and adjacent to State Road 86 and Mooney Road, consisting of approximately 0.59 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26;

(4) tract A–942d, located southeast of Crestview, Okaloosa County, consisting of approximately 79.90 acres, and more particularly described as T. 2 N., R. 23 W., sec. 2, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$;

(5) tract A–943, Okaloosa County Fairgrounds, Ft. Walton, Okaloosa County, consisting of approximately 30.14 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26, S $\frac{1}{2}$;

(6) tract A–944, City Ball Park—Ft. Walton, Okaloosa County, consisting of approximately 12.43 acres, and more particularly described as T. 1 S., R. 24 W., sec. 26, S $\frac{1}{2}$;

(7) tract A-945, Landfill-Golf Course Driving Range, located southeast of Crestview, Okaloosa County, consisting of approximately 40.85 acres, and more particularly described as T. 2 N., R. 23 W., sec. 4, NW $\frac{1}{4}$ NE $\frac{1}{4}$;

(8) tract A-959, 2 vacant lots on the north side of Micheaux Road in Bristol, Liberty County, consisting of approximately 0.5 acres, and more particularly described as T. 1 S., R. 7 W., sec. 6;

(9) tract C-3m-d, located southwest of Astor in Lake County, consisting of approximately 15.0 acres, and more particularly described as T. 15 S., R. 28 E., sec. 37;

(10) tract C-691, Lake County, consisting of the subsurface rights to approximately 40.76 acres of land, and more particularly described as T. 17 S., R. 29 E., sec. 25, SE $\frac{1}{4}$ NW $\frac{1}{4}$;

(11) tract C-2208b, Lake County, consisting of approximately 39.99 acres, and more particularly described as T. 17 S., R. 28 E., sec. 28, NW $\frac{1}{4}$ SE $\frac{1}{4}$;

(12) tract C-2209, Lake County, consisting of approximately 127.2 acres, as depicted on the map, and more particularly described as T. 17 S., R. 28 E., sec. 21, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$;

(13) tract C-2209b, Lake County, consisting of approximately 39.41 acres, and more particularly described as T. 17 S., R. 29 E., sec. 32, NE $\frac{1}{4}$ SE $\frac{1}{4}$;

(14) tract C-2209c, Lake County, consisting of approximately 40.09 acres, and more particularly described as T. 18 S., R. 28 E., sec. 14, SE $\frac{1}{4}$ SW $\frac{1}{4}$;

(15) tract C-2209d, Lake County, consisting of approximately 79.58 acres, and more particularly described as T. 18 S., R. 29 E., sec. 5, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$;

(16) tract C-2210, government lot 1, 20 recreational residential lots, and adjacent land on Lake Kerr, Marion County, consisting of approximately 30 acres, and more particularly described as T. 13 S., R. 25 E., sec. 22;

(17) tract C-2213, located in the F.M. Arrendondo grant, East of Ocala, Marion County, and including a portion of the land located east of the western right-of-way of State Highway 19, consisting of approximately 15.0 acres, and more particularly described as T. 14 and 15 S., R. 26 E., sec. 36, 38, and 40; and

(18) all improvements on the parcels described in paragraphs (1) through (17).

(c) **LEGAL DESCRIPTION MODIFICATION.**—The Secretary may, for the purposes of soliciting offers for the sale or exchange of land under subsection (d), modify the descriptions of land specified in subsection (b) based on—

(1) a survey; or

(2) a determination by the Secretary that the modification would be in the best interest of the public.

(d) **SOLICITATIONS OF OFFERS.**—

(1) **IN GENERAL.**—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may solicit offers for the sale or exchange of land described in subsection (b).

(2) **REJECTION OF OFFERS.**—The Secretary may reject any offer received under this section if the Secretary determines that the offer—

(A) is not adequate; or

(B) is not in the public interest.

(e) **METHODS OF SALE.**—The Secretary may sell the land described in subsection (b) at public or private sale (including at auction), in accordance with any terms, conditions, and procedures that the Secretary determines to be appropriate.

(f) **BROKERS.**—In any sale or exchange of land described in subsection (b), the Secretary may—

(1) use a real estate broker; and

(2) pay the real estate broker a commission in an amount that is comparable to the amounts of commission generally paid for real estate transactions in the area.

(g) **CONCURRENCE OF THE SECRETARY OF THE AIR FORCE.**—A parcel of land described in paragraphs (1) through (7) of subsection (b) shall not be sold or exchanged by the Secretary without the concurrence of the Secretary of the Air Force.

(h) **CASH EQUALIZATION.**—Notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), if the value of non-Federal land for which Federal land is exchanged under this section is less than the value of the Federal land exchanged, the Secretary may accept a cash equalization payment in excess of 25 percent of the value of the Federal land.

(i) **DISPOSITION OF PROCEEDS.**—

(1) **IN GENERAL.**—The net proceeds derived from any sale or exchange under this Act shall be deposited in the fund established by Public Law 90-171 (commonly known as the “Sisk Act”) (16 U.S.C. 484a).

(2) **USE.**—Amounts deposited under paragraph (1) shall be available to the Secretary for expenditure, without further appropriation, for—

(A) acquisition of land and interests in land for inclusion as units of the National Forest System in the State; and

(B) reimbursement of costs incurred by the Secretary in carrying out land sales and exchanges under this Act, including the payment of real estate broker commissions under subsection (f).

SEC. 4. ADMINISTRATION.

(a) **IN GENERAL.**—Land acquired by the United States under this Act shall be—

(1) subject to the Act of March 1, 1911 (commonly known as the “Weeks Act”) (16 U.S.C. 480 et seq.); and

(2) administered in accordance with laws (including regulations) applicable to the National Forest System.

(b) **APPLICABLE LAW.**—The land described in section 3(b) shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(c) **WITHDRAWAL.**—Subject to valid existing rights, the land described in section 3(b) is withdrawn from location, entry, and patent under the public land laws, mining laws, and mineral leasing laws (including geothermal leasing laws).

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 117:

SENATE REPORTS: No. 108–5 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Mar. 4, considered and passed Senate.

Nov. 19, considered and passed House.



Public Law 108–153
108th Congress

An Act

To authorize appropriations for nanoscience, nanoengineering, and nanotechnology research, and for other purposes.

Dec. 3, 2003
[S. 189]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

21st Century
Nanotechnology
Research and
Development Act.
15 USC 7501
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “21st Century Nanotechnology Research and Development Act”.

SEC. 2. NATIONAL NANOTECHNOLOGY PROGRAM.

15 USC 7501.

(a) NATIONAL NANOTECHNOLOGY PROGRAM.—The President shall implement a National Nanotechnology Program. Through appropriate agencies, councils, and the National Nanotechnology Coordination Office established in section 3, the Program shall—

President.

(1) establish the goals, priorities, and metrics for evaluation for Federal nanotechnology research, development, and other activities;

(2) invest in Federal research and development programs in nanotechnology and related sciences to achieve those goals; and

(3) provide for interagency coordination of Federal nanotechnology research, development, and other activities undertaken pursuant to the Program.

(b) PROGRAM ACTIVITIES.—The activities of the Program shall include—

(1) developing a fundamental understanding of matter that enables control and manipulation at the nanoscale;

(2) providing grants to individual investigators and interdisciplinary teams of investigators;

(3) establishing a network of advanced technology user facilities and centers;

(4) establishing, on a merit-reviewed and competitive basis, interdisciplinary nanotechnology research centers, which shall—

(A) interact and collaborate to foster the exchange of technical information and best practices;

(B) involve academic institutions or national laboratories and other partners, which may include States and industry;

(C) make use of existing expertise in nanotechnology in their regions and nationally;

(D) make use of ongoing research and development at the micrometer scale to support their work in nanotechnology; and

(E) to the greatest extent possible, be established in geographically diverse locations, encourage the participation of Historically Black Colleges and Universities that are part B institutions as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)) and minority institutions (as defined in section 365(3) of that Act (20 U.S.C. 1067k(3))), and include institutions located in States participating in the Experimental Program to Stimulate Competitive Research (EPSCoR);

(5) ensuring United States global leadership in the development and application of nanotechnology;

(6) advancing the United States productivity and industrial competitiveness through stable, consistent, and coordinated investments in long-term scientific and engineering research in nanotechnology;

(7) accelerating the deployment and application of nanotechnology research and development in the private sector, including startup companies;

(8) encouraging interdisciplinary research, and ensuring that processes for solicitation and evaluation of proposals under the Program encourage interdisciplinary projects and collaborations;

(9) providing effective education and training for researchers and professionals skilled in the interdisciplinary perspectives necessary for nanotechnology so that a true interdisciplinary research culture for nanoscale science, engineering, and technology can emerge;

(10) ensuring that ethical, legal, environmental, and other appropriate societal concerns, including the potential use of nanotechnology in enhancing human intelligence and in developing artificial intelligence which exceeds human capacity, are considered during the development of nanotechnology by—

(A) establishing a research program to identify ethical, legal, environmental, and other appropriate societal concerns related to nanotechnology, and ensuring that the results of such research are widely disseminated;

(B) requiring that interdisciplinary nanotechnology research centers established under paragraph (4) include activities that address societal, ethical, and environmental concerns;

(C) insofar as possible, integrating research on societal, ethical, and environmental concerns with nanotechnology research and development, and ensuring that advances in nanotechnology bring about improvements in quality of life for all Americans; and

(D) providing, through the National Nanotechnology Coordination Office established in section 3, for public input and outreach to be integrated into the Program by the convening of regular and ongoing public discussions, through mechanisms such as citizens' panels, consensus conferences, and educational events, as appropriate; and

(11) encouraging research on nanotechnology advances that utilize existing processes and technologies.

(c) PROGRAM MANAGEMENT.—The National Science and Technology Council shall oversee the planning, management, and coordination of the Program. The Council, itself or through an appropriate subgroup it designates or establishes, shall—

(1) establish goals and priorities for the Program, based on national needs for a set of broad applications of nanotechnology;

(2) establish program component areas, with specific priorities and technical goals, that reflect the goals and priorities established for the Program;

(3) oversee interagency coordination of the Program, including with the activities of the Defense Nanotechnology Research and Development Program established under section 246 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) and the National Institutes of Health;

(4) develop, within 12 months after the date of enactment of this Act, and update every 3 years thereafter, a strategic plan to guide the activities described under subsection (b), meet the goals, priorities, and anticipated outcomes of the participating agencies, and describe—

Deadlines.
Guidelines.

(A) how the Program will move results out of the laboratory and into application for the benefit of society;

(B) the Program's support for long-term funding for interdisciplinary research and development in nanotechnology; and

(C) the allocation of funding for interagency nanotechnology projects;

(5) propose a coordinated interagency budget for the Program to the Office of Management and Budget to ensure the maintenance of a balanced nanotechnology research portfolio and an appropriate level of research effort;

(6) exchange information with academic, industry, State and local government (including State and regional nanotechnology programs), and other appropriate groups conducting research on and using nanotechnology;

(7) develop a plan to utilize Federal programs, such as the Small Business Innovation Research Program and the Small Business Technology Transfer Research Program, in support of the activity stated in subsection (b)(7);

(8) identify research areas that are not being adequately addressed by the agencies' current research programs and address such research areas;

(9) encourage progress on Program activities through the utilization of existing manufacturing facilities and industrial infrastructures such as, but not limited to, the employment of underutilized manufacturing facilities in areas of high unemployment as production engineering and research testbeds; and

(10) in carrying out its responsibilities under paragraphs (1) through (9), take into consideration the recommendations of the Advisory Panel, suggestions or recommendations developed pursuant to subsection (b)(10)(D), and the views of academic, State, industry, and other appropriate groups conducting research on and using nanotechnology.

(d) ANNUAL REPORT.—The Council shall prepare an annual report, to be submitted to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science, and other appropriate committees, at the time of the President's budget request to Congress, that includes—

(1) the Program budget, for the current fiscal year, for each agency that participates in the Program, including a breakout of spending for the development and acquisition of research facilities and instrumentation, for each program component area, and for all activities pursuant to subsection (b)(10);

(2) the proposed Program budget for the next fiscal year, for each agency that participates in the Program, including a breakout of spending for the development and acquisition of research facilities and instrumentation, for each program component area, and for all activities pursuant to subsection (b)(10);

(3) an analysis of the progress made toward achieving the goals and priorities established for the Program;

(4) an analysis of the extent to which the Program has incorporated the recommendations of the Advisory Panel; and

(5) an assessment of how Federal agencies are implementing the plan described in subsection (c)(7), and a description of the amount of Small Business Innovative Research and Small Business Technology Transfer Research funds supporting the plan.

SEC. 3. PROGRAM COORDINATION.

President.
Establishment.

(a) IN GENERAL.—The President shall establish a National Nanotechnology Coordination Office, with a Director and full-time staff, which shall—

(1) provide technical and administrative support to the Council and the Advisory Panel;

(2) serve as the point of contact on Federal nanotechnology activities for government organizations, academia, industry, professional societies, State nanotechnology programs, interested citizen groups, and others to exchange technical and programmatic information;

(3) conduct public outreach, including dissemination of findings and recommendations of the Advisory Panel, as appropriate; and

(4) promote access to and early application of the technologies, innovations, and expertise derived from Program activities to agency missions and systems across the Federal Government, and to United States industry, including startup companies.

(b) FUNDING.—The National Nanotechnology Coordination Office shall be funded through interagency funding in accordance with section 631 of Public Law 108–7.

Deadline.

(c) REPORT.—Within 90 days after the date of enactment of this Act, the Director of the Office of Science and Technology Policy shall report to the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Science on the funding of the National Nanotechnology Coordination Office. The report shall include—

(1) the amount of funding required to adequately fund the Office;

(2) the adequacy of existing mechanisms to fund this Office; and

(3) the actions taken by the Director to ensure stable funding of this Office.

SEC. 4. ADVISORY PANEL.

15 USC 7503.

(a) **IN GENERAL.**—The President shall establish or designate a National Nanotechnology Advisory Panel.

President.
Establishment.

(b) **QUALIFICATIONS.**—The Advisory Panel established or designated by the President under subsection (a) shall consist primarily of members from academic institutions and industry. Members of the Advisory Panel shall be qualified to provide advice and information on nanotechnology research, development, demonstrations, education, technology transfer, commercial application, or societal and ethical concerns. In selecting or designating an Advisory Panel, the President may also seek and give consideration to recommendations from the Congress, industry, the scientific community (including the National Academy of Sciences, scientific professional societies, and academia), the defense community, State and local governments, regional nanotechnology programs, and other appropriate organizations.

(c) **DUTIES.**—The Advisory Panel shall advise the President and the Council on matters relating to the Program, including assessing—

(1) trends and developments in nanotechnology science and engineering;

(2) progress made in implementing the Program;

(3) the need to revise the Program;

(4) the balance among the components of the Program, including funding levels for the program component areas;

(5) whether the program component areas, priorities, and technical goals developed by the Council are helping to maintain United States leadership in nanotechnology;

(6) the management, coordination, implementation, and activities of the Program; and

(7) whether societal, ethical, legal, environmental, and workforce concerns are adequately addressed by the Program.

(d) **REPORTS.**—The Advisory Panel shall report, not less frequently than once every 2 fiscal years, to the President on its assessments under subsection (c) and its recommendations for ways to improve the Program. The first report under this subsection shall be submitted within 1 year after the date of enactment of this Act. The Director of the Office of Science and Technology Policy shall transmit a copy of each report under this subsection to the Senate Committee on Commerce, Science, and Technology, the House of Representatives Committee on Science, and other appropriate committees of the Congress.

Deadlines.

(e) **TRAVEL EXPENSES OF NON-FEDERAL MEMBERS.**—Non-Federal members of the Advisory Panel, while attending meetings of the Advisory Panel or while otherwise serving at the request of the head of the Advisory Panel away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the government serving without pay. Nothing in this subsection shall be construed to prohibit members of the Advisory Panel who are officers or employees of the United States from being allowed travel expenses, including per diem in lieu of subsistence, in accordance with existing law.

(f) **EXEMPTION FROM SUNSET.**—Section 14 of the Federal Advisory Committee Act shall not apply to the Advisory Panel.

15 USC 7504.

SEC. 5. TRIENNIAL EXTERNAL REVIEW OF THE NATIONAL NANOTECHNOLOGY PROGRAM.

(a) **IN GENERAL.**—The Director of the National Nanotechnology Coordination Office shall enter into an arrangement with the National Research Council of the National Academy of Sciences to conduct a triennial evaluation of the Program, including—

(1) an evaluation of the technical accomplishments of the Program, including a review of whether the Program has achieved the goals under the metrics established by the Council;

(2) a review of the Program's management and coordination across agencies and disciplines;

(3) a review of the funding levels at each agency for the Program's activities and the ability of each agency to achieve the Program's stated goals with that funding;

(4) an evaluation of the Program's success in transferring technology to the private sector;

(5) an evaluation of whether the Program has been successful in fostering interdisciplinary research and development;

(6) an evaluation of the extent to which the Program has adequately considered ethical, legal, environmental, and other appropriate societal concerns;

(7) recommendations for new or revised Program goals;

(8) recommendations for new research areas, partnerships, coordination and management mechanisms, or programs to be established to achieve the Program's stated goals;

(9) recommendations on policy, program, and budget changes with respect to nanotechnology research and development activities;

(10) recommendations for improved metrics to evaluate the success of the Program in accomplishing its stated goals;

(11) a review of the performance of the National Nanotechnology Coordination Office and its efforts to promote access to and early application of the technologies, innovations, and expertise derived from Program activities to agency missions and systems across the Federal Government and to United States industry;

(12) an analysis of the relative position of the United States compared to other nations with respect to nanotechnology research and development, including the identification of any critical research areas where the United States should be the world leader to best achieve the goals of the Program; and

(13) an analysis of the current impact of nanotechnology on the United States economy and recommendations for increasing its future impact.

(b) **STUDY ON MOLECULAR SELF-ASSEMBLY.**—As part of the first triennial review conducted in accordance with subsection (a), the National Research Council shall conduct a one-time study to determine the technical feasibility of molecular self-assembly for the manufacture of materials and devices at the molecular scale.

(c) **STUDY ON THE RESPONSIBLE DEVELOPMENT OF NANOTECHNOLOGY.**—As part of the first triennial review conducted in accordance with subsection (a), the National Research Council shall conduct a one-time study to assess the need for standards, guidelines, or strategies for ensuring the responsible development of nanotechnology, including, but not limited to—

(1) self-replicating nanoscale machines or devices;

(2) the release of such machines in natural environments;

- (3) encryption;
- (4) the development of defensive technologies;
- (5) the use of nanotechnology in the enhancement of human intelligence; and
- (6) the use of nanotechnology in developing artificial intelligence.

(d) **EVALUATION TO BE TRANSMITTED TO CONGRESS.**—The Director of the National Nanotechnology Coordination Office shall transmit the results of any evaluation for which it made arrangements under subsection (a) to the Advisory Panel, the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science upon receipt. The first such evaluation shall be transmitted no later than June 10, 2005, with subsequent evaluations transmitted to the Committees every 3 years thereafter. Deadlines.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

15 USC 7505.

(a) **NATIONAL SCIENCE FOUNDATION.**—There are authorized to be appropriated to the Director of the National Science Foundation to carry out the Director’s responsibilities under this Act—

- (1) \$385,000,000 for fiscal year 2005;
- (2) \$424,000,000 for fiscal year 2006;
- (3) \$449,000,000 for fiscal year 2007; and
- (4) \$476,000,000 for fiscal year 2008.

(b) **DEPARTMENT OF ENERGY.**—There are authorized to be appropriated to the Secretary of Energy to carry out the Secretary’s responsibilities under this Act—

- (1) \$317,000,000 for fiscal year 2005;
- (2) \$347,000,000 for fiscal year 2006;
- (3) \$380,000,000 for fiscal year 2007; and
- (4) \$415,000,000 for fiscal year 2008.

(c) **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.**—There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration to carry out the Administrator’s responsibilities under this Act—

- (1) \$34,100,000 for fiscal year 2005;
- (2) \$37,500,000 for fiscal year 2006;
- (3) \$40,000,000 for fiscal year 2007; and
- (4) \$42,300,000 for fiscal year 2008.

(d) **NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.**—There are authorized to be appropriated to the Director of the National Institute of Standards and Technology to carry out the Director’s responsibilities under this Act—

- (1) \$68,200,000 for fiscal year 2005;
- (2) \$75,000,000 for fiscal year 2006;
- (3) \$80,000,000 for fiscal year 2007; and
- (4) \$84,000,000 for fiscal year 2008.

(e) **ENVIRONMENTAL PROTECTION AGENCY.**—There are authorized to be appropriated to the Administrator of the Environmental Protection Agency to carry out the Administrator’s responsibilities under this Act—

- (1) \$5,500,000 for fiscal year 2005;
- (2) \$6,050,000 for fiscal year 2006;
- (3) \$6,413,000 for fiscal year 2007; and
- (4) \$6,800,000 for fiscal year 2008.

15 USC 7506.

SEC. 7. DEPARTMENT OF COMMERCE PROGRAMS.

(a) **NIST PROGRAMS.**—The Director of the National Institute of Standards and Technology shall—

(1) as part of the Program activities under section 2(b)(7), establish a program to conduct basic research on issues related to the development and manufacture of nanotechnology, including metrology; reliability and quality assurance; processes control; and manufacturing best practices; and

(2) utilize the Manufacturing Extension Partnership program to the extent possible to ensure that the research conducted under paragraph (1) reaches small- and medium-sized manufacturing companies.

Establishment.

(b) **CLEARINGHOUSE.**—The Secretary of Commerce or his designee, in consultation with the National Nanotechnology Coordination Office and, to the extent possible, utilizing resources at the National Technical Information Service, shall establish a clearinghouse of information related to commercialization of nanotechnology research, including information relating to activities by regional, State, and local commercial nanotechnology initiatives; transition of research, technologies, and concepts from Federal nanotechnology research and development programs into commercial and military products; best practices by government, universities and private sector laboratories transitioning technology to commercial use; examples of ways to overcome barriers and challenges to technology deployment; and use of manufacturing infrastructure and workforce.

15 USC 7507.

SEC. 8. DEPARTMENT OF ENERGY PROGRAMS.

(a) **RESEARCH CONSORTIA.**—

(1) **DEPARTMENT OF ENERGY PROGRAM.**—The Secretary of Energy shall establish a program to support, on a merit-reviewed and competitive basis, consortia to conduct interdisciplinary nanotechnology research and development designed to integrate newly developed nanotechnology and microfluidic tools with systems biology and molecular imaging.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—Of the sums authorized for the Department of Energy under section 6(b), \$25,000,000 shall be used for each fiscal year 2005 through 2008 to carry out this section. Of these amounts, not less than \$10,000,000 shall be provided to at least 1 consortium for each fiscal year.

(b) **RESEARCH CENTERS AND MAJOR INSTRUMENTATION.**—The Secretary of Energy shall carry out projects to develop, plan, construct, acquire, operate, or support special equipment, instrumentation, or facilities for investigators conducting research and development in nanotechnology.

Establishment.
15 USC 7508.**SEC. 9. ADDITIONAL CENTERS.**

(a) **AMERICAN NANOTECHNOLOGY PREPAREDNESS CENTER.**—The Program shall provide for the establishment, on a merit-reviewed and competitive basis, of an American Nanotechnology Preparedness Center which shall—

(1) conduct, coordinate, collect, and disseminate studies on the societal, ethical, environmental, educational, legal, and workforce implications of nanotechnology; and

(2) identify anticipated issues related to the responsible research, development, and application of nanotechnology, as

well as provide recommendations for preventing or addressing such issues.

(b) **CENTER FOR NANOMATERIALS MANUFACTURING.**—The Program shall provide for the establishment, on a merit reviewed and competitive basis, of a center to—

(1) encourage, conduct, coordinate, commission, collect, and disseminate research on new manufacturing technologies for materials, devices, and systems with new combinations of characteristics, such as, but not limited to, strength, toughness, density, conductivity, flame resistance, and membrane separation characteristics; and

(2) develop mechanisms to transfer such manufacturing technologies to United States industries.

(c) **REPORTS.**—The Council, through the Director of the National Nanotechnology Coordination Office, shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science—

Deadlines.

(1) within 6 months after the date of enactment of this Act, a report identifying which agency shall be the lead agency and which other agencies, if any, will be responsible for establishing the Centers described in this section; and

(2) within 18 months after the date of enactment of this Act, a report describing how the Centers described in this section have been established.

SEC. 10. DEFINITIONS.

15 USC 7509.

In this Act:

(1) **ADVISORY PANEL.**—The term “Advisory Panel” means the President’s National Nanotechnology Advisory Panel established or designated under section 4.

(2) **NANOTECHNOLOGY.**—The term “nanotechnology” means the science and technology that will enable one to understand, measure, manipulate, and manufacture at the atomic, molecular, and supramolecular levels, aimed at creating materials, devices, and systems with fundamentally new molecular organization, properties, and functions.

(3) **PROGRAM.**—The term “Program” means the National Nanotechnology Program established under section 2.

(4) **COUNCIL.**—The term “Council” means the National Science and Technology Council or an appropriate subgroup designated by the Council under section 2(c).

(5) **ADVANCED TECHNOLOGY USER FACILITY.**—The term “advanced technology user facility” means a nanotechnology research and development facility supported, in whole or in part, by Federal funds that is open to all United States researchers on a competitive, merit-reviewed basis.

(6) PROGRAM COMPONENT AREA.—The term “program component area” means a major subject area established under section 2(c)(2) under which is grouped related individual projects and activities carried out under the Program.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 189 (H.R. 766):

HOUSE REPORTS: No. 108–89 accompanying H.R. 766 (Comm. on Science).

SENATE REPORTS: No. 108–147 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 18, considered and passed Senate.

Nov. 20, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 3, Presidential statement.



Public Law 108–154
108th Congress

An Act

To revise and extend the Birth Defects Prevention Act of 1998.

Dec. 3, 2003

[S. 286]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Birth Defects and
Developmental
Disabilities
Prevention Act of
2003.
42 USC 201 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Birth Defects and Developmental Disabilities Prevention Act of 2003”.

SEC. 2. NATIONAL CENTER ON BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES.

Section 317C of the Public Health Service Act (42 U.S.C. 247b–4) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (A)—

(i) by striking “and developmental disabilities” and inserting “, developmental disabilities, and disabilities and health”; and

(ii) by striking “subsection (d)(2)” and inserting “subsection (c)(2)”;

(B) in subparagraph (B), by striking “and” at the end;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding at the end the following:

“(D) to conduct research on and to promote the prevention of such defects and disabilities, and secondary health conditions among individuals with disabilities; and

“(E) to support a National Spina Bifida Program to prevent and reduce suffering from the Nation’s most common permanently disabling birth defect.”;

(2) by striking subsection (b);

(3) in subsection (d)—

(A) by striking paragraph (1) and inserting the following:

“(1) contains information regarding the incidence and prevalence of birth defects, developmental disabilities, and the health status of individuals with disabilities and the extent to which these conditions have contributed to the incidence and prevalence of infant mortality and affected quality of life;”;

(B) in paragraph (3), by inserting “, developmental disabilities, and secondary health conditions among individuals with disabilities” after “defects”;

(C) in paragraph (4), by striking “and” at the end;

(D) by redesignating paragraph (5) as paragraph (7);

and

(E) by inserting after paragraph (4) the following:

“(5) contains information on the incidence and prevalence of individuals living with birth defects and disabilities or developmental disabilities, information on the health status of individuals with disabilities, information on any health disparities experienced by such individuals, and recommendations for improving the health and wellness and quality of life of such individuals;

“(6) contains a summary of recommendations from all birth defects research conferences sponsored by the Centers for Disease Control and Prevention, including conferences related to spina bifida; and”;

(4) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively;

(5) by inserting after subsection (d) (as so redesignated), the following:

“(e) **ADVISORY COMMITTEE.**—Notwithstanding any other provision of law, the members of the advisory committee appointed by the Director of the National Center for Environmental Health that have expertise in birth defects, developmental disabilities, and disabilities and health shall be transferred to and shall advise the National Center on Birth Defects and Developmental Disabilities effective on the date of enactment of the Birth Defects and Developmental Disabilities Prevention Act of 2003.”; and

(6) in subsection (f), by striking “\$30,000,000” and all that follows and inserting “such sums as may be necessary for each of fiscal years 2003 through 2007.”.

SEC. 3. TECHNICAL CORRECTIONS FOR STATE COUNCILS ON DEVELOPMENTAL DISABILITIES.

(a) **IN GENERAL.**—Section 122(a) of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15022(a)) is amended—

(1) in paragraph (3)(A)(ii), by inserting before the period the following: “, the amount received by the State for the previous year, or the amount of Federal appropriations received in fiscal year 2000, 2001, or 2002, whichever is greater”; and

(2) in paragraph (4)(A)(ii), by inserting before the period the following: “, the amount received by the State for the previous year, or the amount of Federal appropriations received in fiscal year 2000, 2001, or 2002, whichever is greater”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 2003 and apply to allotments beginning in fiscal year 2004.

SEC. 4. REPORT ON SURVEILLANCE ACTIVITIES.

Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services jointly with the Secretary of Education shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce and Committee on Education and the Workforce of the House of Representatives a report concerning surveillance activities under section 102 of the Children’s Health Act of 2000 (Public Law 106-310), specifically including—

(1) a description of the current grantees under the National Autism and Pervasive Developmental Disabilities Surveillance Program and the Centers of Excellence in Autism and Pervasive Developmental Disabilities, the data collected, analyzed, and

Applicability.
42 USC 15022
note.

Deadline.
42 USC 247b-4b
note.

reported under such grants, the sources of such data, and whether such data was obtained with parental consent as required under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g);

(2) a description of current sources of data for the surveillance of autism and developmental disabilities and the methods for obtaining such data, including whether such data was obtained with parental or patient consent for disclosure;

(3) an analysis of research on autism and developmental disabilities with respect to the methods of collection and reporting, including whether such research was obtained with parental or patient consent for disclosure;

(4) an analysis of the need to add education records in the surveillance of autism and other developmental disabilities, including the methodological and medical necessity for such records and the rights of parents and patients in the use of education records (in accordance with the Family Educational Rights and Privacy Act of 1974);

(5) a description of the efforts taken by the Centers for Disease Control and Prevention to utilize education records in conducting the surveillance program while obtaining parental or patient consent for such education records, including the outcomes of such efforts;

(6) a description of the challenges provided to obtaining education records (in the absence of parental or patient consent) for the purpose of obtaining additional surveillance data for autism and other developmental disabilities; and

(7) a description of the manner in which such challenges can be overcome, including efforts to educate parents, increase confidence in the privacy of the surveillance program, and increase the rate of parental or patient consent, and including specific quantitative and qualitative justifications for any recommendations for changes to existing statutory authority, including the Family Educational Rights and Privacy Act of 1974.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 286 (H.R. 398):

HOUSE REPORTS: No. 108–14 accompanying H.R. 398 (Comm. on Energy and Commerce).

SENATE REPORTS: No. 108–188 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 11, considered and passed Senate.

Nov. 19, 20, considered and passed House.



PUBLIC LAW 108–155—DEC. 3, 2003

PEDIATRIC RESEARCH EQUITY ACT OF 2003

Public Law 108–155
108th Congress

An Act

Dec. 3, 2003
[S. 650]

To amend the Federal Food, Drug, and Cosmetic Act to authorize the Food and Drug Administration to require certain research into drugs used in pediatric patients.

Pediatric
Research Equity
Act of 2003.

21 USC 301 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Pediatric Research Equity Act of 2003”.

SEC. 2. RESEARCH INTO PEDIATRIC USES FOR DRUGS AND BIOLOGICAL PRODUCTS.

(a) IN GENERAL.—Subchapter A of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by inserting after section 505A the following:

21 USC 355c.

“SEC. 505B. RESEARCH INTO PEDIATRIC USES FOR DRUGS AND BIOLOGICAL PRODUCTS.

“(a) NEW DRUGS AND BIOLOGICAL PRODUCTS.—

“(1) IN GENERAL.—A person that submits an application (or supplement to an application)—

“(A) under section 505 for a new active ingredient, new indication, new dosage form, new dosing regimen, or new route of administration; or

“(B) under section 351 of the Public Health Service Act (42 U.S.C. 262) for a new active ingredient, new indication, new dosage form, new dosing regimen, or new route of administration;

shall submit with the application the assessments described in paragraph (2).

“(2) ASSESSMENTS.—

“(A) IN GENERAL.—The assessments referred to in paragraph (1) shall contain data, gathered using appropriate formulations for each age group for which the assessment is required, that are adequate—

“(i) to assess the safety and effectiveness of the drug or the biological product for the claimed indications in all relevant pediatric subpopulations; and

“(ii) to support dosing and administration for each pediatric subpopulation for which the drug or the biological product is safe and effective.

“(B) SIMILAR COURSE OF DISEASE OR SIMILAR EFFECT OF DRUG OR BIOLOGICAL PRODUCT.—

“(i) IN GENERAL.—If the course of the disease and the effects of the drug are sufficiently similar in adults

and pediatric patients, the Secretary may conclude that pediatric effectiveness can be extrapolated from adequate and well-controlled studies in adults, usually supplemented with other information obtained in pediatric patients, such as pharmacokinetic studies.

“(ii) **EXTRAPOLATION BETWEEN AGE GROUPS.**—A study may not be needed in each pediatric age group if data from one age group can be extrapolated to another age group.

“(3) **DEFERRAL.**—On the initiative of the Secretary or at the request of the applicant, the Secretary may defer submission of some or all assessments required under paragraph (1) until a specified date after approval of the drug or issuance of the license for a biological product if—

“(A) the Secretary finds that—

“(i) the drug or biological product is ready for approval for use in adults before pediatric studies are complete;

“(ii) pediatric studies should be delayed until additional safety or effectiveness data have been collected; or

“(iii) there is another appropriate reason for deferral; and

“(B) the applicant submits to the Secretary—

“(i) certification of the grounds for deferring the assessments;

“(ii) a description of the planned or ongoing studies; and

“(iii) evidence that the studies are being conducted or will be conducted with due diligence and at the earliest possible time.

“(4) **WAIVERS.**—

“(A) **FULL WAIVER.**—On the initiative of the Secretary or at the request of an applicant, the Secretary shall grant a full waiver, as appropriate, of the requirement to submit assessments for a drug or biological product under this subsection if the applicant certifies and the Secretary finds that—

“(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients is so small or the patients are geographically dispersed);

“(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in all pediatric age groups; or

“(iii) the drug or biological product—

“(I) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients; and

“(II) is not likely to be used in a substantial number of pediatric patients.

“(B) **PARTIAL WAIVER.**—On the initiative of the Secretary or at the request of an applicant, the Secretary shall grant a partial waiver, as appropriate, of the requirement to submit assessments for a drug or biological product under this subsection with respect to a specific pediatric

age group if the applicant certifies and the Secretary finds that—

“(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients in that age group is so small or patients in that age group are geographically dispersed);

“(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in that age group;

“(iii) the drug or biological product—

“(I) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients in that age group; and

“(II) is not likely to be used by a substantial number of pediatric patients in that age group; or

“(iv) the applicant can demonstrate that reasonable attempts to produce a pediatric formulation necessary for that age group have failed.

“(C) PEDIATRIC FORMULATION NOT POSSIBLE.—If a waiver is granted on the ground that it is not possible to develop a pediatric formulation, the waiver shall cover only the pediatric groups requiring that formulation.

“(D) LABELING REQUIREMENT.—If the Secretary grants a full or partial waiver because there is evidence that a drug or biological product would be ineffective or unsafe in pediatric populations, the information shall be included in the labeling for the drug or biological product.

“(b) MARKETED DRUGS AND BIOLOGICAL PRODUCTS.—

“(1) IN GENERAL.—After providing notice in the form of a letter and an opportunity for written response and a meeting, which may include an advisory committee meeting, the Secretary may (by order in the form of a letter) require the holder of an approved application for a drug under section 505 or the holder of a license for a biological product under section 351 of the Public Health Service Act (42 U.S.C. 262) to submit by a specified date the assessments described in subsection (a)(2) if the Secretary finds that—

“(A)(i) the drug or biological product is used for a substantial number of pediatric patients for the labeled indications; and

“(ii) the absence of adequate labeling could pose significant risks to pediatric patients; or

“(B)(i) there is reason to believe that the drug or biological product would represent a meaningful therapeutic benefit over existing therapies for pediatric patients for one or more of the claimed indications; and

“(ii) the absence of adequate labeling could pose significant risks to pediatric patients.

“(2) WAIVERS.—

“(A) FULL WAIVER.—At the request of an applicant, the Secretary shall grant a full waiver, as appropriate, of the requirement to submit assessments under this subsection if the applicant certifies and the Secretary finds that—

“(i) necessary studies are impossible or highly impracticable (because, for example, the number of

patients in that age group is so small or patients in that age group are geographically dispersed); or

“(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in all pediatric age groups.

“(B) PARTIAL WAIVER.—At the request of an applicant, the Secretary shall grant a partial waiver, as appropriate, of the requirement to submit assessments under this subsection with respect to a specific pediatric age group if the applicant certifies and the Secretary finds that—

“(i) necessary studies are impossible or highly impracticable (because, for example, the number of patients in that age group is so small or patients in that age group are geographically dispersed);

“(ii) there is evidence strongly suggesting that the drug or biological product would be ineffective or unsafe in that age group;

“(iii)(I) the drug or biological product—

“(aa) does not represent a meaningful therapeutic benefit over existing therapies for pediatric patients in that age group; and

“(bb) is not likely to be used in a substantial number of pediatric patients in that age group; and

“(II) the absence of adequate labeling could not pose significant risks to pediatric patients; or

“(iv) the applicant can demonstrate that reasonable attempts to produce a pediatric formulation necessary for that age group have failed.

“(C) PEDIATRIC FORMULATION NOT POSSIBLE.—If a waiver is granted on the ground that it is not possible to develop a pediatric formulation, the waiver shall cover only the pediatric groups requiring that formulation.

“(D) LABELING REQUIREMENT.—If the Secretary grants a full or partial waiver because there is evidence that a drug or biological product would be ineffective or unsafe in pediatric populations, the information shall be included in the labeling for the drug or biological product.

“(3) RELATIONSHIP TO OTHER PEDIATRIC PROVISIONS.—

“(A) NO ASSESSMENT WITHOUT WRITTEN REQUEST.—No assessment may be required under paragraph (1) for a drug subject to an approved application under section 505 unless—

“(i) the Secretary has issued a written request for a related pediatric study under section 505A(c) of this Act or section 409I of the Public Health Service Act (42 U.S.C. 284m);

“(ii)(I) if the request was made under section 505A(c)—

“(aa) the recipient of the written request does not agree to the request; or

“(bb) the Secretary does not receive a response as specified under section 505A(d)(4)(A); or

“(II) if the request was made under section 409I of the Public Health Service Act (42 U.S.C. 284m)—

“(aa) the recipient of the written request does not agree to the request; or

“(bb) the Secretary does not receive a response as specified under section 409I(c)(2) of that Act; and
 Certification. “(iii)(I) the Secretary certifies under subparagraph (B) that there are insufficient funds under sections 409I and 499 of the Public Health Service Act (42 U.S.C. 284m, 290b) to conduct the study; or
 “(II) the Secretary publishes in the Federal Register a certification that certifies that—
 “(aa) no contract or grant has been awarded under section 409I or 499 of the Public Health Service Act (42 U.S.C. 284m, 290b); and
 “(bb) not less than 270 days have passed since the date of a certification under subparagraph (B) that there are sufficient funds to conduct the study.
 Deadline. Certification. “(B) NO AGREEMENT TO REQUEST.—Not later than 60 days after determining that no holder will agree to the written request (including a determination that the Secretary has not received a response specified under section 505A(d) of this Act or section 409I of the Public Health Service Act (42 U.S.C. 284m), the Secretary shall certify whether the Secretary has sufficient funds to conduct the study under section 409I or 499 of the Public Health Service Act (42 U.S.C. 284m, 290b), taking into account the prioritization under section 409I.
 “(c) MEANINGFUL THERAPEUTIC BENEFIT.—For the purposes of paragraph (4)(A)(iii)(I) and (4)(B)(iii)(I) of subsection (a) and paragraphs (1)(B)(i) and (2)(B)(iii)(I)(aa) of subsection (b), a drug or biological product shall be considered to represent a meaningful therapeutic benefit over existing therapies if the Secretary estimates that—
 “(1) if approved, the drug or biological product would represent a significant improvement in the treatment, diagnosis, or prevention of a disease, compared with marketed products adequately labeled for that use in the relevant pediatric population; or
 “(2) the drug or biological product is in a class of products or for an indication for which there is a need for additional options.
 “(d) SUBMISSION OF ASSESSMENTS.—If a person fails to submit an assessment described in subsection (a)(2), or a request for approval of a pediatric formulation described in subsection (a) or (b), in accordance with applicable provisions of subsections (a) and (b)—
 “(1) the drug or biological product that is the subject of the assessment or request may be considered misbranded solely because of that failure and subject to relevant enforcement action (except that the drug or biological product shall not be subject to action under section 303); but
 “(2) the failure to submit the assessment or request shall not be the basis for a proceeding—
 “(A) to withdraw approval for a drug under section 505(e); or
 “(B) to revoke the license for a biological product under section 351 of the Public Health Service Act (42 U.S.C. 262).

“(e) MEETINGS.—Before and during the investigational process for a new drug or biological product, the Secretary shall meet at appropriate times with the sponsor of the new drug or biological product to discuss—

“(1) information that the sponsor submits on plans and timelines for pediatric studies; or

“(2) any planned request by the sponsor for waiver or deferral of pediatric studies.

“(f) SCOPE OF AUTHORITY.—Nothing in this section provides to the Secretary any authority to require a pediatric assessment of any drug or biological product, or any assessment regarding other populations or uses of a drug or biological product, other than the pediatric assessments described in this section.

“(g) ORPHAN DRUGS.—Unless the Secretary requires otherwise by regulation, this section does not apply to any drug for an indication for which orphan designation has been granted under section 526.

“(h) INTEGRATION WITH OTHER PEDIATRIC STUDIES.—The authority under this section shall remain in effect so long as an application subject to this section may be accepted for filing by the Secretary on or before the date specified in section 505A(n).”.

(b) CONFORMING AMENDMENTS.—(1) Section 505(b)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)(1)) is amended in the second sentence—

(A) by striking “and (F)” and inserting “(F)”; and

(B) by striking the period at the end and inserting “, and (G) any assessments required under section 505B.”.

(2) Section 505A(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(h)) is amended—

(A) in the subsection heading, by striking “REGULATIONS” and inserting “PEDIATRIC RESEARCH REQUIREMENTS”; and

(B) by striking “pursuant to regulations promulgated by the Secretary” and inserting “by a provision of law (including a regulation) other than this section”.

(3) Section 351(a)(2) of the Public Health Service Act (42 U.S.C. 262(a)(2)) is amended—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following:

“(B) PEDIATRIC STUDIES.—A person that submits an application for a license under this paragraph shall submit to the Secretary as part of the application any assessments required under section 505B of the Federal Food, Drug, and Cosmetic Act.”.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ABBREVIATED NEW DRUG APPLICATION.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended in subparagraphs (A) and (B) of subsection (b)(2) and subparagraphs (A) and (B) of subsection (c)(2) by striking “505(j)(4)(B)” and inserting “505(j)(5)(B)”.

(b) PEDIATRIC ADVISORY COMMITTEE.—(1) Section 505A(i)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(i)(2)) is amended by striking “Advisory Subcommittee of the Anti-Infective Drugs” each place it appears.

(2) Section 14 of the Best Pharmaceuticals for Children Act (42 U.S.C. 284m note; Public Law 107–109) is amended—

(A) in the section heading, by striking “**PHARMACOLOGY**”;
 (B) in subsection (a), by striking “(42 U.S.C. 217a),” and inserting “(42 U.S.C. 217a) or other appropriate authority,”;
 (C) in subsection (b)—

(i) in paragraph (1), by striking “and in consultation with the Director of the National Institutes of Health”; and

(ii) in paragraph (2), by striking “and 505A” and inserting “505A, and 505B”; and

(D) by striking “pharmacology” each place it appears and inserting “therapeutics”.

(3) Section 15(a)(2)(A) of the Best Pharmaceuticals for Children Act (115 Stat. 1419) is amended by striking “Pharmacology”.

(4) Section 16(1)(C) of the Best Pharmaceuticals for Children Act (21 U.S.C. 355a note; Public Law 107–109) is amended by striking “Advisory Subcommittee of the Anti-Infective Drugs”.

(5) Section 17(b)(1) of the Best Pharmaceuticals for Children Act (21 U.S.C. 355b(b)(1)) is amended in the second sentence by striking “Advisory Subcommittee of the Anti-Infective Drugs”.

(6) Paragraphs (8), (9), and (11) of section 409I(c) of the Public Health Service Act (42 U.S.C. 284m(c)) are amended by striking “Advisory Subcommittee of the Anti-Infective Drugs” each place it appears.

21 USC 355c
 note.

SEC. 4. EFFECTIVE DATE.

(a) **IN GENERAL.**—Subject to subsection (b), this Act and the amendments made by this Act take effect on the date of enactment of this Act.

(b) **APPLICABILITY TO NEW DRUGS AND BIOLOGICAL PRODUCTS.**—

(1) **IN GENERAL.**—Subsection (a) of section 505B of the Federal Food, Drug, and Cosmetic Act (as added by section 2) shall apply to an application described in paragraph (1) of that subsection submitted to the Secretary of Health and Human Services on or after April 1, 1999.

(2) **WAIVERS AND DEFERRALS.**—

(A) **WAIVER OR DEFERRAL GRANTED.**—If, with respect to an application submitted to the Secretary of Health and Human Services between April 1, 1999, and the date of enactment of this Act, a waiver or deferral of pediatric assessments was granted under regulations of the Secretary then in effect, the waiver or deferral shall be a waiver or deferral under subsection (a) of section 505B of the Federal Food, Drug, and Cosmetic Act, except that any date specified in such a deferral shall be extended by the number of days that is equal to the number of days between October 17, 2002, and the date of enactment of this Act.

(B) **WAIVER AND DEFERRAL NOT GRANTED.**—If, with respect to an application submitted to the Secretary of Health and Human Services between April 1, 1999, and the date of enactment of this Act, neither a waiver nor deferral of pediatric assessments was granted under regulations of the Secretary then in effect, the person that submitted the application shall be required to submit assessments under subsection (a)(2) of section 505B of the Federal Food, Drug, and Cosmetic Act on the date that is the later of—

(i) the date that is 1 year after the date of enactment of this Act; or

(ii) such date as the Secretary may specify under subsection (a)(3) of that section;

unless the Secretary grants a waiver under subsection (a)(4) of that section.

(c) NO LIMITATION OF AUTHORITY.—Neither the lack of guidance or regulations to implement this Act or the amendments made by this Act nor the pendency of the process for issuing guidance or regulations shall limit the authority of the Secretary of Health and Human Services under, or defer any requirement under, this Act or those amendments.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 650:

SENATE REPORTS: No. 108–84 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 21, considered and passed Senate.

Nov. 19, considered and passed House.



Public Law 108–156
108th Congress

An Act

Dec. 3, 2003
[S. 1685]

To extend and expand the basic pilot program for employment eligibility verification,
and for other purposes.

Basic Pilot
Program
Extension and
Expansion Act of
2003.
8 USC 1101 note.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Basic Pilot Program Extension
and Expansion Act of 2003”.

SEC. 2. EXTENSION OF PROGRAMS.

Section 401(b) of the Illegal Immigration Reform and Immigrant
Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by
striking “6-year period” and inserting “11-year period”.

SEC. 3. EXPANSION OF THE BASIC PILOT PROGRAM.

Deadline.

(a) **IN GENERAL.**—Section 401(c)(1) of the Illegal Immigration
Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a
note) is amended by inserting after “United States” the following:
“, and the Secretary of Homeland Security shall expand the oper-
ation of the program to all 50 States not later than December
1, 2004”.

(b) **REPORT.**—Section 405 of the Illegal Immigration Reform
and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note)
is amended—

(1) by striking “The” and inserting:

“(a) **IN GENERAL.**—The”, and

(2) by adding at the end the following new subsection:

Deadline.

“(b) **REPORT ON EXPANSION.**—Not later than June 1, 2004,
the Secretary of Homeland Security shall submit to the Committees
on the Judiciary of the House of Representatives and the Senate
a report—

“(1) evaluating whether the problems identified by the
report submitted under subsection (a) have been substantially
resolved; and

“(2) describing what actions the Secretary of Homeland
Security shall take before undertaking the expansion of the
basic pilot program to all 50 States in accordance with section
401(c)(1), in order to resolve any outstanding problems raised
in the report filed under subsection (a).”.

(c) **CONFORMING AMENDMENTS.**—Section 402(c) of the Illegal
Immigration Reform and Immigrant Responsibility Act of 1996
(8 U.S.C. 1324a note) is amended—

(1) in paragraph (2)(B), by striking “or entity elect-
ing—” and all that follows through “(ii) the citizen attestation

pilot program” and inserting “or entity electing the citizen attestation pilot program”;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(d) **ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.**— 8 USC 1360 note.
Title IV of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by striking “Attorney General” each place that term appears and inserting “Secretary of Homeland Security”.

SEC. 4. PILOT IMMIGRATION PROGRAM.

(a) **PROCESSING PRIORITY UNDER PILOT IMMIGRATION PROGRAM FOR REGIONAL CENTERS TO PROMOTE ECONOMIC GROWTH.**—Section 610 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (8 U.S.C. 1153 note) is amended—

(1) by striking “Attorney General” each place such term appears and inserting “Secretary of Homeland Security”; and

(2) by adding at the end the following:

“(d) In processing petitions under section 204(a)(1)(H) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(H)) for classification under section 203(b)(5) of such Act (8 U.S.C. 1153(b)(5)), the Secretary of Homeland Security may give priority to petitions filed by aliens seeking admission under the pilot program described in this section. Notwithstanding section 203(e) of such Act (8 U.S.C. 1153(e)), immigrant visas made available under such section 203(b)(5) may be issued to such aliens in an order that takes into account any priority accorded under the preceding sentence.”.

(b) **EXTENSION.**—Section 610(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (8 U.S.C. 1153 note) is amended by striking “10 years” and inserting “15 years”.

SEC. 5. GAO STUDY.

8 USC 1153 note.

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the General Accounting Office shall report to Congress on the immigrant investor program created under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)).

Deadline.
Reports.

(b) **CONTENTS.**—The report described in subsection (a) shall include information regarding—

(1) the number of immigrant investors that have received visas under the immigrant investor program in each year since the inception of the program;

(2) the country of origin of the immigrant investors;

(3) the localities where the immigrant investors are settling and whether those investors generally remain in the localities where they initially settle;

(4) the number of immigrant investors that have sought to become citizens of the United States;

(5) the types of commercial enterprises that the immigrant investors have established; and

(6) the types and number of jobs created by the immigrant investors.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 1685 (H.R. 2359):

HOUSE REPORTS: No. 108–304, Pts. 1 and 2 accompanying H.R. 2359 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 12, considered and passed Senate.

Nov. 19, considered and passed House.



Public Law 108–157
108th Congress

An Act

To provide for Federal court proceedings in Plano, Texas.

Dec. 3, 2003

[S. 1720]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHANGE IN COMPOSITION OF DIVISIONS OF EASTERN DISTRICT OF TEXAS.

(a) IN GENERAL.—Section 124(c) of title 28, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking “Denton, and Grayson” and inserting “Delta, Denton, Fannin, Grayson, Hopkins, and Lamar”; and

(B) by inserting “and Plano” after “held at Sherman”;

(2) by striking paragraph (4) and redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively; and

(3) in paragraph (5), as so redesignated, by inserting “Red River,” after “Franklin,”.

(b) EFFECTIVE DATE.—

28 USC 124 note.

(1) IN GENERAL.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PENDING CASES NOT AFFECTED.—This section and the amendments made by this section shall not affect any action commenced before the effective date of this section and pending in the United States District Court for the Eastern District of Texas on such date.

(3) JURIES NOT AFFECTED.—This section and the amendments made by this section shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving in the Eastern Judicial District of Texas on the effective date of this section.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 1720:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 4, considered and passed Senate.

Nov. 19, considered and passed House.



Public Law 108–158
108th Congress

An Act

To amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation, and for other purposes.

Dec. 3, 2003
[S. 1824]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Overseas Private
Investment
Corporation
Amendments Act
of 2003.
22 USC 2151
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Overseas Private Investment Corporation Amendments Act of 2003”.

SEC. 2. ISSUING AUTHORITY.

Section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)) is amended by striking “November 1, 2000” and inserting “2007”.

SEC. 3. TECHNICAL CORRECTIONS.

(a) **ADMINISTRATIVE COSTS.**—Section 235(a)(1)(B) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(1)(B)) is amended by striking “subsidy cost” and inserting “subsidy and administrative costs”.

(b) **NONCREDIT ACCOUNT REVOLVING FUND.**—Section 235(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(c)) is amended—

(1) in the first sentence—

(A) by striking “an insurance and guaranty fund, which shall have separate accounts to be known as the Insurance Reserve and the Guaranty Reserve, which reserves” and inserting “a noncredit account revolving fund, which”; and

(B) by striking “such reserves have” and inserting “of the fund has”;

(2) by striking the third sentence; and

(3) in the last sentence, by striking “reserves” and inserting “fund”.

(c) **PAYMENTS TO DISCHARGE LIABILITIES.**—Section 235(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(d)) is amended—

(1) in the first sentence, by striking “Insurance Reserve, as long as such reserve” and inserting “noncredit account revolving fund, as long as such fund”; and

(2) in the second sentence, by striking “or under similar predecessor guaranty authority” and all that follows through “subsection (f) of this section” and inserting “or 234(c) shall be paid in accordance with the Federal Credit Reform Act of 1990”.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—Section 235(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(f)) is amended—

(1) in the first sentence, by striking “insurance and guaranty fund” and inserting “noncredit account revolving fund”; and

(2) by striking “Insurance Reserve” each place it appears and inserting “noncredit account revolving fund”.

(e) BOARD OF DIRECTORS.—Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended in the second paragraph—

(1) by striking “officials” and inserting “principal officers”;

(2) by inserting “whose duties relate to the programs of the Corporation” after “Government of the United States”; and

(3) by striking “an official” and inserting “one such officer”.

SEC. 4. INVESTMENT INSURANCE.

(a) EXPROPRIATION OR CONFISCATION.—Section 234(a)(1)(B) of the Foreign Assistance Act of 1961 (22 U.S.C. 2194(a)(1)(B)) is amended by inserting “or any political subdivision thereof” after “government”.

(b) DEFINITION OF EXPROPRIATION.—Section 238(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(b)) is amended by inserting “, a political subdivision of a foreign government, or a corporation owned or controlled by a foreign government,” after “government”.

SEC. 5. LOCAL CURRENCY GUARANTY.

(a) LOCAL CURRENCY GUARANTY.—Section 234 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194) is amended by adding at the end the following:

“(h) LOCAL CURRENCY GUARANTIES FOR ELIGIBLE INVESTORS.—To issue to—

“(1) eligible investors, or

“(2) local financial institutions, guaranties,

denominated in currencies other than United States dollars, of loans and other investments made to projects sponsored by or significantly involving eligible investors, assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine, for projects that the Corporation determines to have significant developmental effects or as the Corporation determines to be necessary or appropriate to carry out the purposes of this title.”.

(b) DEFINITION OF LOCAL FINANCIAL INSTITUTION.—Section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198) is amended—

(1) in subsection (d), by striking “and” after the semicolon;

(2) in subsection (f), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(g) the term ‘local financial institution’—

“(1) means any bank or financial institution that is organized under the laws of any country or area in which the Corporation operates; but

“(2) does not include a branch, however organized, of a bank or other financial institution that is organized under the laws of a country in which the Corporation does not operate.”.

SEC. 6. OUTREACH TO MINORITY- AND WOMEN-OWNED BUSINESSES.

(a) IN GENERAL.—Section 240 of the Foreign Assistance Act of 1961 (22 U.S.C. 2200) is amended—

(1) in the first sentence, by striking “The Corporation” and inserting:

“(a) IN GENERAL.—The Corporation”; and

(2) by adding at the end the following:

“(b) OUTREACH TO MINORITY-OWNED AND WOMEN-OWNED BUSINESSES.—The Corporation shall collect data on the involvement of minority- and women-owned businesses in projects supported by the Corporation, including—

“(1) the amount of insurance and financing provided by the Corporation to such businesses in connection with projects supported by the Corporation; and

“(2) to the extent such information is available, the involvement of such businesses in procurement activities conducted or supported by the Corporation.

The Corporation shall include, in its annual report submitted to the Congress under section 240A, the aggregate data collected under this paragraph, in such form as to quantify the effectiveness of the Corporation’s outreach activities to minority- and women-owned businesses.”.

Approved December 3, 2003.

LEGISLATIVE HISTORY—S. 1824 (H.R. 3145):

HOUSE REPORTS: No. 108–339 accompanying H.R. 3145 (Comm. on International Relations).

SENATE REPORTS: No. 108–194 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 12, considered and passed Senate.

Nov. 19, considered and passed House.



Public Law 108–159
108th Congress

An Act

Dec. 4, 2003
[H.R. 2622]

To amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.

Fair and
Accurate Credit
Transactions Act
of 2003.
15 USC 1601
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Fair and Accurate Credit Transactions Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Effective dates.

**TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY
RESTORATION**

Subtitle A—Identity Theft Prevention

- Sec. 111. Amendment to definitions.
- Sec. 112. Fraud alerts and active duty alerts.
- Sec. 113. Truncation of credit card and debit card account numbers.
- Sec. 114. Establishment of procedures for the identification of possible instances of identity theft.
- Sec. 115. Authority to truncate social security numbers.

Subtitle B—Protection and Restoration of Identity Theft Victim Credit History

- Sec. 151. Summary of rights of identity theft victims.
- Sec. 152. Blocking of information resulting from identity theft.
- Sec. 153. Coordination of identity theft complaint investigations.
- Sec. 154. Prevention of repollution of consumer reports.
- Sec. 155. Notice by debt collectors with respect to fraudulent information.
- Sec. 156. Statute of limitations.
- Sec. 157. Study on the use of technology to combat identity theft.

**TITLE II—IMPROVEMENTS IN USE OF AND CONSUMER ACCESS TO CREDIT
INFORMATION**

- Sec. 211. Free consumer reports.
- Sec. 212. Disclosure of credit scores.
- Sec. 213. Enhanced disclosure of the means available to opt out of prescreened lists.
- Sec. 214. Affiliate sharing.
- Sec. 215. Study of effects of credit scores and credit-based insurance scores on availability and affordability of financial products.
- Sec. 216. Disposal of consumer report information and records.
- Sec. 217. Requirement to disclose communications to a consumer reporting agency.

**TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT
INFORMATION**

- Sec. 311. Risk-based pricing notice.

- Sec. 312. Procedures to enhance the accuracy and integrity of information furnished to consumer reporting agencies.
- Sec. 313. FTC and consumer reporting agency action concerning complaints.
- Sec. 314. Improved disclosure of the results of reinvestigation.
- Sec. 315. Reconciling addresses.
- Sec. 316. Notice of dispute through reseller.
- Sec. 317. Reasonable reinvestigation required.
- Sec. 318. FTC study of issues relating to the Fair Credit Reporting Act.
- Sec. 319. FTC study of the accuracy of consumer reports.

TITLE IV—LIMITING THE USE AND SHARING OF MEDICAL INFORMATION
IN THE FINANCIAL SYSTEM

- Sec. 411. Protection of medical information in the financial system.
- Sec. 412. Confidentiality of medical contact information in consumer reports.

TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

- Sec. 511. Short title.
- Sec. 512. Definitions.
- Sec. 513. Establishment of Financial Literacy and Education Commission.
- Sec. 514. Duties of the Commission.
- Sec. 515. Powers of the Commission.
- Sec. 516. Commission personnel matters.
- Sec. 517. Studies by the Comptroller General.
- Sec. 518. The national public service multimedia campaign to enhance the state of financial literacy.
- Sec. 519. Authorization of appropriations.

TITLE VI—PROTECTING EMPLOYEE MISCONDUCT INVESTIGATIONS

- Sec. 611. Certain employee investigation communications excluded from definition of consumer report.

TITLE VII—RELATION TO STATE LAWS

- Sec. 711. Relation to State laws.

TITLE VIII—MISCELLANEOUS

- Sec. 811. Clerical amendments.

SEC. 2. DEFINITIONS.

15 USC 1681
note.

As used in this Act—

- (1) the term “Board” means the Board of Governors of the Federal Reserve System;
- (2) the term “Commission”, other than as used in title V, means the Federal Trade Commission;
- (3) the terms “consumer”, “consumer report”, “consumer reporting agency”, “creditor”, “Federal banking agencies”, and “financial institution” have the same meanings as in section 603 of the Fair Credit Reporting Act, as amended by this Act; and
- (4) the term “affiliates” means persons that are related by common ownership or affiliated by corporate control.

SEC. 3. EFFECTIVE DATES.

15 USC 1681
note.

Except as otherwise specifically provided in this Act and the amendments made by this Act—

- (1) before the end of the 2-month period beginning on the date of enactment of this Act, the Board and the Commission shall jointly prescribe regulations in final form establishing effective dates for each provision of this Act; and
- (2) the regulations prescribed under paragraph (1) shall establish effective dates that are as early as possible, while allowing a reasonable time for the implementation of the provisions of this Act, but in no case shall any such effective date be later than 10 months after the date of issuance of such regulations in final form.

Regulations.

TITLE I—IDENTITY THEFT PREVENTION AND CREDIT HISTORY RESTORATION

Subtitle A—Identity Theft Prevention

SEC. 111. AMENDMENT TO DEFINITIONS.

Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following:

“(q) DEFINITIONS RELATING TO FRAUD ALERTS.—

“(1) ACTIVE DUTY MILITARY CONSUMER.—The term ‘active duty military consumer’ means a consumer in military service who—

“(A) is on active duty (as defined in section 101(d)(1) of title 10, United States Code) or is a reservist performing duty under a call or order to active duty under a provision of law referred to in section 101(a)(13) of title 10, United States Code; and

“(B) is assigned to service away from the usual duty station of the consumer.

“(2) FRAUD ALERT; ACTIVE DUTY ALERT.—The terms ‘fraud alert’ and ‘active duty alert’ mean a statement in the file of a consumer that—

“(A) notifies all prospective users of a consumer report relating to the consumer that the consumer may be a victim of fraud, including identity theft, or is an active duty military consumer, as applicable; and

“(B) is presented in a manner that facilitates a clear and conspicuous view of the statement described in subparagraph (A) by any person requesting such consumer report.

“(3) IDENTITY THEFT.—The term ‘identity theft’ means a fraud committed using the identifying information of another person, subject to such further definition as the Commission may prescribe, by regulation.

“(4) IDENTITY THEFT REPORT.—The term ‘identity theft report’ has the meaning given that term by rule of the Commission, and means, at a minimum, a report—

“(A) that alleges an identity theft;

“(B) that is a copy of an official, valid report filed by a consumer with an appropriate Federal, State, or local law enforcement agency, including the United States Postal Inspection Service, or such other government agency deemed appropriate by the Commission; and

“(C) the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if, in fact, the information in the report is false.

“(5) NEW CREDIT PLAN.—The term ‘new credit plan’ means a new account under an open end credit plan (as defined in section 103(i) of the Truth in Lending Act) or a new credit transaction not under an open end credit plan.

“(r) CREDIT AND DEBIT RELATED TERMS.—

“(1) CARD ISSUER.—The term ‘card issuer’ means—

“(A) a credit card issuer, in the case of a credit card; and

“(B) a debit card issuer, in the case of a debit card.

“(2) CREDIT CARD.—The term ‘credit card’ has the same meaning as in section 103 of the Truth in Lending Act.

“(3) DEBIT CARD.—The term ‘debit card’ means any card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at such financial institution, for the purpose of transferring money between accounts or obtaining money, property, labor, or services.

“(4) ACCOUNT AND ELECTRONIC FUND TRANSFER.—The terms ‘account’ and ‘electronic fund transfer’ have the same meanings as in section 903 of the Electronic Fund Transfer Act.

“(5) CREDIT AND CREDITOR.—The terms ‘credit’ and ‘creditor’ have the same meanings as in section 702 of the Equal Credit Opportunity Act.

“(s) FEDERAL BANKING AGENCY.—The term ‘Federal banking agency’ has the same meaning as in section 3 of the Federal Deposit Insurance Act.

“(t) FINANCIAL INSTITUTION.—The term ‘financial institution’ means a State or National bank, a State or Federal savings and loan association, a mutual savings bank, a State or Federal credit union, or any other person that, directly or indirectly, holds a transaction account (as defined in section 19(b) of the Federal Reserve Act) belonging to a consumer.

“(u) RESELLER.—The term ‘reseller’ means a consumer reporting agency that—

“(1) assembles and merges information contained in the database of another consumer reporting agency or multiple consumer reporting agencies concerning any consumer for purposes of furnishing such information to any third party, to the extent of such activities; and

“(2) does not maintain a database of the assembled or merged information from which new consumer reports are produced.

“(v) COMMISSION.—The term ‘Commission’ means the Federal Trade Commission.

“(w) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—The term ‘nationwide specialty consumer reporting agency’ means a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis relating to—

“(1) medical records or payments;

“(2) residential or tenant history;

“(3) check writing history;

“(4) employment history; or

“(5) insurance claims.”

SEC. 112. FRAUD ALERTS AND ACTIVE DUTY ALERTS.

(a) FRAUD ALERTS.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by inserting after section 605 the following:

“§ 605A. Identity theft prevention; fraud alerts and active duty alerts 15 USC 1681c–1.

“(a) ONE-CALL FRAUD ALERTS.—

“(1) INITIAL ALERTS.—Upon the direct request of a consumer, or an individual acting on behalf of or as a personal representative of a consumer, who asserts in good faith a suspicion that the consumer has been or is about to become a

victim of fraud or related crime, including identity theft, a consumer reporting agency described in section 603(p) that maintains a file on the consumer and has received appropriate proof of the identity of the requester shall—

“(A) include a fraud alert in the file of that consumer, and also provide that alert along with any credit score generated in using that file, for a period of not less than 90 days, beginning on the date of such request, unless the consumer or such representative requests that such fraud alert be removed before the end of such period, and the agency has received appropriate proof of the identity of the requester for such purpose; and

“(B) refer the information regarding the fraud alert under this paragraph to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(2) ACCESS TO FREE REPORTS.—In any case in which a consumer reporting agency includes a fraud alert in the file of a consumer pursuant to this subsection, the consumer reporting agency shall—

“(A) disclose to the consumer that the consumer may request a free copy of the file of the consumer pursuant to section 612(d); and

Deadline.

“(B) provide to the consumer all disclosures required to be made under section 609, without charge to the consumer, not later than 3 business days after any request described in subparagraph (A).

“(b) EXTENDED ALERTS.—

“(1) IN GENERAL.—Upon the direct request of a consumer, or an individual acting on behalf of or as a personal representative of a consumer, who submits an identity theft report to a consumer reporting agency described in section 603(p) that maintains a file on the consumer, if the agency has received appropriate proof of the identity of the requester, the agency shall—

“(A) include a fraud alert in the file of that consumer, and also provide that alert along with any credit score generated in using that file, during the 7-year period beginning on the date of such request, unless the consumer or such representative requests that such fraud alert be removed before the end of such period and the agency has received appropriate proof of the identity of the requester for such purpose;

“(B) during the 5-year period beginning on the date of such request, exclude the consumer from any list of consumers prepared by the consumer reporting agency and provided to any third party to offer credit or insurance to the consumer as part of a transaction that was not initiated by the consumer, unless the consumer or such representative requests that such exclusion be rescinded before the end of such period; and

“(C) refer the information regarding the extended fraud alert under this paragraph to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(2) ACCESS TO FREE REPORTS.—In any case in which a consumer reporting agency includes a fraud alert in the file

of a consumer pursuant to this subsection, the consumer reporting agency shall—

“(A) disclose to the consumer that the consumer may request 2 free copies of the file of the consumer pursuant to section 612(d) during the 12-month period beginning on the date on which the fraud alert was included in the file; and

“(B) provide to the consumer all disclosures required to be made under section 609, without charge to the consumer, not later than 3 business days after any request described in subparagraph (A). Deadline.

“(c) ACTIVE DUTY ALERTS.—Upon the direct request of an active duty military consumer, or an individual acting on behalf of or as a personal representative of an active duty military consumer, a consumer reporting agency described in section 603(p) that maintains a file on the active duty military consumer and has received appropriate proof of the identity of the requester shall—

“(1) include an active duty alert in the file of that active duty military consumer, and also provide that alert along with any credit score generated in using that file, during a period of not less than 12 months, or such longer period as the Commission shall determine, by regulation, beginning on the date of the request, unless the active duty military consumer or such representative requests that such fraud alert be removed before the end of such period, and the agency has received appropriate proof of the identity of the requester for such purpose;

“(2) during the 2-year period beginning on the date of such request, exclude the active duty military consumer from any list of consumers prepared by the consumer reporting agency and provided to any third party to offer credit or insurance to the consumer as part of a transaction that was not initiated by the consumer, unless the consumer requests that such exclusion be rescinded before the end of such period; and

“(3) refer the information regarding the active duty alert to each of the other consumer reporting agencies described in section 603(p), in accordance with procedures developed under section 621(f).

“(d) PROCEDURES.—Each consumer reporting agency described in section 603(p) shall establish policies and procedures to comply with this section, including procedures that inform consumers of the availability of initial, extended, and active duty alerts and procedures that allow consumers and active duty military consumers to request initial, extended, or active duty alerts (as applicable) in a simple and easy manner, including by telephone.

“(e) REFERRALS OF ALERTS.—Each consumer reporting agency described in section 603(p) that receives a referral of a fraud alert or active duty alert from another consumer reporting agency pursuant to this section shall, as though the agency received the request from the consumer directly, follow the procedures required under—

“(1) paragraphs (1)(A) and (2) of subsection (a), in the case of a referral under subsection (a)(1)(B);

“(2) paragraphs (1)(A), (1)(B), and (2) of subsection (b), in the case of a referral under subsection (b)(1)(C); and

“(3) paragraphs (1) and (2) of subsection (c), in the case of a referral under subsection (c)(3).

“(f) DUTY OF RESELLER TO RECONVEY ALERT.—A reseller shall include in its report any fraud alert or active duty alert placed in the file of a consumer pursuant to this section by another consumer reporting agency.

“(g) DUTY OF OTHER CONSUMER REPORTING AGENCIES TO PROVIDE CONTACT INFORMATION.—If a consumer contacts any consumer reporting agency that is not described in section 603(p) to communicate a suspicion that the consumer has been or is about to become a victim of fraud or related crime, including identity theft, the agency shall provide information to the consumer on how to contact the Commission and the consumer reporting agencies described in section 603(p) to obtain more detailed information and request alerts under this section.

“(h) LIMITATIONS ON USE OF INFORMATION FOR CREDIT EXTENSIONS.—

“(1) REQUIREMENTS FOR INITIAL AND ACTIVE DUTY ALERTS.—

“(A) NOTIFICATION.—Each initial fraud alert and active duty alert under this section shall include information that notifies all prospective users of a consumer report on the consumer to which the alert relates that the consumer does not authorize the establishment of any new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issuance of an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, except in accordance with subparagraph (B).

“(B) LIMITATION ON USERS.—

“(i) IN GENERAL.—No prospective user of a consumer report that includes an initial fraud alert or an active duty alert in accordance with this section may establish a new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or grant any increase in credit limit on an existing credit account requested by a consumer, unless the user utilizes reasonable policies and procedures to form a reasonable belief that the user knows the identity of the person making the request.

“(ii) VERIFICATION.—If a consumer requesting the alert has specified a telephone number to be used for identity verification purposes, before authorizing any new credit plan or extension described in clause (i) in the name of such consumer, a user of such consumer report shall contact the consumer using that telephone number or take reasonable steps to verify the consumer’s identity and confirm that the application for a new credit plan is not the result of identity theft.

“(2) REQUIREMENTS FOR EXTENDED ALERTS.—

“(A) NOTIFICATION.—Each extended alert under this section shall include information that provides all prospective users of a consumer report relating to a consumer with—

“(i) notification that the consumer does not authorize the establishment of any new credit plan or extension of credit described in clause (i), other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issuance of an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, except in accordance with subparagraph (B); and

“(ii) a telephone number or other reasonable contact method designated by the consumer.

“(B) LIMITATION ON USERS.—No prospective user of a consumer report or of a credit score generated using the information in the file of a consumer that includes an extended fraud alert in accordance with this section may establish a new credit plan or extension of credit, other than under an open-end credit plan (as defined in section 103(i)), in the name of the consumer, or issue an additional card on an existing credit account requested by a consumer, or any increase in credit limit on an existing credit account requested by a consumer, unless the user contacts the consumer in person or using the contact method described in subparagraph (A)(ii) to confirm that the application for a new credit plan or increase in credit limit, or request for an additional card is not the result of identity theft.”.

(b) RULEMAKING.—The Commission shall prescribe regulations to define what constitutes appropriate proof of identity for purposes of sections 605A, 605B, and 609(a)(1) of the Fair Credit Reporting Act, as amended by this Act.

15 USC 1681c–1
note.

SEC. 113. TRUNCATION OF CREDIT CARD AND DEBIT CARD ACCOUNT NUMBERS.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following:

“(g) TRUNCATION OF CREDIT CARD AND DEBIT CARD NUMBERS.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, no person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of the sale or transaction.

“(2) LIMITATION.—This subsection shall apply only to receipts that are electronically printed, and shall not apply to transactions in which the sole means of recording a credit card or debit card account number is by handwriting or by an imprint or copy of the card.

Applicability.

“(3) EFFECTIVE DATE.—This subsection shall become effective—

“(A) 3 years after the date of enactment of this subsection, with respect to any cash register or other machine or device that electronically prints receipts for credit card or debit card transactions that is in use before January 1, 2005; and

“(B) 1 year after the date of enactment of this subsection, with respect to any cash register or other machine

or device that electronically prints receipts for credit card or debit card transactions that is first put into use on or after January 1, 2005.”.

SEC. 114. ESTABLISHMENT OF PROCEDURES FOR THE IDENTIFICATION OF POSSIBLE INSTANCES OF IDENTITY THEFT.

Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m) is amended—

(1) by striking “(e)” at the end; and

(2) by adding at the end the following:

“(e) RED FLAG GUIDELINES AND REGULATIONS REQUIRED.—

“(1) GUIDELINES.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly, with respect to the entities that are subject to their respective enforcement authority under section 621—

“(A) establish and maintain guidelines for use by each financial institution and each creditor regarding identity theft with respect to account holders at, or customers of, such entities, and update such guidelines as often as necessary;

“(B) prescribe regulations requiring each financial institution and each creditor to establish reasonable policies and procedures for implementing the guidelines established pursuant to subparagraph (A), to identify possible risks to account holders or customers or to the safety and soundness of the institution or customers; and

“(C) prescribe regulations applicable to card issuers to ensure that, if a card issuer receives notification of a change of address for an existing account, and within a short period of time (during at least the first 30 days after such notification is received) receives a request for an additional or replacement card for the same account, the card issuer may not issue the additional or replacement card, unless the card issuer, in accordance with reasonable policies and procedures—

“(i) notifies the cardholder of the request at the former address of the cardholder and provides to the cardholder a means of promptly reporting incorrect address changes;

“(ii) notifies the cardholder of the request by such other means of communication as the cardholder and the card issuer previously agreed to; or

“(iii) uses other means of assessing the validity of the change of address, in accordance with reasonable policies and procedures established by the card issuer in accordance with the regulations prescribed under subparagraph (B).

“(2) CRITERIA.—

“(A) IN GENERAL.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) shall identify patterns, practices, and specific forms of activity that indicate the possible existence of identity theft.

“(B) INACTIVE ACCOUNTS.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) shall consider including reasonable guidelines providing that when a transaction occurs with respect

to a credit or deposit account that has been inactive for more than 2 years, the creditor or financial institution shall follow reasonable policies and procedures that provide for notice to be given to a consumer in a manner reasonably designed to reduce the likelihood of identity theft with respect to such account.

“(3) CONSISTENCY WITH VERIFICATION REQUIREMENTS.—Guidelines established pursuant to paragraph (1) shall not be inconsistent with the policies and procedures required under section 5318(l) of title 31, United States Code.”.

SEC. 115. AUTHORITY TO TRUNCATE SOCIAL SECURITY NUMBERS.

Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended by striking “except that nothing” and inserting the following: “except that—

“(A) if the consumer to whom the file relates requests that the first 5 digits of the social security number (or similar identification number) of the consumer not be included in the disclosure and the consumer reporting agency has received appropriate proof of the identity of the requester, the consumer reporting agency shall so truncate such number in such disclosure; and

“(B) nothing”.

Subtitle B—Protection and Restoration of Identity Theft Victim Credit History

SEC. 151. SUMMARY OF RIGHTS OF IDENTITY THEFT VICTIMS.

(a) IN GENERAL.—

(1) SUMMARY.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended by adding at the end the following:

“(d) SUMMARY OF RIGHTS OF IDENTITY THEFT VICTIMS.—

“(1) IN GENERAL.—The Commission, in consultation with the Federal banking agencies and the National Credit Union Administration, shall prepare a model summary of the rights of consumers under this title with respect to the procedures for remedying the effects of fraud or identity theft involving credit, an electronic fund transfer, or an account or transaction at or with a financial institution or other creditor.

“(2) SUMMARY OF RIGHTS AND CONTACT INFORMATION.—Beginning 60 days after the date on which the model summary of rights is prescribed in final form by the Commission pursuant to paragraph (1), if any consumer contacts a consumer reporting agency and expresses a belief that the consumer is a victim of fraud or identity theft involving credit, an electronic fund transfer, or an account or transaction at or with a financial institution or other creditor, the consumer reporting agency shall, in addition to any other action that the agency may take, provide the consumer with a summary of rights that contains all of the information required by the Commission under paragraph (1), and information on how to contact the Commission to obtain more detailed information.

“(e) INFORMATION AVAILABLE TO VICTIMS.—

“(1) IN GENERAL.—For the purpose of documenting fraudulent transactions resulting from identity theft, not later than

Effective date.

Deadline.

30 days after the date of receipt of a request from a victim in accordance with paragraph (3), and subject to verification of the identity of the victim and the claim of identity theft in accordance with paragraph (2), a business entity that has provided credit to, provided for consideration products, goods, or services to, accepted payment from, or otherwise entered into a commercial transaction for consideration with, a person who has allegedly made unauthorized use of the means of identification of the victim, shall provide a copy of application and business transaction records in the control of the business entity, whether maintained by the business entity or by another person on behalf of the business entity, evidencing any transaction alleged to be a result of identity theft to—

“(A) the victim;

“(B) any Federal, State, or local government law enforcement agency or officer specified by the victim in such a request; or

“(C) any law enforcement agency investigating the identity theft and authorized by the victim to take receipt of records provided under this subsection.

“(2) VERIFICATION OF IDENTITY AND CLAIM.—Before a business entity provides any information under paragraph (1), unless the business entity, at its discretion, otherwise has a high degree of confidence that it knows the identity of the victim making a request under paragraph (1), the victim shall provide to the business entity—

“(A) as proof of positive identification of the victim, at the election of the business entity—

“(i) the presentation of a government-issued identification card;

“(ii) personally identifying information of the same type as was provided to the business entity by the unauthorized person; or

“(iii) personally identifying information that the business entity typically requests from new applicants or for new transactions, at the time of the victim’s request for information, including any documentation described in clauses (i) and (ii); and

“(B) as proof of a claim of identity theft, at the election of the business entity—

“(i) a copy of a police report evidencing the claim of the victim of identity theft; and

“(ii) a properly completed—

“(I) copy of a standardized affidavit of identity theft developed and made available by the Commission; or

“(II) an affidavit of fact that is acceptable to the business entity for that purpose.

“(3) PROCEDURES.—The request of a victim under paragraph (1) shall—

“(A) be in writing;

“(B) be mailed to an address specified by the business entity, if any; and

“(C) if asked by the business entity, include relevant information about any transaction alleged to be a result of identity theft to facilitate compliance with this section including—

“(i) if known by the victim (or if readily obtainable by the victim), the date of the application or transaction; and

“(ii) if known by the victim (or if readily obtainable by the victim), any other identifying information such as an account or transaction number.

“(4) NO CHARGE TO VICTIM.—Information required to be provided under paragraph (1) shall be so provided without charge.

“(5) AUTHORITY TO DECLINE TO PROVIDE INFORMATION.—A business entity may decline to provide information under paragraph (1) if, in the exercise of good faith, the business entity determines that—

“(A) this subsection does not require disclosure of the information;

“(B) after reviewing the information provided pursuant to paragraph (2), the business entity does not have a high degree of confidence in knowing the true identity of the individual requesting the information;

“(C) the request for the information is based on a misrepresentation of fact by the individual requesting the information relevant to the request for information; or

“(D) the information requested is Internet navigational data or similar information about a person’s visit to a website or online service.

“(6) LIMITATION ON LIABILITY.—Except as provided in section 621, sections 616 and 617 do not apply to any violation of this subsection.

“(7) LIMITATION ON CIVIL LIABILITY.—No business entity may be held civilly liable under any provision of Federal, State, or other law for disclosure, made in good faith pursuant to this subsection.

“(8) NO NEW RECORDKEEPING OBLIGATION.—Nothing in this subsection creates an obligation on the part of a business entity to obtain, retain, or maintain information or records that are not otherwise required to be obtained, retained, or maintained in the ordinary course of its business or under other applicable law.

“(9) RULE OF CONSTRUCTION.—

“(A) IN GENERAL.—No provision of subtitle A of title V of Public Law 106-102, prohibiting the disclosure of financial information by a business entity to third parties shall be used to deny disclosure of information to the victim under this subsection.

“(B) LIMITATION.—Except as provided in subparagraph (A), nothing in this subsection permits a business entity to disclose information, including information to law enforcement under subparagraphs (B) and (C) of paragraph (1), that the business entity is otherwise prohibited from disclosing under any other applicable provision of Federal or State law.

“(10) AFFIRMATIVE DEFENSE.—In any civil action brought to enforce this subsection, it is an affirmative defense (which the defendant must establish by a preponderance of the evidence) for a business entity to file an affidavit or answer stating that—

“(A) the business entity has made a reasonably diligent search of its available business records; and

“(B) the records requested under this subsection do not exist or are not reasonably available.

“(11) DEFINITION OF VICTIM.—For purposes of this subsection, the term ‘victim’ means a consumer whose means of identification or financial information has been used or transferred (or has been alleged to have been used or transferred) without the authority of that consumer, with the intent to commit, or to aid or abet, an identity theft or a similar crime.

“(12) EFFECTIVE DATE.—This subsection shall become effective 180 days after the date of enactment of this subsection.

“(13) EFFECTIVENESS STUDY.—Not later than 18 months after the date of enactment of this subsection, the Comptroller General of the United States shall submit a report to Congress assessing the effectiveness of this provision.”.

(2) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1), as so redesignated) is amended by adding at the end the following new subparagraph:

“(G) section 609(e), relating to information available to victims under section 609(e);”.

(b) PUBLIC CAMPAIGN TO PREVENT IDENTITY THEFT.—Not later than 2 years after the date of enactment of this Act, the Commission shall establish and implement a media and distribution campaign to teach the public how to prevent identity theft. Such campaign shall include existing Commission education materials, as well as radio, television, and print public service announcements, video cassettes, interactive digital video discs (DVD’s) or compact audio discs (CD’s), and Internet resources.

SEC. 152. BLOCKING OF INFORMATION RESULTING FROM IDENTITY THEFT.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by inserting after section 605A, as added by this Act, the following:

“§ 605B. Block of information resulting from identity theft

“(a) BLOCK.—Except as otherwise provided in this section, a consumer reporting agency shall block the reporting of any information in the file of a consumer that the consumer identifies as information that resulted from an alleged identity theft, not later than 4 business days after the date of receipt by such agency of—

“(1) appropriate proof of the identity of the consumer;

“(2) a copy of an identity theft report;

“(3) the identification of such information by the consumer;

and

“(4) a statement by the consumer that the information is not information relating to any transaction by the consumer.

“(b) NOTIFICATION.—A consumer reporting agency shall promptly notify the furnisher of information identified by the consumer under subsection (a)—

“(1) that the information may be a result of identity theft;

“(2) that an identity theft report has been filed;

“(3) that a block has been requested under this section;

and

Deadline.
Reports.

Deadline.
15 USC 1681c-1
note.

15 USC 1681c-2.

Deadline.

“(4) of the effective dates of the block.

“(c) AUTHORITY TO DECLINE OR RESCIND.—

“(1) IN GENERAL.—A consumer reporting agency may decline to block, or may rescind any block, of information relating to a consumer under this section, if the consumer reporting agency reasonably determines that—

“(A) the information was blocked in error or a block was requested by the consumer in error;

“(B) the information was blocked, or a block was requested by the consumer, on the basis of a material misrepresentation of fact by the consumer relevant to the request to block; or

“(C) the consumer obtained possession of goods, services, or money as a result of the blocked transaction or transactions.

“(2) NOTIFICATION TO CONSUMER.—If a block of information is declined or rescinded under this subsection, the affected consumer shall be notified promptly, in the same manner as consumers are notified of the reinsertion of information under section 611(a)(5)(B).

“(3) SIGNIFICANCE OF BLOCK.—For purposes of this subsection, if a consumer reporting agency rescinds a block, the presence of information in the file of a consumer prior to the blocking of such information is not evidence of whether the consumer knew or should have known that the consumer obtained possession of any goods, services, or money as a result of the block.

“(d) EXCEPTION FOR RESELLERS.—

“(1) NO RESELLER FILE.—This section shall not apply to a consumer reporting agency, if the consumer reporting agency—

“(A) is a reseller;

“(B) is not, at the time of the request of the consumer under subsection (a), otherwise furnishing or reselling a consumer report concerning the information identified by the consumer; and

“(C) informs the consumer, by any means, that the consumer may report the identity theft to the Commission to obtain consumer information regarding identity theft.

“(2) RESELLER WITH FILE.—The sole obligation of the consumer reporting agency under this section, with regard to any request of a consumer under this section, shall be to block the consumer report maintained by the consumer reporting agency from any subsequent use, if—

“(A) the consumer, in accordance with the provisions of subsection (a), identifies, to a consumer reporting agency, information in the file of the consumer that resulted from identity theft; and

“(B) the consumer reporting agency is a reseller of the identified information.

“(3) NOTICE.—In carrying out its obligation under paragraph (2), the reseller shall promptly provide a notice to the consumer of the decision to block the file. Such notice shall contain the name, address, and telephone number of each consumer reporting agency from which the consumer information was obtained for resale.

“(e) EXCEPTION FOR VERIFICATION COMPANIES.—The provisions of this section do not apply to a check services company, acting as such, which issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payments, except that, beginning 4 business days after receipt of information described in paragraphs (1) through (3) of subsection (a), a check services company shall not report to a national consumer reporting agency described in section 603(p), any information identified in the subject identity theft report as resulting from identity theft.

“(f) ACCESS TO BLOCKED INFORMATION BY LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed as requiring a consumer reporting agency to prevent a Federal, State, or local law enforcement agency from accessing blocked information in a consumer file to which the agency could otherwise obtain access under this title.”.

(b) CLERICAL AMENDMENT.—The table of sections for the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by inserting after the item relating to section 605 the following new items:

“605A. Identity theft prevention; fraud alerts and active duty alerts.

“605B. Block of information resulting from identity theft.”.

Procedures.

SEC. 153. COORDINATION OF IDENTITY THEFT COMPLAINT INVESTIGATIONS.

Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended by adding at the end the following:

“(f) COORDINATION OF CONSUMER COMPLAINT INVESTIGATIONS.—

“(1) IN GENERAL.—Each consumer reporting agency described in section 603(p) shall develop and maintain procedures for the referral to each other such agency of any consumer complaint received by the agency alleging identity theft, or requesting a fraud alert under section 605A or a block under section 605B.

“(2) MODEL FORM AND PROCEDURE FOR REPORTING IDENTITY THEFT.—The Commission, in consultation with the Federal banking agencies and the National Credit Union Administration, shall develop a model form and model procedures to be used by consumers who are victims of identity theft for contacting and informing creditors and consumer reporting agencies of the fraud.

“(3) ANNUAL SUMMARY REPORTS.—Each consumer reporting agency described in section 603(p) shall submit an annual summary report to the Commission on consumer complaints received by the agency on identity theft or fraud alerts.”.

SEC. 154. PREVENTION OF REPOLLUTION OF CONSUMER REPORTS.

(a) PREVENTION OF REINSERTION OF ERRONEOUS INFORMATION.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)) is amended by adding at the end the following:

“(6) DUTIES OF FURNISHERS UPON NOTICE OF IDENTITY THEFT-RELATED INFORMATION.—

“(A) REASONABLE PROCEDURES.—A person that furnishes information to any consumer reporting agency shall have in place reasonable procedures to respond to any notification that it receives from a consumer reporting agency under section 605B relating to information resulting

from identity theft, to prevent that person from refurnishing such blocked information.

“(B) INFORMATION ALLEGED TO RESULT FROM IDENTITY THEFT.—If a consumer submits an identity theft report to a person who furnishes information to a consumer reporting agency at the address specified by that person for receiving such reports stating that information maintained by such person that purports to relate to the consumer resulted from identity theft, the person may not furnish such information that purports to relate to the consumer to any consumer reporting agency, unless the person subsequently knows or is informed by the consumer that the information is correct.”.

(b) PROHIBITION ON SALE OR TRANSFER OF DEBT CAUSED BY IDENTITY THEFT.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(f) PROHIBITION ON SALE OR TRANSFER OF DEBT CAUSED BY IDENTITY THEFT.—

“(1) IN GENERAL.—No person shall sell, transfer for consideration, or place for collection a debt that such person has been notified under section 605B has resulted from identity theft.

“(2) APPLICABILITY.—The prohibitions of this subsection shall apply to all persons collecting a debt described in paragraph (1) after the date of a notification under paragraph (1).

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit—

“(A) the repurchase of a debt in any case in which the assignee of the debt requires such repurchase because the debt has resulted from identity theft;

“(B) the securitization of a debt or the pledging of a portfolio of debt as collateral in connection with a borrowing; or

“(C) the transfer of debt as a result of a merger, acquisition, purchase and assumption transaction, or transfer of substantially all of the assets of an entity.”.

SEC. 155. NOTICE BY DEBT COLLECTORS WITH RESPECT TO FRAUDULENT INFORMATION.

Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(g) DEBT COLLECTOR COMMUNICATIONS CONCERNING IDENTITY THEFT.—If a person acting as a debt collector (as that term is defined in title VIII) on behalf of a third party that is a creditor or other user of a consumer report is notified that any information relating to a debt that the person is attempting to collect may be fraudulent or may be the result of identity theft, that person shall—

“(1) notify the third party that the information may be fraudulent or may be the result of identity theft; and

“(2) upon request of the consumer to whom the debt purportedly relates, provide to the consumer all information

to which the consumer would otherwise be entitled if the consumer were not a victim of identity theft, but wished to dispute the debt under provisions of law applicable to that person.”.

SEC. 156. STATUTE OF LIMITATIONS.

Section 618 of the Fair Credit Reporting Act (15 U.S.C. 1681p) is amended to read as follows:

“§ 618. Jurisdiction of courts; limitation of actions

“An action to enforce any liability created under this title may be brought in any appropriate United States district court, without regard to the amount in controversy, or in any other court of competent jurisdiction, not later than the earlier of—

“(1) 2 years after the date of discovery by the plaintiff of the violation that is the basis for such liability; or

“(2) 5 years after the date on which the violation that is the basis for such liability occurs.”.

SEC. 157. STUDY ON THE USE OF TECHNOLOGY TO COMBAT IDENTITY THEFT.

(a) **STUDY REQUIRED.**—The Secretary of the Treasury shall conduct a study of the use of biometrics and other similar technologies to reduce the incidence and costs to society of identity theft by providing convincing evidence of who actually performed a given financial transaction.

(b) **CONSULTATION.**—The Secretary of the Treasury shall consult with Federal banking agencies, the Commission, and representatives of financial institutions, consumer reporting agencies, Federal, State, and local government agencies that issue official forms or means of identification, State prosecutors, law enforcement agencies, the biometric industry, and the general public in formulating and conducting the study required by subsection (a).

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of the Treasury for fiscal year 2004, such sums as may be necessary to carry out the provisions of this section.

(d) **REPORT REQUIRED.**—Before the end of the 180-day period beginning on the date of enactment of this Act, the Secretary shall submit a report to Congress containing the findings and conclusions of the study required under subsection (a), together with such recommendations for legislative or administrative actions as may be appropriate.

Deadline.

TITLE II—IMPROVEMENTS IN USE OF AND CONSUMER ACCESS TO CREDIT INFORMATION

SEC. 211. FREE CONSUMER REPORTS.

(a) **IN GENERAL.**—Section 612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is amended—

(1) by redesignating subsection (a) as subsection (f), and transferring it to the end of the section;

(2) by inserting before subsection (b) the following:

“(a) **FREE ANNUAL DISCLOSURE.**—

“(1) **NATIONWIDE CONSUMER REPORTING AGENCIES.**—

“(A) IN GENERAL.—All consumer reporting agencies described in subsections (p) and (w) of section 603 shall make all disclosures pursuant to section 609 once during any 12-month period upon request of the consumer and without charge to the consumer.

“(B) CENTRALIZED SOURCE.—Subparagraph (A) shall apply with respect to a consumer reporting agency described in section 603(p) only if the request from the consumer is made using the centralized source established for such purpose in accordance with section 211(c) of the Fair and Accurate Credit Transactions Act of 2003. Applicability.

“(C) NATIONWIDE SPECIALTY CONSUMER REPORTING AGENCY.—

“(i) IN GENERAL.—The Commission shall prescribe regulations applicable to each consumer reporting agency described in section 603(w) to require the establishment of a streamlined process for consumers to request consumer reports under subparagraph (A), which shall include, at a minimum, the establishment by each such agency of a toll-free telephone number for such requests. Regulations.

“(ii) CONSIDERATIONS.—In prescribing regulations under clause (i), the Commission shall consider—

“(I) the significant demands that may be placed on consumer reporting agencies in providing such consumer reports;

“(II) appropriate means to ensure that consumer reporting agencies can satisfactorily meet those demands, including the efficacy of a system of staggering the availability to consumers of such consumer reports; and

“(III) the ease by which consumers should be able to contact consumer reporting agencies with respect to access to such consumer reports.

“(iii) DATE OF ISSUANCE.—The Commission shall issue the regulations required by this subparagraph in final form not later than 6 months after the date of enactment of the Fair and Accurate Credit Transactions Act of 2003. Deadline.

“(iv) CONSIDERATION OF ABILITY TO COMPLY.—The regulations of the Commission under this subparagraph shall establish an effective date by which each nationwide specialty consumer reporting agency (as defined in section 603(w)) shall be required to comply with subsection (a), which effective date— Effective date.

“(I) shall be established after consideration of the ability of each nationwide specialty consumer reporting agency to comply with subsection (a); and

“(II) shall be not later than 6 months after the date on which such regulations are issued in final form (or such additional period not to exceed 3 months, as the Commission determines appropriate). Deadline.

“(2) TIMING.—A consumer reporting agency shall provide a consumer report under paragraph (1) not later than 15 days Deadline.

after the date on which the request is received under paragraph (1).

Deadline.

“(3) REINVESTIGATIONS.—Notwithstanding the time periods specified in section 611(a)(1), a reinvestigation under that section by a consumer reporting agency upon a request of a consumer that is made after receiving a consumer report under this subsection shall be completed not later than 45 days after the date on which the request is received.

“(4) EXCEPTION FOR FIRST 12 MONTHS OF OPERATION.—This subsection shall not apply to a consumer reporting agency that has not been furnishing consumer reports to third parties on a continuing basis during the 12-month period preceding a request under paragraph (1), with respect to consumers residing nationwide.”;

(3) by redesignating subsection (d) as subsection (e);

(4) by inserting before subsection (e), as redesignated, the following:

“(d) FREE DISCLOSURES IN CONNECTION WITH FRAUD ALERTS.—Upon the request of a consumer, a consumer reporting agency described in section 603(p) shall make all disclosures pursuant to section 609 without charge to the consumer, as provided in subsections (a)(2) and (b)(2) of section 605A, as applicable.”;

(5) in subsection (e), as redesignated, by striking “subsection (a)” and inserting “subsection (f)”; and

(6) in subsection (f), as redesignated, by striking “Except as provided in subsections (b), (c), and (d), a” and inserting “In the case of a request from a consumer other than a request that is covered by any of subsections (a) through (d), a”.

(b) CIRCUMVENTION PROHIBITED.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after section 628, as added by section 216 of this Act, the following new section:

15 USC 1681x.

“§ 629. Corporate and technological circumvention prohibited

Regulations.
Effective date.

“The Commission shall prescribe regulations, to become effective not later than 90 days after the date of enactment of this section, to prevent a consumer reporting agency from circumventing or evading treatment as a consumer reporting agency described in section 603(p) for purposes of this title, including—

“(1) by means of a corporate reorganization or restructuring, including a merger, acquisition, dissolution, divestiture, or asset sale of a consumer reporting agency; or

“(2) by maintaining or merging public record and credit account information in a manner that is substantially equivalent to that described in paragraphs (1) and (2) of section 603(p), in the manner described in section 603(p).”.

(c) SUMMARY OF RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES.—Section 609(c) of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended to read as follows:

“(c) SUMMARY OF RIGHTS TO OBTAIN AND DISPUTE INFORMATION IN CONSUMER REPORTS AND TO OBTAIN CREDIT SCORES.—

“(1) COMMISSION SUMMARY OF RIGHTS REQUIRED.—

“(A) IN GENERAL.—The Commission shall prepare a model summary of the rights of consumers under this title.

“(B) CONTENT OF SUMMARY.—The summary of rights prepared under subparagraph (A) shall include a description of—

“(i) the right of a consumer to obtain a copy of a consumer report under subsection (a) from each consumer reporting agency;

“(ii) the frequency and circumstances under which a consumer is entitled to receive a consumer report without charge under section 612;

“(iii) the right of a consumer to dispute information in the file of the consumer under section 611;

“(iv) the right of a consumer to obtain a credit score from a consumer reporting agency, and a description of how to obtain a credit score;

“(v) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency without charge, as provided in the regulations of the Commission prescribed under section 211(c) of the Fair and Accurate Credit Transactions Act of 2003; and

“(vi) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency described in section 603(w), as provided in the regulations of the Commission prescribed under section 612(a)(1)(C).

“(C) AVAILABILITY OF SUMMARY OF RIGHTS.—The Commission shall—

Public
information.

“(i) actively publicize the availability of the summary of rights prepared under this paragraph;

“(ii) conspicuously post on its Internet website the availability of such summary of rights; and

“(iii) promptly make such summary of rights available to consumers, on request.

“(2) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH AGENCY DISCLOSURES.—A consumer reporting agency shall provide to a consumer, with each written disclosure by the agency to the consumer under this section—

“(A) the summary of rights prepared by the Commission under paragraph (1);

“(B) in the case of a consumer reporting agency described in section 603(p), a toll-free telephone number established by the agency, at which personnel are accessible to consumers during normal business hours;

“(C) a list of all Federal agencies responsible for enforcing any provision of this title, and the address and any appropriate phone number of each such agency, in a form that will assist the consumer in selecting the appropriate agency;

“(D) a statement that the consumer may have additional rights under State law, and that the consumer may wish to contact a State or local consumer protection agency or a State attorney general (or the equivalent thereof) to learn of those rights; and

“(E) a statement that a consumer reporting agency is not required to remove accurate derogatory information from the file of a consumer, unless the information is outdated under section 605 or cannot be verified.”.

15 USC 1681j
note.

(d) RULEMAKING REQUIRED.—

(1) IN GENERAL.—The Commission shall prescribe regulations applicable to consumer reporting agencies described in section 603(p) of the Fair Credit Reporting Act, to require the establishment of—

(A) a centralized source through which consumers may obtain a consumer report from each such consumer reporting agency, using a single request, and without charge to the consumer, as provided in section 612(a) of the Fair Credit Reporting Act (as amended by this section); and

(B) a standardized form for a consumer to make such a request for a consumer report by mail or through an Internet website.

(2) CONSIDERATIONS.—In prescribing regulations under paragraph (1), the Commission shall consider—

(A) the significant demands that may be placed on consumer reporting agencies in providing such consumer reports;

(B) appropriate means to ensure that consumer reporting agencies can satisfactorily meet those demands, including the efficacy of a system of staggering the availability to consumers of such consumer reports; and

(C) the ease by which consumers should be able to contact consumer reporting agencies with respect to access to such consumer reports.

(3) CENTRALIZED SOURCE.—The centralized source for a request for a consumer report from a consumer required by this subsection shall provide for—

(A) a toll-free telephone number for such purpose;

(B) use of an Internet website for such purpose; and

(C) a process for requests by mail for such purpose.

(4) TRANSITION.—The regulations of the Commission under paragraph (1) shall provide for an orderly transition by consumer reporting agencies described in section 603(p) of the Fair Credit Reporting Act to the centralized source for consumer report distribution required by section 612(a)(1)(B), as amended by this section, in a manner that—

(A) does not temporarily overwhelm such consumer reporting agencies with requests for disclosures of consumer reports beyond their capacity to deliver; and

(B) does not deny creditors, other users, and consumers access to consumer reports on a time-sensitive basis for specific purposes, such as home purchases or suspicions of identity theft, during the transition period.

(5) TIMING.—Regulations required by this subsection shall—

(A) be issued in final form not later than 6 months after the date of enactment of this Act; and

(B) become effective not later than 6 months after the date on which they are issued in final form.

(6) SCOPE OF REGULATIONS.—

(A) IN GENERAL.—The Commission shall, by rule, determine whether to require a consumer reporting agency that compiles and maintains files on consumers on substantially a nationwide basis, other than one described in section

Deadline.

Effective date.

603(p) of the Fair Credit Reporting Act, to make free consumer reports available upon consumer request, and if so, whether such consumer reporting agencies should make such free reports available through the centralized source described in paragraph (1)(A).

(B) CONSIDERATIONS.—Before making any determination under subparagraph (A), the Commission shall consider—

(i) the number of requests for consumer reports to, and the number of consumer reports generated by, the consumer reporting agency, in comparison with consumer reporting agencies described in subsections (p) and (w) of section 603 of the Fair Credit Reporting Act;

(ii) the overall scope of the operations of the consumer reporting agency;

(iii) the needs of consumers for access to consumer reports provided by consumer reporting agencies free of charge;

(iv) the costs of providing access to consumer reports by consumer reporting agencies free of charge; and

(v) the effects on the ongoing competitive viability of such consumer reporting agencies if such free access is required.

SEC. 212. DISCLOSURE OF CREDIT SCORES.

(a) STATEMENT ON AVAILABILITY OF CREDIT SCORES.—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding at the end the following new paragraph:

“(6) If the consumer requests the credit file and not the credit score, a statement that the consumer may request and obtain a credit score.”.

(b) DISCLOSURE OF CREDIT SCORES.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by this Act, is amended by adding at the end the following:

“(f) DISCLOSURE OF CREDIT SCORES.—

“(1) IN GENERAL.—Upon the request of a consumer for a credit score, a consumer reporting agency shall supply to the consumer a statement indicating that the information and credit scoring model may be different than the credit score that may be used by the lender, and a notice which shall include—

“(A) the current credit score of the consumer or the most recent credit score of the consumer that was previously calculated by the credit reporting agency for a purpose related to the extension of credit;

“(B) the range of possible credit scores under the model used;

“(C) all of the key factors that adversely affected the credit score of the consumer in the model used, the total number of which shall not exceed 4, subject to paragraph (9);

“(D) the date on which the credit score was created; and

“(E) the name of the person or entity that provided the credit score or credit file upon which the credit score was created.

“(2) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

“(A) CREDIT SCORE.—The term ‘credit score’—

“(i) means a numerical value or a categorization derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default (and the numerical value or the categorization derived from such analysis may also be referred to as a ‘risk predictor’ or ‘risk score’); and

“(ii) does not include—

“(I) any mortgage score or rating of an automated underwriting system that considers one or more factors in addition to credit information, including the loan to value ratio, the amount of down payment, or the financial assets of a consumer; or

“(II) any other elements of the underwriting process or underwriting decision.

“(B) KEY FACTORS.—The term ‘key factors’ means all relevant elements or reasons adversely affecting the credit score for the particular individual, listed in the order of their importance based on their effect on the credit score.

“(3) TIMEFRAME AND MANNER OF DISCLOSURE.—The information required by this subsection shall be provided in the same timeframe and manner as the information described in subsection (a).

“(4) APPLICABILITY TO CERTAIN USES.—This subsection shall not be construed so as to compel a consumer reporting agency to develop or disclose a score if the agency does not—

“(A) distribute scores that are used in connection with residential real property loans; or

“(B) develop scores that assist credit providers in understanding the general credit behavior of a consumer and predicting the future credit behavior of the consumer.

“(5) APPLICABILITY TO CREDIT SCORES DEVELOPED BY ANOTHER PERSON.—

“(A) IN GENERAL.—This subsection shall not be construed to require a consumer reporting agency that distributes credit scores developed by another person or entity to provide a further explanation of them, or to process a dispute arising pursuant to section 611, except that the consumer reporting agency shall provide the consumer with the name and address and website for contacting the person or entity who developed the score or developed the methodology of the score.

“(B) EXCEPTION.—This paragraph shall not apply to a consumer reporting agency that develops or modifies scores that are developed by another person or entity.

“(6) MAINTENANCE OF CREDIT SCORES NOT REQUIRED.—This subsection shall not be construed to require a consumer reporting agency to maintain credit scores in its files.

“(7) COMPLIANCE IN CERTAIN CASES.—In complying with this subsection, a consumer reporting agency shall—

“(A) supply the consumer with a credit score that is derived from a credit scoring model that is widely distributed to users by that consumer reporting agency in connection with residential real property loans or with a credit score that assists the consumer in understanding the credit scoring assessment of the credit behavior of the consumer and predictions about the future credit behavior of the consumer; and

“(B) a statement indicating that the information and credit scoring model may be different than that used by the lender.

“(8) FAIR AND REASONABLE FEE.—A consumer reporting agency may charge a fair and reasonable fee, as determined by the Commission, for providing the information required under this subsection.

“(9) USE OF ENQUIRIES AS A KEY FACTOR.—If a key factor that adversely affects the credit score of a consumer consists of the number of enquiries made with respect to a consumer report, that factor shall be included in the disclosure pursuant to paragraph (1)(C) without regard to the numerical limitation in such paragraph.”.

(c) DISCLOSURE OF CREDIT SCORES BY CERTAIN MORTGAGE LENDERS.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g), as amended by this Act, is amended by adding at the end the following:

“(g) DISCLOSURE OF CREDIT SCORES BY CERTAIN MORTGAGE LENDERS.—

“(1) IN GENERAL.—Any person who makes or arranges loans and who uses a consumer credit score, as defined in subsection (f), in connection with an application initiated or sought by a consumer for a closed end loan or the establishment of an open end loan for a consumer purpose that is secured by 1 to 4 units of residential real property (hereafter in this subsection referred to as the ‘lender’) shall provide the following to the consumer as soon as reasonably practicable:

“(A) INFORMATION REQUIRED UNDER SUBSECTION (f).—

“(i) IN GENERAL.—A copy of the information identified in subsection (f) that was obtained from a consumer reporting agency or was developed and used by the user of the information.

“(ii) NOTICE UNDER SUBPARAGRAPH (D).—In addition to the information provided to it by a third party that provided the credit score or scores, a lender is only required to provide the notice contained in subparagraph (D).

“(B) DISCLOSURES IN CASE OF AUTOMATED UNDERWRITING SYSTEM.—

“(i) IN GENERAL.—If a person that is subject to this subsection uses an automated underwriting system to underwrite a loan, that person may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

“(ii) NUMERICAL CREDIT SCORE.—However, if a numerical credit score is generated by an automated underwriting system used by an enterprise, and that score is disclosed to the person, the score shall be

disclosed to the consumer consistent with subparagraph (C).

“(iii) ENTERPRISE DEFINED.—For purposes of this subparagraph, the term ‘enterprise’ has the same meaning as in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(C) DISCLOSURES OF CREDIT SCORES NOT OBTAINED FROM A CONSUMER REPORTING AGENCY.—A person that is subject to the provisions of this subsection and that uses a credit score, other than a credit score provided by a consumer reporting agency, may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

“(D) NOTICE TO HOME LOAN APPLICANTS.—A copy of the following notice, which shall include the name, address, and telephone number of each consumer reporting agency providing a credit score that was used:

‘NOTICE TO THE HOME LOAN APPLICANT

‘In connection with your application for a home loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores.

‘The credit score is a computer generated summary calculated at the time of the request and based on information that a consumer reporting agency or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

‘Because the score is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another.

‘If you have questions about your credit score or the credit information that is furnished to you, contact the consumer reporting agency at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score. The consumer reporting agency plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application.

‘If you have questions concerning the terms of the loan, contact the lender.’.

“(E) ACTIONS NOT REQUIRED UNDER THIS SUBSECTION.—This subsection shall not require any person to—

“(i) explain the information provided pursuant to subsection (f);

“(ii) disclose any information other than a credit score or key factors, as defined in subsection (f);

“(iii) disclose any credit score or related information obtained by the user after a loan has closed;

“(iv) provide more than 1 disclosure per loan transaction; or

“(v) provide the disclosure required by this subsection when another person has made the disclosure to the consumer for that loan transaction.

“(F) NO OBLIGATION FOR CONTENT.—

“(i) IN GENERAL.—The obligation of any person pursuant to this subsection shall be limited solely to providing a copy of the information that was received from the consumer reporting agency.

“(ii) LIMIT ON LIABILITY.—No person has liability under this subsection for the content of that information or for the omission of any information within the report provided by the consumer reporting agency.

“(G) PERSON DEFINED AS EXCLUDING ENTERPRISE.—As used in this subsection, the term ‘person’ does not include an enterprise (as defined in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992).

“(2) PROHIBITION ON DISCLOSURE CLAUSES NULL AND VOID.—

“(A) IN GENERAL.—Any provision in a contract that prohibits the disclosure of a credit score by a person who makes or arranges loans or a consumer reporting agency is void.

“(B) NO LIABILITY FOR DISCLOSURE UNDER THIS SUBSECTION.—A lender shall not have liability under any contractual provision for disclosure of a credit score pursuant to this subsection.”.

(d) INCLUSION OF KEY FACTOR IN CREDIT SCORE INFORMATION IN CONSUMER REPORT.—Section 605(d) of the Fair Credit Reporting Act (15 U.S.C. 1681c(d)) is amended—

(1) by striking “DISCLOSED.—Any consumer reporting agency” and inserting “DISCLOSED.—

“(1) TITLE 11 INFORMATION.—Any consumer reporting agency”; and

(2) by adding at the end the following new paragraph:

“(2) KEY FACTOR IN CREDIT SCORE INFORMATION.—Any consumer reporting agency that furnishes a consumer report that contains any credit score or any other risk score or predictor on any consumer shall include in the report a clear and conspicuous statement that a key factor (as defined in section 609(f)(2)(B)) that adversely affected such score or predictor was the number of enquiries, if such a predictor was in fact a key factor that adversely affected such score. This paragraph shall not apply to a check services company, acting as such, which issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payments, but only to the extent that such company is engaged in such activities.”.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—Section 625(b) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)), as so designated by section 214 of this Act, is amended—

(1) by striking “or” at the end of paragraph (2); and

(2) by striking paragraph (3) and inserting the following:

“(3) with respect to the disclosures required to be made under subsection (c), (d), (e), or (g) of section 609, or subsection (f) of section 609 relating to the disclosure of credit scores for credit granting purposes, except that this paragraph—

“(A) shall not apply with respect to sections 1785.10, 1785.16, and 1785.20.2 of the California Civil Code (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003) and section 1785.15 through section 1785.15.2 of such Code (as in effect on such date);

“(B) shall not apply with respect to sections 5-3-106(2) and 212-14.3-104.3 of the Colorado Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); and

“(C) shall not be construed as limiting, annulling, affecting, or superseding any provision of the laws of any State regulating the use in an insurance activity, or regulating disclosures concerning such use, of a credit-based insurance score of a consumer by any person engaged in the business of insurance;

“(4) with respect to the frequency of any disclosure under section 612(a), except that this paragraph shall not apply—

“(A) with respect to section 12-14.3-105(1)(d) of the Colorado Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(B) with respect to section 10-1-393(29)(C) of the Georgia Code (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(C) with respect to section 1316.2 of title 10 of the Maine Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(D) with respect to sections 14-1209(a)(1) and 14-1209(b)(1)(i) of the Commercial Law Article of the Code of Maryland (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(E) with respect to section 59(d) and section 59(e) of chapter 93 of the General Laws of Massachusetts (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003);

“(F) with respect to section 56:11-37.10(a)(1) of the New Jersey Revised Statutes (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); or

“(G) with respect to section 2480c(a)(1) of title 9 of the Vermont Statutes Annotated (as in effect on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003); or”.

SEC. 213. ENHANCED DISCLOSURE OF THE MEANS AVAILABLE TO OPT OUT OF PRESCREENED LISTS.

(a) NOTICE AND RESPONSE FORMAT FOR USERS OF REPORTS.—Section 615(d)(2) of the Fair Credit Reporting Act (15 U.S.C. 1681m(d)(2)) is amended to read as follows:

“(2) DISCLOSURE OF ADDRESS AND TELEPHONE NUMBER; FORMAT.—A statement under paragraph (1) shall—

“(A) include the address and toll-free telephone number of the appropriate notification system established under section 604(e); and

“(B) be presented in such format and in such type size and manner as to be simple and easy to understand, as established by the Commission, by rule, in consultation with the Federal banking agencies and the National Credit Union Administration.”.

(b) RULEMAKING SCHEDULE.—Regulations required by section 615(d)(2) of the Fair Credit Reporting Act, as amended by this section, shall be issued in final form not later than 1 year after the date of enactment of this Act.

Deadline.
15 USC 1681m
note.

(c) DURATION OF ELECTIONS.—Section 604(e) of the Fair Credit Reporting Act (15 U.S.C. 1681b(e)) is amended in each of paragraphs (3)(A) and (4)(B)(i), by striking “2-year period” each place that term appears and inserting “5-year period”.

(d) PUBLIC AWARENESS CAMPAIGN.—The Commission shall actively publicize and conspicuously post on its website any address and the toll-free telephone number established as part of a notification system for opting out of prescreening under section 604(e) of the Fair Credit Reporting Act (15 U.S.C. 1681b(e)), and otherwise take measures to increase public awareness regarding the availability of the right to opt out of prescreening.

Internet.
15 USC 1681b
note.

(e) ANALYSIS OF FURTHER RESTRICTIONS ON OFFERS OF CREDIT OR INSURANCE.—

15 USC 1601
note.

(1) IN GENERAL.—The Board shall conduct a study of—

(A) the ability of consumers to avoid receiving written offers of credit or insurance in connection with transactions not initiated by the consumer; and

(B) the potential impact that any further restrictions on providing consumers with such written offers of credit or insurance would have on consumers.

(2) REPORT.—The Board shall submit a report summarizing the results of the study required under paragraph (1) to the Congress not later than 12 months after the date of enactment of this Act, together with such recommendations for legislative or administrative action as the Board may determine to be appropriate.

Deadline.

(3) CONTENT OF REPORT.—The report described in paragraph (2) shall address the following issues:

(A) The current statutory or voluntary mechanisms that are available to a consumer to notify lenders and insurance providers that the consumer does not wish to receive written offers of credit or insurance.

(B) The extent to which consumers are currently utilizing existing statutory and voluntary mechanisms to avoid receiving offers of credit or insurance.

(C) The benefits provided to consumers as a result of receiving written offers of credit or insurance.

(D) Whether consumers incur significant costs or are otherwise adversely affected by the receipt of written offers of credit or insurance.

(E) Whether further restricting the ability of lenders and insurers to provide written offers of credit or insurance to consumers would affect—

(i) the cost consumers pay to obtain credit or insurance;

- (ii) the availability of credit or insurance;
- (iii) consumers' knowledge about new or alternative products and services;
- (iv) the ability of lenders or insurers to compete with one another; and
- (v) the ability to offer credit or insurance products to consumers who have been traditionally underserved.

SEC. 214. AFFILIATE SHARING.

(a) **LIMITATION.**—The Fair Credit Reporting Act (15 U.S.C. 1601 et seq.) is amended—

- (1) by redesignating sections 624 (15 U.S.C. 1681t), 625 (15 U.S.C. 1681u), and 626 (15 U.S.C. 6181v) as sections 625, 626, and 627, respectively; and

(2) by inserting after section 623 the following:

15 USC 1681s–3.

“§ 624. Affiliate sharing

“(a) SPECIAL RULE FOR SOLICITATION FOR PURPOSES OF MARKETING.—

“(1) NOTICE.—Any person that receives from another person related to it by common ownership or affiliated by corporate control a communication of information that would be a consumer report, but for clauses (i), (ii), and (iii) of section 603(d)(2)(A), may not use the information to make a solicitation for marketing purposes to a consumer about its products or services, unless—

“(A) it is clearly and conspicuously disclosed to the consumer that the information may be communicated among such persons for purposes of making such solicitations to the consumer; and

“(B) the consumer is provided an opportunity and a simple method to prohibit the making of such solicitations to the consumer by such person.

“(2) CONSUMER CHOICE.—

“(A) IN GENERAL.—The notice required under paragraph (1) shall allow the consumer the opportunity to prohibit all solicitations referred to in such paragraph, and may allow the consumer to choose from different options when electing to prohibit the sending of such solicitations, including options regarding the types of entities and information covered, and which methods of delivering solicitations the consumer elects to prohibit.

“(B) FORMAT.—Notwithstanding subparagraph (A), the notice required under paragraph (1) shall be clear, conspicuous, and concise, and any method provided under paragraph (1)(B) shall be simple. The regulations prescribed to implement this section shall provide specific guidance regarding how to comply with such standards.

“(3) DURATION.—

“(A) IN GENERAL.—The election of a consumer pursuant to paragraph (1)(B) to prohibit the making of solicitations shall be effective for at least 5 years, beginning on the date on which the person receives the election of the consumer, unless the consumer requests that such election be revoked.

“(B) NOTICE UPON EXPIRATION OF EFFECTIVE PERIOD.—At such time as the election of a consumer pursuant to

paragraph (1)(B) is no longer effective, a person may not use information that the person receives in the manner described in paragraph (1) to make any solicitation for marketing purposes to the consumer, unless the consumer receives a notice and an opportunity, using a simple method, to extend the opt-out for another period of at least 5 years, pursuant to the procedures described in paragraph (1).

“(4) SCOPE.—This section shall not apply to a person—

“(A) using information to make a solicitation for marketing purposes to a consumer with whom the person has a pre-existing business relationship;

“(B) using information to facilitate communications to an individual for whose benefit the person provides employee benefit or other services pursuant to a contract with an employer related to and arising out of the current employment relationship or status of the individual as a participant or beneficiary of an employee benefit plan;

“(C) using information to perform services on behalf of another person related by common ownership or affiliated by corporate control, except that this subparagraph shall not be construed as permitting a person to send solicitations on behalf of another person, if such other person would not be permitted to send the solicitation on its own behalf as a result of the election of the consumer to prohibit solicitations under paragraph (1)(B);

“(D) using information in response to a communication initiated by the consumer;

“(E) using information in response to solicitations authorized or requested by the consumer; or

“(F) if compliance with this section by that person would prevent compliance by that person with any provision of State insurance laws pertaining to unfair discrimination in any State in which the person is lawfully doing business.

“(5) NO RETROACTIVITY.—This subsection shall not prohibit the use of information to send a solicitation to a consumer if such information was received prior to the date on which persons are required to comply with regulations implementing this subsection.

“(b) NOTICE FOR OTHER PURPOSES PERMISSIBLE.—A notice or other disclosure under this section may be coordinated and consolidated with any other notice required to be issued under any other provision of law by a person that is subject to this section, and a notice or other disclosure that is equivalent to the notice required by subsection (a), and that is provided by a person described in subsection (a) to a consumer together with disclosures required by any other provision of law, shall satisfy the requirements of subsection (a).

“(c) USER REQUIREMENTS.—Requirements with respect to the use by a person of information received from another person related to it by common ownership or affiliated by corporate control, such as the requirements of this section, constitute requirements with respect to the exchange of information among persons affiliated by common ownership or common corporate control, within the meaning of section 625(b)(2).

“(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) PRE-EXISTING BUSINESS RELATIONSHIP.—The term ‘pre-existing business relationship’ means a relationship between a person, or a person’s licensed agent, and a consumer, based on—

“(A) a financial contract between a person and a consumer which is in force;

“(B) the purchase, rental, or lease by the consumer of that person’s goods or services, or a financial transaction (including holding an active account or a policy in force or having another continuing relationship) between the consumer and that person during the 18-month period immediately preceding the date on which the consumer is sent a solicitation covered by this section;

“(C) an inquiry or application by the consumer regarding a product or service offered by that person, during the 3-month period immediately preceding the date on which the consumer is sent a solicitation covered by this section; or

“(D) any other pre-existing customer relationship defined in the regulations implementing this section.

“(2) SOLICITATION.—The term ‘solicitation’ means the marketing of a product or service initiated by a person to a particular consumer that is based on an exchange of information described in subsection (a), and is intended to encourage the consumer to purchase such product or service, but does not include communications that are directed at the general public or determined not to be a solicitation by the regulations prescribed under this section.”.

(b) RULEMAKING REQUIRED.—

(1) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission, with respect to the entities that are subject to their respective enforcement authority under section 621 of the Fair Credit Reporting Act and the Securities and Exchange Commission, and in coordination as described in paragraph (2), shall prescribe regulations to implement section 624 of the Fair Credit Reporting Act, as added by this section.

(2) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such entity are consistent and comparable with the regulations prescribed by each other such agency.

(3) CONSIDERATIONS.—In promulgating regulations under this subsection, each agency referred to in paragraph (1) shall—

(A) ensure that affiliate sharing notification methods provide a simple means for consumers to make determinations and choices under section 624 of the Fair Credit Reporting Act, as added by this section;

(B) consider the affiliate sharing notification practices employed on the date of enactment of this Act by persons that will be subject to that section 624; and

(C) ensure that notices and disclosures may be coordinated and consolidated, as provided in subsection (b) of that section 624.

(4) TIMING.—Regulations required by this subsection shall—

(A) be issued in final form not later than 9 months after the date of enactment of this Act; and Deadline.

(B) become effective not later than 6 months after the date on which they are issued in final form. Effective date.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 603(d)(2)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681(d)(2)(A)) is amended by inserting “subject to section 624,” after “(A)”. 15 USC 1681a.

(2) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)), as so designated by subsection (a) of this section, is amended—

(A) by striking “or” after the semicolon at the end of subparagraph (E); and

(B) by adding at the end the following new subparagraph:

“(H) section 624, relating to the exchange and use of information to make a solicitation for marketing purposes; or”.

(3) CROSS REFERENCE CORRECTION.—Section 627(d) of the Fair Credit Reporting Act (15 U.S.C. 1681v(d)), as so designated by subsection (a) of this section, is amended by striking “section 625” and inserting “section 626”.

(4) TABLE OF SECTIONS.—The table of sections for title VI of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by striking the items relating to sections 624 through 626 and inserting the following:

“624. Affiliate sharing.

“625. Relation to State laws.

“626. Disclosures to FBI for counterintelligence purposes.

“627. Disclosures to governmental agencies for counterintelligence purposes.”.

(e) STUDIES OF INFORMATION SHARING PRACTICES.—

15 USC 1681s–3
note.

(1) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly conduct regular studies of the consumer information sharing practices by financial institutions and other persons that are creditors or users of consumer reports with their affiliates.

(2) MATTERS FOR STUDY.—In conducting the studies required by paragraph (1), the agencies described in paragraph (1) shall—

(A) identify—

(i) the purposes for which financial institutions and other creditors and users of consumer reports share consumer information;

(ii) the types of information shared by such entities with their affiliates;

(iii) the number of choices provided to consumers with respect to the control of such sharing, and the degree to and manner in which consumers exercise such choices, if at all; and

(iv) whether such entities share or may share personally identifiable transaction or experience information with affiliates for purposes—

(I) that are related to employment or hiring, including whether the person that is the subject

of such information is given notice of such sharing,
and the specific uses of such shared information;
or

(II) of general publication of such information;
and

(B) specifically examine the information sharing practices that financial institutions and other creditors and users of consumer reports and their affiliates employ for the purpose of making underwriting decisions or credit evaluations of consumers.

(3) REPORTS.—

Deadlines.

(A) INITIAL REPORT.—Not later than 3 years after the date of enactment of this Act, the Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly submit a report to the Congress on the results of the initial study conducted in accordance with this subsection, together with any recommendations for legislative or regulatory action.

(B) FOLLOWUP REPORTS.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall, not less frequently than once every 3 years following the date of submission of the initial report under subparagraph (A), jointly submit a report to the Congress that, together with any recommendations for legislative or regulatory action—

(i) documents any changes in the areas of study referred to in paragraph (2)(A) occurring since the date of submission of the previous report;

(ii) identifies any changes in the practices of financial institutions and other creditors and users of consumer reports in sharing consumer information with their affiliates for the purpose of making underwriting decisions or credit evaluations of consumers occurring since the date of submission of the previous report; and

(iii) examines the effects that changes described in clause (ii) have had, if any, on the degree to which such affiliate sharing practices reduce the need for financial institutions, creditors, and other users of consumer reports to rely on consumer reports for such decisions.

15 USC 1681
note.

SEC. 215. STUDY OF EFFECTS OF CREDIT SCORES AND CREDIT-BASED INSURANCE SCORES ON AVAILABILITY AND AFFORDABILITY OF FINANCIAL PRODUCTS.

(a) STUDY REQUIRED.—The Commission and the Board, in consultation with the Office of Fair Housing and Equal Opportunity of the Department of Housing and Urban Development, shall conduct a study of—

(1) the effects of the use of credit scores and credit-based insurance scores on the availability and affordability of financial products and services, including credit cards, mortgages, auto loans, and property and casualty insurance;

(2) the statistical relationship, utilizing a multivariate analysis that controls for prohibited factors under the Equal Credit Opportunity Act and other known risk factors, between credit

scores and credit-based insurance scores and the quantifiable risks and actual losses experienced by businesses;

(3) the extent to which, if any, the use of credit scoring models, credit scores, and credit-based insurance scores impact on the availability and affordability of credit and insurance to the extent information is currently available or is available through proxies, by geography, income, ethnicity, race, color, religion, national origin, age, sex, marital status, and creed, including the extent to which the consideration or lack of consideration of certain factors by credit scoring systems could result in negative or differential treatment of protected classes under the Equal Credit Opportunity Act, and the extent to which, if any, the use of underwriting systems relying on these models could achieve comparable results through the use of factors with less negative impact; and

(4) the extent to which credit scoring systems are used by businesses, the factors considered by such systems, and the effects of variables which are not considered by such systems.

(b) PUBLIC PARTICIPATION.—The Commission shall seek public input about the prescribed methodology and research design of the study described in subsection (a), including from relevant Federal regulators, State insurance regulators, community, civil rights, consumer, and housing groups.

(c) REPORT REQUIRED.—

(1) IN GENERAL.—Before the end of the 24-month period beginning on the date of enactment of this Act, the Commission shall submit a detailed report on the study conducted pursuant to subsection (a) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

Deadline.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall include the findings and conclusions of the Commission, recommendations to address specific areas of concerns addressed in the study, and recommendations for legislative or administrative action that the Commission may determine to be necessary to ensure that credit and credit-based insurance scores are used appropriately and fairly to avoid negative effects.

SEC. 216. DISPOSAL OF CONSUMER REPORT INFORMATION AND RECORDS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), as amended by this Act, is amended by adding at the end the following:

“§ 628. Disposal of records

15 USC 1681w.

“(a) REGULATIONS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Federal banking agencies, the National Credit Union Administration, and the Commission with respect to the entities that are subject to their respective enforcement authority under section 621, and the Securities and Exchange Commission, and in coordination as described in paragraph (2), shall issue final regulations requiring any person that maintains or otherwise possesses consumer information, or any compilation of consumer information,

Deadline.

derived from consumer reports for a business purpose to properly dispose of any such information or compilation.

“(2) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall—

“(A) consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such agency are consistent and comparable with the regulations by each such other agency; and

“(B) ensure that such regulations are consistent with the requirements and regulations issued pursuant to Public Law 106-102 and other provisions of Federal law.

“(3) EXEMPTION AUTHORITY.—In issuing regulations under this section, the Federal banking agencies, the National Credit Union Administration, the Commission, and the Securities and Exchange Commission may exempt any person or class of persons from application of those regulations, as such agency deems appropriate to carry out the purpose of this section.

“(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) to require a person to maintain or destroy any record pertaining to a consumer that is not imposed under other law; or

“(2) to alter or affect any requirement imposed under any other provision of law to maintain or destroy such a record.”.

(b) CLERICAL AMENDMENT.—The table of sections for title VI of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by inserting after the item relating to section 627, as added by section 214 of this Act, the following:

“628. Disposal of records.

“629. Corporate and technological circumvention prohibited.”.

SEC. 217. REQUIREMENT TO DISCLOSE COMMUNICATIONS TO A CONSUMER REPORTING AGENCY.

(a) IN GENERAL.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)) as amended by this Act, is amended by inserting after paragraph (6), the following new paragraph:

“(7) NEGATIVE INFORMATION.—

“(A) NOTICE TO CONSUMER REQUIRED.—

“(i) IN GENERAL.—If any financial institution that extends credit and regularly and in the ordinary course of business furnishes information to a consumer reporting agency described in section 603(p) furnishes negative information to such an agency regarding credit extended to a customer, the financial institution shall provide a notice of such furnishing of negative information, in writing, to the customer.

“(ii) NOTICE EFFECTIVE FOR SUBSEQUENT SUBMISSIONS.—After providing such notice, the financial institution may submit additional negative information to a consumer reporting agency described in section 603(p) with respect to the same transaction, extension of credit, account, or customer without providing additional notice to the customer.

“(B) TIME OF NOTICE.—

“(i) IN GENERAL.—The notice required under subparagraph (A) shall be provided to the customer prior to, or no later than 30 days after, furnishing

Deadline.

the negative information to a consumer reporting agency described in section 603(p).

“(ii) COORDINATION WITH NEW ACCOUNT DISCLOSURES.—If the notice is provided to the customer prior to furnishing the negative information to a consumer reporting agency, the notice may not be included in the initial disclosures provided under section 127(a) of the Truth in Lending Act.

“(C) COORDINATION WITH OTHER DISCLOSURES.—The notice required under subparagraph (A)—

“(i) may be included on or with any notice of default, any billing statement, or any other materials provided to the customer; and

“(ii) must be clear and conspicuous.

“(D) MODEL DISCLOSURE.—

“(i) DUTY OF BOARD TO PREPARE.—The Board shall prescribe a brief model disclosure a financial institution may use to comply with subparagraph (A), which shall not exceed 30 words.

“(ii) USE OF MODEL NOT REQUIRED.—No provision of this paragraph shall be construed as requiring a financial institution to use any such model form prescribed by the Board.

“(iii) COMPLIANCE USING MODEL.—A financial institution shall be deemed to be in compliance with subparagraph (A) if the financial institution uses any such model form prescribed by the Board, or the financial institution uses any such model form and rearranges its format.

“(E) USE OF NOTICE WITHOUT SUBMITTING NEGATIVE INFORMATION.—No provision of this paragraph shall be construed as requiring a financial institution that has provided a customer with a notice described in subparagraph (A) to furnish negative information about the customer to a consumer reporting agency.

“(F) SAFE HARBOR.—A financial institution shall not be liable for failure to perform the duties required by this paragraph if, at the time of the failure, the financial institution maintained reasonable policies and procedures to comply with this paragraph or the financial institution reasonably believed that the institution is prohibited, by law, from contacting the consumer.

“(G) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) NEGATIVE INFORMATION.—The term ‘negative information’ means information concerning a customer’s delinquencies, late payments, insolvency, or any form of default.

“(ii) CUSTOMER; FINANCIAL INSTITUTION.—The terms ‘customer’ and ‘financial institution’ have the same meanings as in section 509 Public Law 106-102.”.

(b) MODEL DISCLOSURE FORM.—Before the end of the 6-month period beginning on the date of enactment of this Act, the Board shall adopt the model disclosure required under the amendment

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Federal Register,
publication.
15 USC 1681s-2
note.

made by subsection (a) after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

TITLE III—ENHANCING THE ACCURACY OF CONSUMER REPORT INFORMATION

SEC. 311. RISK-BASED PRICING NOTICE.

(a) DUTIES OF USERS.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m), as amended by this Act, is amended by adding at the end the following:

“(h) DUTIES OF USERS IN CERTAIN CREDIT TRANSACTIONS.—

“(1) IN GENERAL.—Subject to rules prescribed as provided in paragraph (6), if any person uses a consumer report in connection with an application for, or a grant, extension, or other provision of, credit on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person shall provide an oral, written, or electronic notice to the consumer in the form and manner required by regulations prescribed in accordance with this subsection.

“(2) TIMING.—The notice required under paragraph (1) may be provided at the time of an application for, or a grant, extension, or other provision of, credit or the time of communication of an approval of an application for, or grant, extension, or other provision of, credit, except as provided in the regulations prescribed under paragraph (6).

“(3) EXCEPTIONS.—No notice shall be required from a person under this subsection if—

“(A) the consumer applied for specific material terms and was granted those terms, unless those terms were initially specified by the person after the transaction was initiated by the consumer and after the person obtained a consumer report; or

“(B) the person has provided or will provide a notice to the consumer under subsection (a) in connection with the transaction.

“(4) OTHER NOTICE NOT SUFFICIENT.—A person that is required to provide a notice under subsection (a) cannot meet that requirement by providing a notice under this subsection.

“(5) CONTENT AND DELIVERY OF NOTICE.—A notice under this subsection shall, at a minimum—

“(A) include a statement informing the consumer that the terms offered to the consumer are set based on information from a consumer report;

“(B) identify the consumer reporting agency furnishing the report;

“(C) include a statement informing the consumer that the consumer may obtain a copy of a consumer report from that consumer reporting agency without charge; and

“(D) include the contact information specified by that consumer reporting agency for obtaining such consumer reports (including a toll-free telephone number established by the agency in the case of a consumer reporting agency described in section 603(p)).

“(6) RULEMAKING.—

“(A) RULES REQUIRED.—The Commission and the Board shall jointly prescribe rules.

“(B) CONTENT.—Rules required by subparagraph (A) shall address, but are not limited to—

“(i) the form, content, time, and manner of delivery of any notice under this subsection;

“(ii) clarification of the meaning of terms used in this subsection, including what credit terms are material, and when credit terms are materially less favorable;

“(iii) exceptions to the notice requirement under this subsection for classes of persons or transactions regarding which the agencies determine that notice would not significantly benefit consumers;

“(iv) a model notice that may be used to comply with this subsection; and

“(v) the timing of the notice required under paragraph (1), including the circumstances under which the notice must be provided after the terms offered to the consumer were set based on information from a consumer report.

“(7) COMPLIANCE.—A person shall not be liable for failure to perform the duties required by this section if, at the time of the failure, the person maintained reasonable policies and procedures to comply with this section.

“(8) ENFORCEMENT.—

“(A) NO CIVIL ACTIONS.—Sections 616 and 617 shall not apply to any failure by any person to comply with this section.

“(B) ADMINISTRATIVE ENFORCEMENT.—This section shall be enforced exclusively under section 621 by the Federal agencies and officials identified in that section.”

(b) RELATION TO STATE LAWS.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)), as so designated by section 214 of this Act, is amended by adding at the end the following:

“(I) section 615(h), relating to the duties of users of consumer reports to provide notice with respect to terms in certain credit transactions;”.

SEC. 312. PROCEDURES TO ENHANCE THE ACCURACY AND INTEGRITY OF INFORMATION FURNISHED TO CONSUMER REPORTING AGENCIES.

(a) ACCURACY GUIDELINES AND REGULATIONS.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s-2) is amended by adding at the end the following:

“(e) ACCURACY GUIDELINES AND REGULATIONS REQUIRED.—

“(1) GUIDELINES.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall, with respect to the entities that are subject to their respective enforcement authority under section 621, and in coordination as described in paragraph (2)—

“(A) establish and maintain guidelines for use by each person that furnishes information to a consumer reporting agency regarding the accuracy and integrity of the information relating to consumers that such entities furnish to

consumer reporting agencies, and update such guidelines as often as necessary; and

“(B) prescribe regulations requiring each person that furnishes information to a consumer reporting agency to establish reasonable policies and procedures for implementing the guidelines established pursuant to subparagraph (A).

“(2) COORDINATION.—Each agency required to prescribe regulations under paragraph (1) shall consult and coordinate with each other such agency so that, to the extent possible, the regulations prescribed by each such entity are consistent and comparable with the regulations prescribed by each other such agency.

“(3) CRITERIA.—In developing the guidelines required by paragraph (1)(A), the agencies described in paragraph (1) shall—

“(A) identify patterns, practices, and specific forms of activity that can compromise the accuracy and integrity of information furnished to consumer reporting agencies;

“(B) review the methods (including technological means) used to furnish information relating to consumers to consumer reporting agencies;

“(C) determine whether persons that furnish information to consumer reporting agencies maintain and enforce policies to assure the accuracy and integrity of information furnished to consumer reporting agencies; and

“(D) examine the policies and processes that persons that furnish information to consumer reporting agencies employ to conduct reinvestigations and correct inaccurate information relating to consumers that has been furnished to consumer reporting agencies.”.

(b) DUTY OF FURNISHERS TO PROVIDE ACCURATE INFORMATION.—Section 623(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(1)) is amended—

(1) in subparagraph (A), by striking “knows or consciously avoids knowing that the information is inaccurate” and inserting “knows or has reasonable cause to believe that the information is inaccurate”; and

(2) by adding at the end the following:

“(D) DEFINITION.—For purposes of subparagraph (A), the term ‘reasonable cause to believe that the information is inaccurate’ means having specific knowledge, other than solely allegations by the consumer, that would cause a reasonable person to have substantial doubts about the accuracy of the information.”.

(c) ABILITY OF CONSUMER TO DISPUTE INFORMATION DIRECTLY WITH FURNISHER.—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)), as amended by this Act, is amended by adding at the end the following:

“(8) ABILITY OF CONSUMER TO DISPUTE INFORMATION DIRECTLY WITH FURNISHER.—

Regulations.

“(A) IN GENERAL.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly prescribe regulations that shall identify the circumstances under which a furnisher shall be required to reinvestigate a dispute concerning the accuracy of

information contained in a consumer report on the consumer, based on a direct request of a consumer.

“(B) CONSIDERATIONS.—In prescribing regulations under subparagraph (A), the agencies shall weigh—

“(i) the benefits to consumers with the costs on furnishers and the credit reporting system;

“(ii) the impact on the overall accuracy and integrity of consumer reports of any such requirements;

“(iii) whether direct contact by the consumer with the furnisher would likely result in the most expeditious resolution of any such dispute; and

“(iv) the potential impact on the credit reporting process if credit repair organizations, as defined in section 403(3), including entities that would be a credit repair organization, but for section 403(3)(B)(i), are able to circumvent the prohibition in subparagraph (G).

“(C) APPLICABILITY.—Subparagraphs (D) through (G) shall apply in any circumstance identified under the regulations promulgated under subparagraph (A).

“(D) SUBMITTING A NOTICE OF DISPUTE.—A consumer who seeks to dispute the accuracy of information shall provide a dispute notice directly to such person at the address specified by the person for such notices that—

“(i) identifies the specific information that is being disputed;

“(ii) explains the basis for the dispute; and

“(iii) includes all supporting documentation required by the furnisher to substantiate the basis of the dispute.

“(E) DUTY OF PERSON AFTER RECEIVING NOTICE OF DISPUTE.—After receiving a notice of dispute from a consumer pursuant to subparagraph (D), the person that provided the information in dispute to a consumer reporting agency shall—

“(i) conduct an investigation with respect to the disputed information;

“(ii) review all relevant information provided by the consumer with the notice;

“(iii) complete such person’s investigation of the dispute and report the results of the investigation to the consumer before the expiration of the period under section 611(a)(1) within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section; and

“(iv) if the investigation finds that the information reported was inaccurate, promptly notify each consumer reporting agency to which the person furnished the inaccurate information of that determination and provide to the agency any correction to that information that is necessary to make the information provided by the person accurate.

“(F) FRIVOLOUS OR IRRELEVANT DISPUTE.—

“(i) IN GENERAL.—This paragraph shall not apply if the person receiving a notice of a dispute from a

consumer reasonably determines that the dispute is frivolous or irrelevant, including—

“(I) by reason of the failure of a consumer to provide sufficient information to investigate the disputed information; or

“(II) the submission by a consumer of a dispute that is substantially the same as a dispute previously submitted by or for the consumer, either directly to the person or through a consumer reporting agency under subsection (b), with respect to which the person has already performed the person’s duties under this paragraph or subsection (b), as applicable.

Deadline.

“(ii) NOTICE OF DETERMINATION.—Upon making any determination under clause (i) that a dispute is frivolous or irrelevant, the person shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the person.

“(iii) CONTENTS OF NOTICE.—A notice under clause (ii) shall include—

“(I) the reasons for the determination under clause (i); and

“(II) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.

“(G) EXCLUSION OF CREDIT REPAIR ORGANIZATIONS.—This paragraph shall not apply if the notice of the dispute is submitted by, is prepared on behalf of the consumer by, or is submitted on a form supplied to the consumer by, a credit repair organization, as defined in section 403(3), or an entity that would be a credit repair organization, but for section 403(3)(B)(i).”.

(d) FURNISHER LIABILITY EXCEPTION.—Section 623(a)(5) of the Fair Credit Reporting Act (15 U.S.C. 1681s-2(a)(5)) is amended—

(1) by striking “A person” and inserting the following:

“(A) IN GENERAL.—A person”;

(2) by inserting “date of delinquency on the account, which shall be the” before “month”;

(3) by inserting “on the account” before “that immediately preceded”; and

(4) by adding at the end the following:

“(B) RULE OF CONSTRUCTION.—For purposes of this paragraph only, and provided that the consumer does not dispute the information, a person that furnishes information on a delinquent account that is placed for collection, charged for profit or loss, or subjected to any similar action, complies with this paragraph, if—

“(i) the person reports the same date of delinquency as that provided by the creditor to which the account was owed at the time at which the commencement of the delinquency occurred, if the creditor previously reported that date of delinquency to a consumer reporting agency;

“(ii) the creditor did not previously report the date of delinquency to a consumer reporting agency, and the person establishes and follows reasonable procedures to obtain the date of delinquency from the creditor or another reliable source and reports that date to a consumer reporting agency as the date of delinquency; or

“(iii) the creditor did not previously report the date of delinquency to a consumer reporting agency and the date of delinquency cannot be reasonably obtained as provided in clause (ii), the person establishes and follows reasonable procedures to ensure the date reported as the date of delinquency precedes the date on which the account is placed for collection, charged to profit or loss, or subjected to any similar action, and reports such date to the credit reporting agency.”.

(e) LIABILITY AND ENFORCEMENT.—

(1) CIVIL LIABILITY.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s–2) is amended by striking subsections (c) and (d) and inserting the following:

“(c) LIMITATION ON LIABILITY.—Except as provided in section 621(c)(1)(B), sections 616 and 617 do not apply to any violation of—

“(1) subsection (a) of this section, including any regulations issued thereunder;

“(2) subsection (e) of this section, except that nothing in this paragraph shall limit, expand, or otherwise affect liability under section 616 or 617, as applicable, for violations of subsection (b) of this section; or

“(3) subsection (e) of section 615.

“(d) LIMITATION ON ENFORCEMENT.—The provisions of law described in paragraphs (1) through (3) of subsection (c) (other than with respect to the exception described in paragraph (2) of subsection (c)) shall be enforced exclusively as provided under section 621 by the Federal agencies and officials and the State officials identified in section 621.”.

(2) STATE ACTIONS.—Section 621(c) of the Fair Credit Reporting Act (15 U.S.C. 1681s(c)) is amended—

(A) in paragraph (1)(B)(ii), by striking “of section 623(a)” and inserting “described in any of paragraphs (1) through (3) of section 623(c)”; and

(B) in paragraph (5)—

(i) in each of subparagraphs (A) and (B), by striking “of section 623(a)(1)” each place that term appears and inserting “described in any of paragraphs (1) through (3) of section 623(c)”; and

(ii) by amending the paragraph heading to read as follows:

“(5) LIMITATIONS ON STATE ACTIONS FOR CERTAIN VIOLATIONS.—”.

(f) RULE OF CONSTRUCTION.—Nothing in this section, the amendments made by this section, or any other provision of this Act shall be construed to affect any liability under section 616 or 617 of the Fair Credit Reporting Act (15 U.S.C. 1681n, 1681o) that existed on the day before the date of enactment of this Act.

15 USC 1681n
note.

SEC. 313. FTC AND CONSUMER REPORTING AGENCY ACTION CONCERNING COMPLAINTS.

(a) IN GENERAL.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended by adding at the end the following:

“(e) TREATMENT OF COMPLAINTS AND REPORT TO CONGRESS.—

“(1) IN GENERAL.—The Commission shall—

Records.

“(A) compile all complaints that it receives that a file of a consumer that is maintained by a consumer reporting agency described in section 603(p) contains incomplete or inaccurate information, with respect to which, the consumer appears to have disputed the completeness or accuracy with the consumer reporting agency or otherwise utilized the procedures provided by subsection (a); and

“(B) transmit each such complaint to each consumer reporting agency involved.

“(2) EXCLUSION.—Complaints received or obtained by the Commission pursuant to its investigative authority under the Federal Trade Commission Act shall not be subject to paragraph (1).

“(3) AGENCY RESPONSIBILITIES.—Each consumer reporting agency described in section 603(p) that receives a complaint transmitted by the Commission pursuant to paragraph (1) shall—

“(A) review each such complaint to determine whether all legal obligations imposed on the consumer reporting agency under this title (including any obligation imposed by an applicable court or administrative order) have been met with respect to the subject matter of the complaint;

“(B) provide reports on a regular basis to the Commission regarding the determinations of and actions taken by the consumer reporting agency, if any, in connection with its review of such complaints; and

Records.

“(C) maintain, for a reasonable time period, records regarding the disposition of each such complaint that is sufficient to demonstrate compliance with this subsection.

“(4) RULEMAKING AUTHORITY.—The Commission may prescribe regulations, as appropriate to implement this subsection.

“(5) ANNUAL REPORT.—The Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report regarding information gathered by the Commission under this subsection.”

15 USC 1681i
note.

(b) PROMPT INVESTIGATION OF DISPUTED CONSUMER INFORMATION.—

(1) STUDY REQUIRED.—The Board and the Commission shall jointly study the extent to which, and the manner in which, consumer reporting agencies and furnishers of consumer information to consumer reporting agencies are complying with the procedures, time lines, and requirements under the Fair Credit Reporting Act for the prompt investigation of the disputed accuracy of any consumer information, the completeness of the information provided to consumer reporting agencies, and the prompt correction or deletion, in accordance with such Act, of any inaccurate or incomplete information or information that cannot be verified.

Deadline.

(2) REPORT REQUIRED.—Before the end of the 12-month period beginning on the date of enactment of this Act, the

Board and the Commission shall jointly submit a progress report to the Congress on the results of the study required under paragraph (1).

(3) **CONSIDERATIONS.**—In preparing the report required under paragraph (2), the Board and the Commission shall consider information relating to complaints compiled by the Commission under section 611(e) of the Fair Credit Reporting Act, as added by this section.

(4) **RECOMMENDATIONS.**—The report required under paragraph (2) shall include such recommendations as the Board and the Commission jointly determine to be appropriate for legislative or administrative action, to ensure that—

(A) consumer disputes with consumer reporting agencies over the accuracy or completeness of information in a consumer's file are promptly and fully investigated and any incorrect, incomplete, or unverifiable information is corrected or deleted immediately thereafter;

(B) furnishers of information to consumer reporting agencies maintain full and prompt compliance with the duties and responsibilities established under section 623 of the Fair Credit Reporting Act; and

(C) consumer reporting agencies establish and maintain appropriate internal controls and management review procedures for maintaining full and continuous compliance with the procedures, time lines, and requirements under the Fair Credit Reporting Act for the prompt investigation of the disputed accuracy of any consumer information and the prompt correction or deletion, in accordance with such Act, of any inaccurate or incomplete information or information that cannot be verified.

SEC. 314. IMPROVED DISCLOSURE OF THE RESULTS OF REINVESTIGATION.

(a) **IN GENERAL.**—Section 611(a)(5)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(5)(A)) is amended by striking “shall” and all that follows through the end of the subparagraph, and inserting the following: “shall—

“(i) promptly delete that item of information from the file of the consumer, or modify that item of information, as appropriate, based on the results of the reinvestigation; and

“(ii) promptly notify the furnisher of that information that the information has been modified or deleted from the file of the consumer.”.

Notification.

(b) **FURNISHER REQUIREMENTS RELATING TO INACCURATE, INCOMPLETE, OR UNVERIFIABLE INFORMATION.**—Section 623(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(b)(1)) is amended—

(1) in subparagraph (C), by striking “and” at the end; and

(2) in subparagraph (D), by striking the period at the end and inserting the following: “; and

“(E) if an item of information disputed by a consumer is found to be inaccurate or incomplete or cannot be verified after any reinvestigation under paragraph (1), for purposes

of reporting to a consumer reporting agency only, as appropriate, based on the results of the reinvestigation promptly—

- “(i) modify that item of information;
- “(ii) delete that item of information; or
- “(iii) permanently block the reporting of that item of information.”.

SEC. 315. RECONCILING ADDRESSES.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by this Act, is amended by adding at the end the following:

“(h) NOTICE OF DISCREPANCY IN ADDRESS.—

“(1) IN GENERAL.—If a person has requested a consumer report relating to a consumer from a consumer reporting agency described in section 603(p), the request includes an address for the consumer that substantially differs from the addresses in the file of the consumer, and the agency provides a consumer report in response to the request, the consumer reporting agency shall notify the requester of the existence of the discrepancy.

“(2) REGULATIONS.—

“(A) REGULATIONS REQUIRED.—The Federal banking agencies, the National Credit Union Administration, and the Commission shall jointly, with respect to the entities that are subject to their respective enforcement authority under section 621, prescribe regulations providing guidance regarding reasonable policies and procedures that a user of a consumer report should employ when such user has received a notice of discrepancy under paragraph (1).

“(B) POLICIES AND PROCEDURES TO BE INCLUDED.—The regulations prescribed under subparagraph (A) shall describe reasonable policies and procedures for use by a user of a consumer report—

“(i) to form a reasonable belief that the user knows the identity of the person to whom the consumer report pertains; and

“(ii) if the user establishes a continuing relationship with the consumer, and the user regularly and in the ordinary course of business furnishes information to the consumer reporting agency from which the notice of discrepancy pertaining to the consumer was obtained, to reconcile the address of the consumer with the consumer reporting agency by furnishing such address to such consumer reporting agency as part of information regularly furnished by the user for the period in which the relationship is established.”.

SEC. 316. NOTICE OF DISPUTE THROUGH RESELLER.

(a) REQUIREMENT FOR REINVESTIGATION OF DISPUTED INFORMATION UPON NOTICE FROM A RESELLER.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(1)(A)) is amended—

(1) in paragraph (1)(A)—

(A) by striking “If the completeness” and inserting “Subject to subsection (f), if the completeness”;

(B) by inserting “, or indirectly through a reseller,” after “notifies the agency directly”; and

(C) by inserting “or reseller” before the period at the end;

(2) in paragraph (2)(A)—

(A) by inserting “or a reseller” after “dispute from any consumer”; and

(B) by inserting “or reseller” before the period at the end; and

(3) in paragraph (2)(B), by inserting “or the reseller” after “from the consumer”.

(b) REINVESTIGATION REQUIREMENT APPLICABLE TO RESELLERS.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i), as amended by this Act, is amended by adding at the end the following:

“(f) REINVESTIGATION REQUIREMENT APPLICABLE TO RESELLERS.—

“(1) EXEMPTION FROM GENERAL REINVESTIGATION REQUIREMENT.—Except as provided in paragraph (2), a reseller shall be exempt from the requirements of this section.

“(2) ACTION REQUIRED UPON RECEIVING NOTICE OF A DISPUTE.—If a reseller receives a notice from a consumer of a dispute concerning the completeness or accuracy of any item of information contained in a consumer report on such consumer produced by the reseller, the reseller shall, within 5 business days of receiving the notice, and free of charge—

Deadline.

“(A) determine whether the item of information is incomplete or inaccurate as a result of an act or omission of the reseller; and

“(B) if—

“(i) the reseller determines that the item of information is incomplete or inaccurate as a result of an act or omission of the reseller, not later than 20 days after receiving the notice, correct the information in the consumer report or delete it; or

Deadline.

“(ii) if the reseller determines that the item of information is not incomplete or inaccurate as a result of an act or omission of the reseller, convey the notice of the dispute, together with all relevant information provided by the consumer, to each consumer reporting agency that provided the reseller with the information that is the subject of the dispute, using an address or a notification mechanism specified by the consumer reporting agency for such notices.

“(3) RESPONSIBILITY OF CONSUMER REPORTING AGENCY TO NOTIFY CONSUMER THROUGH RESELLER.—Upon the completion of a reinvestigation under this section of a dispute concerning the completeness or accuracy of any information in the file of a consumer by a consumer reporting agency that received notice of the dispute from a reseller under paragraph (2)—

“(A) the notice by the consumer reporting agency under paragraph (6), (7), or (8) of subsection (a) shall be provided to the reseller in lieu of the consumer; and

“(B) the reseller shall immediately reconvey such notice to the consumer, including any notice of a deletion by telephone in the manner required under paragraph (8)(A).

“(4) RESELLER REINVESTIGATIONS.—No provision of this subsection shall be construed as prohibiting a reseller from conducting a reinvestigation of a consumer dispute directly.”.

(c) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 611(a)(2)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(2)(B)) is amended in the subparagraph heading, by striking “FROM CONSUMER”.

SEC. 317. REASONABLE REINVESTIGATION REQUIRED.

Section 611(a)(1)(A) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)(1)(A)) is amended by striking “shall reinvestigate free of charge” and inserting “shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate”.

15 USC 1681
note.

SEC. 318. FTC STUDY OF ISSUES RELATING TO THE FAIR CREDIT REPORTING ACT.

(a) **STUDY REQUIRED.**—

(1) **IN GENERAL.**—The Commission shall conduct a study on ways to improve the operation of the Fair Credit Reporting Act.

(2) **AREAS FOR STUDY.**—In conducting the study under paragraph (1), the Commission shall review—

(A) the efficacy of increasing the number of points of identifying information that a credit reporting agency is required to match to ensure that a consumer is the correct individual to whom a consumer report relates before releasing a consumer report to a user, including—

(i) the extent to which requiring additional points of such identifying information to match would—

(I) enhance the accuracy of credit reports; and

(II) combat the provision of incorrect consumer reports to users;

(ii) the extent to which requiring an exact match of the first and last name, social security number, and address and ZIP Code of the consumer would enhance the likelihood of increasing credit report accuracy; and

(iii) the effects of allowing consumer reporting agencies to use partial matches of social security numbers and name recognition software on the accuracy of credit reports;

(B) requiring notification to consumers when negative information has been added to their credit reports, including—

(i) the potential impact of such notification on the ability of consumers to identify errors on their credit reports; and

(ii) the potential impact of such notification on the ability of consumers to remove fraudulent information from their credit reports;

(C) the effects of requiring that a consumer who has experienced an adverse action based on a credit report receives a copy of the same credit report that the creditor relied on in taking the adverse action, including—

(i) the extent to which providing such reports to consumers would increase the ability of consumers to identify errors in their credit reports; and

(ii) the extent to which providing such reports to consumers would increase the ability of consumers

to remove fraudulent information from their credit reports;

(D) any common financial transactions that are not generally reported to the consumer reporting agencies, but would provide useful information in determining the credit worthiness of consumers; and

(E) any actions that might be taken within a voluntary reporting system to encourage the reporting of the types of transactions described in subparagraph (D).

(3) COSTS AND BENEFITS.—With respect to each area of study described in paragraph (2), the Commission shall consider the extent to which such requirements would benefit consumers, balanced against the cost of implementing such provisions.

(b) REPORT REQUIRED.—Not later than 1 year after the date of enactment of this Act, the chairman of the Commission shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing a detailed summary of the findings and conclusions of the study under this section, together with such recommendations for legislative or administrative actions as may be appropriate. Deadline.

SEC. 319. FTC STUDY OF THE ACCURACY OF CONSUMER REPORTS.

15 USC 1681
note.

(a) STUDY REQUIRED.—Until the final report is submitted under subsection (b)(2), the Commission shall conduct an ongoing study of the accuracy and completeness of information contained in consumer reports prepared or maintained by consumer reporting agencies and methods for improving the accuracy and completeness of such information.

(b) BIENNIAL REPORTS REQUIRED.—

(1) INTERIM REPORTS.—The Commission shall submit an interim report to the Congress on the study conducted under subsection (a) at the end of the 1-year period beginning on the date of enactment of this Act and biennially thereafter for 8 years.

(2) FINAL REPORT.—The Commission shall submit a final report to the Congress on the study conducted under subsection (a) at the end of the 2-year period beginning on the date on which the final interim report is submitted to the Congress under paragraph (1).

(3) CONTENTS.—Each report submitted under this subsection shall contain a detailed summary of the findings and conclusions of the Commission with respect to the study required under subsection (a) and such recommendations for legislative and administrative action as the Commission may determine to be appropriate.

TITLE IV—LIMITING THE USE AND SHARING OF MEDICAL INFORMATION IN THE FINANCIAL SYSTEM

SEC. 411. PROTECTION OF MEDICAL INFORMATION IN THE FINANCIAL SYSTEM.

(a) IN GENERAL.—Section 604(g) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)) is amended to read as follows:

“(g) PROTECTION OF MEDICAL INFORMATION.—

“(1) LIMITATION ON CONSUMER REPORTING AGENCIES.—A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit or insurance transaction, a consumer report that contains medical information about a consumer, unless—

“(A) if furnished in connection with an insurance transaction, the consumer affirmatively consents to the furnishing of the report;

“(B) if furnished for employment purposes or in connection with a credit transaction—

“(i) the information to be furnished is relevant to process or effect the employment or credit transaction; and

“(ii) the consumer provides specific written consent for the furnishing of the report that describes in clear and conspicuous language the use for which the information will be furnished; or

“(C) the information to be furnished pertains solely to transactions, accounts, or balances relating to debts arising from the receipt of medical services, products, or devices, where such information, other than account status or amounts, is restricted or reported using codes that do not identify, or do not provide information sufficient to infer, the specific provider or the nature of such services, products, or devices, as provided in section 605(a)(6).

“(2) LIMITATION ON CREDITORS.—Except as permitted pursuant to paragraph (3)(C) or regulations prescribed under paragraph (5)(A), a creditor shall not obtain or use medical information pertaining to a consumer in connection with any determination of the consumer’s eligibility, or continued eligibility, for credit.

“(3) ACTIONS AUTHORIZED BY FEDERAL LAW, INSURANCE ACTIVITIES AND REGULATORY DETERMINATIONS.—Section 603(d)(3) shall not be construed so as to treat information or any communication of information as a consumer report if the information or communication is disclosed—

“(A) in connection with the business of insurance or annuities, including the activities described in section 18B of the model Privacy of Consumer Financial and Health Information Regulation issued by the National Association of Insurance Commissioners (as in effect on January 1, 2003);

“(B) for any purpose permitted without authorization under the Standards for Individually Identifiable Health Information promulgated by the Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996, or referred to under section 1179 of such Act, or described in section 502(e) of Public Law 106-102; or

“(C) as otherwise determined to be necessary and appropriate, by regulation or order and subject to paragraph (6), by the Commission, any Federal banking agency or the National Credit Union Administration (with respect to any financial institution subject to the jurisdiction of such agency or Administration under paragraph (1), (2), or (3) of section 621(b), or the applicable State insurance

authority (with respect to any person engaged in providing insurance or annuities).

“(4) LIMITATION ON REDISCLOSURE OF MEDICAL INFORMATION.—Any person that receives medical information pursuant to paragraph (1) or (3) shall not disclose such information to any other person, except as necessary to carry out the purpose for which the information was initially disclosed, or as otherwise permitted by statute, regulation, or order.

“(5) REGULATIONS AND EFFECTIVE DATE FOR PARAGRAPH (2).—

“(A) REGULATIONS REQUIRED.—Each Federal banking agency and the National Credit Union Administration shall, subject to paragraph (6) and after notice and opportunity for comment, prescribe regulations that permit transactions under paragraph (2) that are determined to be necessary and appropriate to protect legitimate operational, transactional, risk, consumer, and other needs (and which shall include permitting actions necessary for administrative verification purposes), consistent with the intent of paragraph (2) to restrict the use of medical information for inappropriate purposes.

“(B) FINAL REGULATIONS REQUIRED.—The Federal banking agencies and the National Credit Union Administration shall issue the regulations required under subparagraph (A) in final form before the end of the 6-month period beginning on the date of enactment of the Fair and Accurate Credit Transactions Act of 2003.

Deadline.

“(6) COORDINATION WITH OTHER LAWS.—No provision of this subsection shall be construed as altering, affecting, or superseding the applicability of any other provision of Federal law relating to medical confidentiality.”.

(b) RESTRICTION ON SHARING OF MEDICAL INFORMATION.—Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended—

(1) in paragraph (2), by striking “The term” and inserting “Except as provided in paragraph (3), the term”; and

(2) by adding at the end the following new paragraph:

“(3) RESTRICTION ON SHARING OF MEDICAL INFORMATION.—Except for information or any communication of information disclosed as provided in section 604(g)(3), the exclusions in paragraph (2) shall not apply with respect to information disclosed to any person related by common ownership or affiliated by corporate control, if the information is—

“(A) medical information;

“(B) an individualized list or description based on the payment transactions of the consumer for medical products or services; or

“(C) an aggregate list of identified consumers based on payment transactions for medical products or services.”.

(c) DEFINITION.—Section 603(i) of the Fair Credit Reporting Act (15 U.S.C. 1681a(i)) is amended to read as follows:

“(i) MEDICAL INFORMATION.—The term ‘medical information’—

“(1) means information or data, whether oral or recorded, in any form or medium, created by or derived from a health care provider or the consumer, that relates to—

“(A) the past, present, or future physical, mental, or behavioral health or condition of an individual;

“(B) the provision of health care to an individual; or

“(C) the payment for the provision of health care to an individual.

“(2) does not include the age or gender of a consumer, demographic information about the consumer, including a consumer’s residence address or e-mail address, or any other information about a consumer that does not relate to the physical, mental, or behavioral health or condition of a consumer, including the existence or value of any insurance policy.”.

15 USC 1681a
note.

(d) **EFFECTIVE DATES.**—This section shall take effect at the end of the 180-day period beginning on the date of enactment of this Act, except that paragraph (2) of section 604(g) of the Fair Credit Reporting Act (as amended by subsection (a) of this section) shall take effect on the later of—

(1) the end of the 90-day period beginning on the date on which the regulations required under paragraph (5)(B) of such section 604(g) are issued in final form; or

(2) the date specified in the regulations referred to in paragraph (1).

SEC. 412. CONFIDENTIALITY OF MEDICAL CONTACT INFORMATION IN CONSUMER REPORTS.

(a) **DUTIES OF MEDICAL INFORMATION FURNISHERS.**—Section 623(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)), as amended by this Act, is amended by adding at the end the following:

“(9) **DUTY TO PROVIDE NOTICE OF STATUS AS MEDICAL INFORMATION FURNISHER.**—A person whose primary business is providing medical services, products, or devices, or the person’s agent or assignee, who furnishes information to a consumer reporting agency on a consumer shall be considered a medical information furnisher for purposes of this title, and shall notify the agency of such status.”.

(b) **RESTRICTION OF DISSEMINATION OF MEDICAL CONTACT INFORMATION.**—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by adding at the end the following:

“(6) The name, address, and telephone number of any medical information furnisher that has notified the agency of its status, unless—

“(A) such name, address, and telephone number are restricted or reported using codes that do not identify, or provide information sufficient to infer, the specific provider or the nature of such services, products, or devices to a person other than the consumer; or

“(B) the report is being provided to an insurance company for a purpose relating to engaging in the business of insurance other than property and casualty insurance.”.

(c) **NO EXCEPTIONS ALLOWED FOR DOLLAR AMOUNTS.**—Section 605(b) of the Fair Credit Reporting Act (15 U.S.C. 1681c(b)) is amended by striking “The provisions of subsection (a)” and inserting “The provisions of paragraphs (1) through (5) of subsection (a)”.

15 USC 1681b
note.

(d) **COORDINATION WITH OTHER LAWS.**—No provision of any amendment made by this section shall be construed as altering, affecting, or superseding the applicability of any other provision of Federal law relating to medical confidentiality.

(e) **FTC REGULATION OF CODING OF TRADE NAMES.**—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s), as amended by this Act, is amended by adding at the end the following:

“(g) **FTC REGULATION OF CODING OF TRADE NAMES.**—If the Commission determines that a person described in paragraph (9) of section 623(a) has not met the requirements of such paragraph, the Commission shall take action to ensure the person’s compliance with such paragraph, which may include issuing model guidance or prescribing reasonable policies and procedures, as necessary to ensure that such person complies with such paragraph.”.

(f) **TECHNICAL AND CONFORMING AMENDMENTS.**—Section 604(g) of the Fair Credit Reporting Act (15 U.S.C. 1681b(g)), as amended by section 411 of this Act, is amended—

(1) in paragraph (1), by inserting “(other than medical contact information treated in the manner required under section 605(a)(6))” after “a consumer report that contains medical information”; and

(2) in paragraph (2), by inserting “(other than medical information treated in the manner required under section 605(a)(6))” after “a creditor shall not obtain or use medical information”.

(g) **EFFECTIVE DATE.**—The amendments made by this section shall take effect at the end of the 15-month period beginning on the date of enactment of this Act.

TITLE V—FINANCIAL LITERACY AND EDUCATION IMPROVEMENT

SEC. 511. SHORT TITLE.

This title may be cited as the “Financial Literacy and Education Improvement Act”.

SEC. 512. DEFINITIONS.

As used in this title—

(1) the term “Chairperson” means the Chairperson of the Financial Literacy and Education Commission; and

(2) the term “Commission” means the Financial Literacy and Education Commission established under section 513.

SEC. 513. ESTABLISHMENT OF FINANCIAL LITERACY AND EDUCATION COMMISSION.

(a) **IN GENERAL.**—There is established a commission to be known as the “Financial Literacy and Education Commission”.

(b) **PURPOSE.**—The Commission shall serve to improve the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education.

(c) **MEMBERSHIP.**—

(1) **COMPOSITION.**—The Commission shall be composed of—

(A) the Secretary of the Treasury;

(B) the respective head of each of the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, the Securities and Exchange Commission, each of the Departments of Education, Agriculture, Defense, Health and Human Services, Housing and Urban Development,

Financial
Literacy and
Education
Improvement
Act.
20 USC 9701
note.

20 USC 9701.

20 USC 9702.

President. Labor, and Veterans Affairs, the Federal Trade Commission, the General Services Administration, the Small Business Administration, the Social Security Administration, the Commodity Futures Trading Commission, and the Office of Personnel Management; and

(C) at the discretion of the President, not more than 5 individuals appointed by the President from among the administrative heads of any other Federal agencies, departments, or other Federal Government entities, whom the President determines to be engaged in a serious effort to improve financial literacy and education.

(2) ALTERNATES.—Each member of the Commission may designate an alternate if the member is unable to attend a meeting of the Commission. Such alternate shall be an individual who exercises significant decisionmaking authority.

(d) CHAIRPERSON.—The Secretary of the Treasury shall serve as the Chairperson.

(e) MEETINGS.—The Commission shall hold, at the call of the Chairperson, at least 1 meeting every 4 months. All such meetings shall be open to the public. The Commission may hold, at the call of the Chairperson, such other meetings as the Chairperson sees fit to carry out this title.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

Deadline. (g) INITIAL MEETING.—The Commission shall hold its first meeting not later than 60 days after the date of enactment of this Act.

20 USC 9703.

SEC. 514. DUTIES OF THE COMMISSION.

(a) DUTIES.—

(1) IN GENERAL.—The Commission, through the authority of the members referred to in section 513(c), shall take such actions as it deems necessary to streamline, improve, or augment the financial literacy and education programs, grants, and materials of the Federal Government, including curricula for all Americans.

(2) AREAS OF EMPHASIS.—To improve financial literacy and education, the Commission shall emphasize, among other elements, basic personal income and household money management and planning skills, including how to—

(A) create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

(B) manage spending, credit, and debt, including credit card debt, effectively;

(C) increase awareness of the availability and significance of credit reports and credit scores in obtaining credit, the importance of their accuracy (and how to correct inaccuracies), their effect on credit terms, and the effect common financial decisions may have on credit scores;

(D) ascertain fair and favorable credit terms;

(E) avoid abusive, predatory, or deceptive credit offers and financial products;

(F) understand, evaluate, and compare financial products, services, and opportunities;

(G) understand resources that ought to be easily accessible and affordable, and that inform and educate investors as to their rights and avenues of recourse when an investor believes his or her rights have been violated by unprofessional conduct of market intermediaries;

(H) increase awareness of the particular financial needs and financial transactions (such as the sending of remittances) of consumers who are targeted in multilingual financial literacy and education programs and improve the development and distribution of multilingual financial literacy and education materials;

(I) promote bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining an account with a financial institution; and

(J) improve financial literacy and education through all other related skills, including personal finance and related economic education, with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

(b) WEBSITE.—

(1) IN GENERAL.—The Commission shall establish and maintain a website, such as the domain name “FinancialLiteracy.gov”, or a similar domain name.

(2) PURPOSES.—The website established under paragraph

(1) shall—

(A) serve as a clearinghouse of information about Federal financial literacy and education programs;

(B) provide a coordinated entry point for accessing information about all Federal publications, grants, and materials promoting enhanced financial literacy and education;

(C) offer information on all Federal grants to promote financial literacy and education, and on how to target, apply for, and receive a grant that is most appropriate under the circumstances;

(D) as the Commission considers appropriate, feature website links to efforts that have no commercial content and that feature information about financial literacy and education programs, materials, or campaigns; and

(E) offer such other information as the Commission finds appropriate to share with the public in the fulfillment of its purpose.

(c) TOLL-FREE HOTLINE.—The Commission shall establish a toll-free telephone number that shall be made available to members of the public seeking information about issues pertaining to financial literacy and education.

(d) DEVELOPMENT AND DISSEMINATION OF MATERIALS.—The Commission shall—

(1) develop materials to promote financial literacy and education; and

(2) disseminate such materials to the general public.

(e) COORDINATION OF EFFORTS.—The Commission shall take such steps as are necessary to coordinate and promote financial literacy and education efforts at the State and local level, including promoting partnerships among Federal, State, and local governments, nonprofit organizations, and private enterprises.

(f) NATIONAL STRATEGY.—

Deadline.

(1) IN GENERAL.—The Commission shall—

(A) not later than 18 months after the date of enactment of this Act, develop a national strategy to promote basic financial literacy and education among all American consumers; and

(B) coordinate Federal efforts to implement the strategy developed under subparagraph (A).

(2) STRATEGY.—The strategy to promote basic financial literacy and education required to be developed under paragraph (1) shall provide for—

(A) participation by State and local governments and private, nonprofit, and public institutions in the creation and implementation of such strategy;

(B) the development of methods—

(i) to increase the general financial education level of current and future consumers of financial services and products; and

(ii) to enhance the general understanding of financial services and products;

(C) review of Federal activities designed to promote financial literacy and education, and development of a plan to improve coordination of such activities; and

(D) the identification of areas of overlap and duplication among Federal financial literacy and education activities and proposed means of eliminating any such overlap and duplication.

(3) NATIONAL STRATEGY REVIEW.—The Commission shall, not less than annually, review the national strategy developed under this subsection and make such changes and recommendations as it deems necessary.

(g) CONSULTATION.—The Commission shall actively consult with a variety of representatives from private and nonprofit organizations and State and local agencies, as determined appropriate by the Commission.

(h) REPORTS.—

Deadline.

(1) IN GENERAL.—Not later than 18 months after the date of the first meeting of the Commission, and annually thereafter, the Commission shall issue a report, the Strategy for Assuring Financial Empowerment (“SAFE Strategy”), to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the progress of the Commission in carrying out this title.

(2) CONTENTS.—The report required under paragraph (1) shall include—

(A) the national strategy for financial literacy and education, as described under subsection (f);

(B) information concerning the implementation of the duties of the Commission under subsections (a) through (g);

(C) an assessment of the success of the Commission in implementing the national strategy developed under subsection (f);

(D) an assessment of the availability, utilization, and impact of Federal financial literacy and education materials;

(E) information concerning the content and public use of—

(i) the website established under subsection (b); and

(ii) the toll-free telephone number established under subsection (c);

(F) a brief survey of the financial literacy and education materials developed under subsection (d), and data regarding the dissemination and impact of such materials, as measured by improved financial decisionmaking;

(G) a brief summary of any hearings conducted by the Commission, including a list of witnesses who testified at such hearings;

(H) information about the activities of the Commission planned for the next fiscal year;

(I) a summary of all Federal financial literacy and education activities targeted to communities that have historically lacked access to financial literacy materials and education, and have been underserved by the mainstream financial systems; and

(J) such other materials relating to the duties of the Commission as the Commission deems appropriate.

(3) INITIAL REPORT.—The initial report under paragraph (1) shall include information regarding all Federal programs, materials, and grants which seek to improve financial literacy, and assess the effectiveness of such programs.

(i) TESTIMONY.—The Commission shall annually provide testimony by the Chairperson to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

SEC. 515. POWERS OF THE COMMISSION.

20 USC 9704.

(a) HEARINGS.—

(1) IN GENERAL.—The Commission shall hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems appropriate to carry out this title.

(2) PARTICIPATION.—In hearings held under this subsection, the Commission shall consider inviting witnesses from, among other groups—

(A) other Federal Government officials;

(B) State and local government officials;

(C) consumer and community groups;

(D) nonprofit financial literacy and education groups (such as those involved in personal finance and economic education); and

(E) the financial services industry.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this title. Upon request of the Chairperson, the head of such department or agency shall furnish such information to the Commission.

(c) PERIODIC STUDIES.—The Commission may conduct periodic studies regarding the state of financial literacy and education in the United States, as the Commission determines appropriate.

(d) MULTILINGUAL.—The Commission may take any action to develop and promote financial literacy and education materials

in languages other than English, as the Commission deems appropriate, including for the website established under section 514(b), at the toll-free number established under section 514(c), and in the materials developed and disseminated under section 514(d).

20 USC 9705.

SEC. 516. COMMISSION PERSONNEL MATTERS.

(a) **COMPENSATION OF MEMBERS.**—Each member of the Commission shall serve without compensation in addition to that received for their service as an officer or employee of the United States.

(b) **TRAVEL EXPENSES.**—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) **ASSISTANCE.**—

(1) **IN GENERAL.**—The Director of the Office of Financial Education of the Department of the Treasury shall provide assistance to the Commission, upon request of the Commission, without reimbursement.

(2) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

20 USC 9706.

SEC. 517. STUDIES BY THE COMPTROLLER GENERAL.

Deadline.
Reports.

(a) **EFFECTIVENESS STUDY.**—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress assessing the effectiveness of the Commission in promoting financial literacy and education.

(b) **STUDY AND REPORT ON THE NEED AND MEANS FOR IMPROVING FINANCIAL LITERACY AMONG CONSUMERS.**—

(1) **STUDY REQUIRED.**—The Comptroller General of the United States shall conduct a study to assess the extent of consumers' knowledge and awareness of credit reports, credit scores, and the dispute resolution process, and on methods for improving financial literacy among consumers.

(2) **FACTORS TO BE INCLUDED.**—The study required under paragraph (1) shall include the following issues:

(A) The number of consumers who view their credit reports.

(B) Under what conditions and for what purposes do consumers primarily obtain a copy of their consumer report (such as for the purpose of ensuring the completeness and accuracy of the contents, to protect against fraud, in response to an adverse action based on the report, or in response to suspected identity theft) and approximately what percentage of the total number of consumers who obtain a copy of their consumer report do so for each such primary purpose.

(C) The extent of consumers' knowledge of the data collection process.

(D) The extent to which consumers know how to get a copy of a consumer report.

(E) The extent to which consumers know and understand the factors that positively or negatively impact credit scores.

(3) **REPORT REQUIRED.**—Before the end of the 12-month period beginning on the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the findings and conclusions of the Comptroller General pursuant to the study conducted under this subsection, together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate, including recommendations on methods for improving financial literacy among consumers. Deadline.

SEC. 518. THE NATIONAL PUBLIC SERVICE MULTIMEDIA CAMPAIGN TO ENHANCE THE STATE OF FINANCIAL LITERACY. 20 USC 9707.

(a) **IN GENERAL.**—The Secretary of the Treasury (in this section referred to as the “Secretary”), after review of the recommendations of the Commission, as part of the national strategy, shall develop, implement, and conduct a pilot national public service multimedia campaign to enhance the state of financial literacy and education in the United States.

(b) **PROGRAM REQUIREMENTS.**—

(1) **PUBLIC SERVICE CAMPAIGN.**—The Secretary, after review of the recommendations of the Commission, shall select and work with a nonprofit organization or organizations that are especially well-qualified in the distribution of public service campaigns, and have secured private sector funds to produce the pilot national public service multimedia campaign.

(2) **DEVELOPMENT OF MULTIMEDIA CAMPAIGN.**—The Secretary, after review of the recommendations of the Commission, shall develop, in consultation with nonprofit, public, or private organizations, especially those that are well qualified by virtue of their experience in the field of financial literacy and education, to develop the financial literacy national public service multimedia campaign.

(3) **FOCUS OF CAMPAIGN.**—The pilot national public service multimedia campaign shall be consistent with the national strategy, and shall promote the toll-free telephone number and the website developed under this title.

(c) **MULTILINGUAL.**—The Secretary may develop the multimedia campaign in languages other than English, as the Secretary deems appropriate.

(d) **PERFORMANCE MEASURES.**—The Secretary shall develop measures to evaluate the effectiveness of the pilot national public service multimedia campaign, as measured by improved financial decision making among individuals.

(e) **REPORT.**—For each fiscal year for which there are appropriations pursuant to the authorization in subsection (e), the Secretary shall submit a report to the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Financial Services and the Committee on Appropriations of the House of Representatives, describing the status and implementation of the provisions of this section and the state of financial literacy and education in the United States.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary, not to exceed \$3,000,000 for fiscal years 2004, 2005, and 2006, for the development, production, and distribution of a pilot national public service multimedia campaign under this section.

SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this title, including administrative expenses of the Commission.

TITLE VI—PROTECTING EMPLOYEE MISCONDUCT INVESTIGATIONS

SEC. 611. CERTAIN EMPLOYEE INVESTIGATION COMMUNICATIONS EXCLUDED FROM DEFINITION OF CONSUMER REPORT.

(a) **IN GENERAL.**—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as amended by this Act is amended by adding at the end the following:

“(x) **EXCLUSION OF CERTAIN COMMUNICATIONS FOR EMPLOYEE INVESTIGATIONS.**—

“(1) **COMMUNICATIONS DESCRIBED IN THIS SUBSECTION.**—

A communication is described in this subsection if—

“(A) but for subsection (d)(2)(D), the communication would be a consumer report;

“(B) the communication is made to an employer in connection with an investigation of—

“(i) suspected misconduct relating to employment;

or

“(ii) compliance with Federal, State, or local laws and regulations, the rules of a self-regulatory organization, or any preexisting written policies of the employer;

“(C) the communication is not made for the purpose of investigating a consumer’s credit worthiness, credit standing, or credit capacity; and

“(D) the communication is not provided to any person except—

“(i) to the employer or an agent of the employer;

“(ii) to any Federal or State officer, agency, or department, or any officer, agency, or department of a unit of general local government;

“(iii) to any self-regulatory organization with regulatory authority over the activities of the employer or employee;

“(iv) as otherwise required by law; or

“(v) pursuant to section 608.

“(2) **SUBSEQUENT DISCLOSURE.**—After taking any adverse action based in whole or in part on a communication described in paragraph (1), the employer shall disclose to the consumer a summary containing the nature and substance of the communication upon which the adverse action is based, except that the sources of information acquired solely for use in preparing what would be but for subsection (d)(2)(D) an investigative consumer report need not be disclosed.

“(3) **SELF-REGULATORY ORGANIZATION DEFINED.**—For purposes of this subsection, the term ‘self-regulatory organization’ includes any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), any entity established under title I of the Sarbanes-Oxley Act of 2002, any board of trade designated by the Commodity Futures

Trading Commission, and any futures association registered with such Commission.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 603(d)(2)(D) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)(2)(D)) is amended by inserting “or (x)” after “subsection (o)”.

TITLE VII—RELATION TO STATE LAWS

SEC. 711. RELATION TO STATE LAWS.

Section 625 of the Fair Credit Reporting Act (15 U.S.C. 1681t), as so designated by section 214 of this Act, is amended—

(1) in subsection (a), by inserting “or for the prevention or mitigation of identity theft,” after “information on consumers,”;

(2) in subsection (b), by adding at the end the following:

“(5) with respect to the conduct required by the specific provisions of—

“(A) section 605(g);

“(B) section 605A;

“(C) section 605B;

“(D) section 609(a)(1)(A);

“(E) section 612(a);

“(F) subsections (e), (f), and (g) of section 615;

“(G) section 621(f);

“(H) section 623(a)(6); or

“(I) section 628.”; and

(3) in subsection (d)—

(A) by striking paragraph (2);

(B) by striking “(c)—” and all that follows through “do not affect” and inserting “(c) do not affect”; and

(C) by striking “1996; and” and inserting “1996.”.

TITLE VIII—MISCELLANEOUS

SEC. 811. CLERICAL AMENDMENTS.

(a) **SHORT TITLE.**—Section 601 of the Fair Credit Reporting Act (15 U.S.C. 1601 note) is amended by striking “the Fair Credit Reporting Act.” and inserting “the ‘Fair Credit Reporting Act’.”.

(b) **SECTION 604.**—Section 604(a) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)) is amended in paragraphs (1) through (5), other than subparagraphs (E) and (F) of paragraph (3), by moving each margin 2 ems to the right.

(c) **SECTION 605.**—

(1) Section 605(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(1)) is amended by striking “(1) cases” and inserting “(1) Cases”.

(2)(A) Section 5(1) of Public Law 105–347 (112 Stat. 3211) is amended by striking “Judgments which” and inserting “judgments which”. 15 USC 1681c.

(B) The amendment made by subparagraph (A) shall be deemed to have the same effective date as section 5(1) of Public Law 105–347 (112 Stat. 3211). 15 USC 1681c note.

(d) **SECTION 609.**—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended—

(1) in paragraph (2), by moving the margin 2 ems to the right; and

(2) in paragraph (3)(C), by moving the margins 2 ems to the left.

(e) SECTION 617.—Section 617(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681o(a)(1)) is amended by adding “and” at the end.

(f) SECTION 621.—Section 621(b)(1)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681s(b)(1)(B)) is amended by striking “25(a)” and inserting “25A”.

(g) TITLE 31.—Section 5318 of title 31, United States Code, is amended by redesignating the second item designated as subsection (l) (relating to applicability of rules) as subsection (m).

(h) CONFORMING AMENDMENT.—Section 2411(c) of Public Law 104–208 (110 Stat. 3009–445) is repealed.

15 USC 1681m.

Approved December 4, 2003.

LEGISLATIVE HISTORY—H.R. 2622 (S. 1753):

HOUSE REPORTS: Nos. 108–263 and Pt.2 (Comm. on Financial Services) and 108–396 (Comm. of Conference).

SENATE REPORTS: No. 108–166 accompanying S. 1753 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 10, considered and passed House.

Nov. 5, considered and passed Senate, amended, in lieu of S. 1753.

Nov. 21, House agreed to conference report.

Nov. 22, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 4, Presidential remarks.



Public Law 108–160
108th Congress

An Act

To reauthorize the United States Institute for Environmental Conflict Resolution,
and for other purposes.

Dec. 6, 2003
[H.R. 421]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Environmental Policy and Conflict
Resolution Advancement Act of 2003”.

SEC. 2. ENVIRONMENTAL DISPUTE RESOLUTION FUND.

Section 13 of the Morris K. Udall Scholarship and Excellence
in National Environmental and Native American Public Policy Act
of 1992 (20 U.S.C. 5609) is amended by striking subsection (b)
and inserting the following:

“(b) ENVIRONMENTAL DISPUTE RESOLUTION FUND.—There is
authorized to be appropriated to the Environmental Dispute Resolu-
tion Fund established by section 10 \$4,000,000 for each of fiscal
years 2004 through 2008, of which—

“(1) \$3,000,000 shall be used to pay operations costs
(including not more than \$1,000 for official reception and rep-
resentation expenses); and

“(2) \$1,000,000 shall be used for grants or other appropriate
arrangements to pay the costs of services provided in a neutral
manner relating to, and to support the participation of non-
Federal entities (such as State and local governments, tribal
governments, nongovernmental organizations, and individuals)
in, environmental conflict resolution proceedings involving Fed-
eral agencies.”.

Approved December 6, 2003.

Environmental
Policy and
Conflict
Resolution
Advancement Act
of 2003.
20 USC 5601
note.

LEGISLATIVE HISTORY—H.R. 421 (S. 163):

HOUSE REPORTS: No. 108–371, Pt. 1 (Comm. on Resources).

SENATE REPORTS: No. 108–74 accompanying S. 163 (Comm. on Environment and
Public Works).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 19, considered and passed House.

Nov. 21, considered and passed Senate.



Public Law 108–161
108th Congress

An Act

Dec. 6, 2003
[H.R. 1367]

To authorize the Secretary of Agriculture to conduct a loan repayment program regarding the provision of veterinary services in shortage situations, and for other purposes.

National
Veterinary
Medical Service
Act.
7 USC 3101 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Veterinary Medical Service Act”.

SEC. 2. ESTABLISHMENT OF LOAN REPAYMENT PROGRAM REGARDING VETERINARY MEDICINE.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1415 the following new section:

7 USC 3151a.

“SEC. 1415A. VETERINARY MEDICINE LOAN REPAYMENT.

“(a) PROGRAM.—

Contracts.

“(1) SERVICE IN SHORTAGE SITUATIONS.—The Secretary shall carry out a program of entering into agreements with veterinarians under which the veterinarians agree to provide, for a period of time as determined by the Secretary and specified in the agreement, veterinary services in veterinarian shortage situations. For each year of such service under an agreement under this paragraph, the Secretary shall pay an amount, as determined by the Secretary and specified in the agreement, of the principal and interest of qualifying educational loans of the veterinarians.

“(2) SERVICE TO FEDERAL GOVERNMENT IN EMERGENCY SITUATIONS.—

“(A) IN GENERAL.—The Secretary may enter into agreements of 1 year duration with veterinarians who have agreements pursuant to paragraph (1) for such veterinarians to provide services to the Federal Government in emergency situations, as determined by the Secretary, under terms and conditions specified in the agreement. Pursuant to an agreement under this paragraph, the Secretary shall pay an amount, in addition to the amount paid pursuant to the agreement in paragraph (1), as determined by the Secretary and specified in the agreement, of the principal and interest of qualifying educational loans of the veterinarians.

“(B) REQUIREMENTS.—Agreements entered into under this paragraph shall include the following:

“(i) A veterinarian shall not be required to serve more than 60 working days per year of the agreement.

“(ii) A veterinarian who provides service pursuant to the agreement shall receive a salary commensurate with the duties and shall be reimbursed for travel and per diem expenses as appropriate for the duration of the service.

“(b) DETERMINATION OF VETERINARIAN SHORTAGE SITUATIONS.—In determining ‘veterinarian shortage situations’ the Secretary may consider the following:

“(1) Urban or rural areas that the Secretary determines have a shortage of veterinarians.

“(2) Areas of veterinary practice that the Secretary determines have a shortage of veterinarians, such as public health, epidemiology, and food safety.

“(3) Areas of veterinary need in the Federal Government.

“(4) Other factors that the Secretary considers to be relevant.

“(c) ADMINISTRATION.—

“(1) AUTHORITY.—The Secretary may carry out this program directly or enter into agreements with another Federal agency or other service provider to assist in the administration of this program.

“(2) BREACH REMEDIES.—

“(A) IN GENERAL.—Agreements with program participants shall provide remedies for any breach of an agreement by a participant, including repayment or partial repayment of financial assistance received, with interest.

“(B) AMOUNTS RECOVERED.—Funds recovered under this subsection shall be credited to the account available to carry out this section and shall remain available until expended.

“(3) WAIVER.—The Secretary may grant a waiver of the repayment obligation for breach of contract in the event of extreme hardship or extreme need, as determined by the Secretary.

“(4) AMOUNT.—The Secretary shall develop regulations to determine the amount of loan repayment for a year of service by a veterinarian. In making the determination, the Secretary shall consider the extent to which such determination—

Regulations.

“(A) affects the ability of the Secretary to maximize the number of agreements that can be provided under the Veterinary Medicine Loan Repayment Program from the amounts appropriated for such agreements; and

“(B) provides an incentive to serve in veterinary service shortage areas with the greatest need.

“(5) QUALIFYING EDUCATIONAL LOANS.—Loan repayments provided under this section may consist of payments on behalf of participating individuals of the principal and interest on government and commercial loans received by the individual for attendance of the individual at an accredited college of veterinary medicine resulting in a degree of Doctor of Veterinary Medicine or the equivalent, which loans were made for—

“(A) tuition expenses;

“(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

“(C) reasonable living expenses as determined by the Secretary.

“(6) REPAYMENT SCHEDULE.—The Secretary may enter into an agreement with the holder of any loan for which payments are made under this section to establish a schedule for the making of such payments.

“(7) TAX LIABILITY.—In addition to educational loan repayments, the Secretary shall make such additional payments to participants as the Secretary determines to be appropriate for the purpose of providing reimbursements to participants for individual tax liability resulting from participation in this program.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section such sums as may be necessary and such sums shall remain available to the Secretary for the purposes of this section until expended.”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 1367:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 17, considered and passed House.

Nov. 24, considered and passed Senate.



Public Law 108–162
108th Congress

An Act

To award a congressional gold medal to Dr. Dorothy Height in recognition of her many contributions to the Nation.

Dec. 6, 2003

[H.R. 1821]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

31 USC 5111
note.

SECTION 1. FINDINGS.

The Congress makes the following findings:

(1) Dr. Dorothy Irene Height was born March 24, 1912, to James Edward Height and Fannie (Borroughs) Height in Richmond, Virginia, and raised in Rankin, Pennsylvania.

(2) Dr. Height is recognized as one of the preeminent social and civil rights activists of her time, particularly in the struggle for equality, social justice, and human rights for all peoples.

(3) Beginning as a civil rights advocate in the 1930s, she soon gained prominence through her tireless efforts to promote interracial schooling, to register and educate voters, and to increase the visibility and status of women in our society.

(4) She has labored to provide hope for inner-city children and their families, and she can claim responsibility for many of the advances made by women and African-Americans over the course of this century.

(5) Her public career spans over 65 years.

(6) Dr. Height was a valued consultant on human and civil rights issues to First Lady Eleanor Roosevelt and she encouraged President Eisenhower to desegregate the Nation's schools and President Johnson to appoint African-American women to sub-Cabinet posts.

(7) Dr. Height has been President of the National Council of Negro Women (NCNW) since 1957, a position to which she was appointed upon the retirement of Dr. Mary McLeod Bethune, one of the most influential African-American women in United States history.

(8) The National Council of Negro Women is currently the umbrella organization for 250 local groups and 38 national groups engaged in economic development and women's issues.

(9) Under Dr. Height's leadership, the National Council of Negro Women implemented a number of new and innovative programs and initiatives, including the following:

(A) Operation Woman Power, a project to expand business ownership by women and to provide funds for vocational training.

(B) Leadership training for African-American women in the rural South.

(C) The Black Family Reunion, a nationwide annual gathering to encourage, renew and celebrate the concept of not only the Black family but all families.

(D) The Women's Center for Education and Career Advancement to empower minority women in nontraditional careers.

(E) The Bethune Museum and Archives, a museum devoted to African-American women's history.

(10) Dr. Height has been at the forefront of AIDS education, both nationally and internationally; under her direction, the National Council of Negro Women established offices in West Africa and South Africa and worked to improve the conditions of women in the developing world.

(11) Dr. Height has been central in the success of 2 other influential women's organizations, as follows:

(A) As president and executive board member of Delta Sigma Theta, Dr. Height left the sorority more efficient and globally focused with a centralized headquarters.

(B) Her work with the Young Women's Christian Association (YWCA) led to its integration and more active participation in the civil rights movement.

(12) As a member of the "Big Six" civil rights leaders with Whitney Young, A. Phillip Randolph, Martin Luther King, Jr., James Farmer, and Roy Wilkins, Dr. Height was the only female at the table when the Rev. Dr. Martin Luther King, Jr. and others made plans for the civil rights movement.

(13) Dr. Height is the recipient of many awards and accolades for her efforts on behalf of women's rights, including the following:

(A) The Spingarn Award, the NAACP's highest honor for civil rights contributions.

(B) The Presidential Medal of Freedom awarded by President Clinton.

(C) The John F. Kennedy Memorial Award from the National Council of Jewish Women.

(D) The Ministerial Interfaith Association Award for her contributions to interfaith, interracial, and ecumenical movements for over 30 years.

(E) The Lovejoy Award, the highest recognition by the Grand Lodge of the Benevolent and Protective Order of Elks of the World for outstanding contributions to human relations.

(F) The Ladies Home Journal Woman of the Year Award in recognition for her work for human rights.

(G) The William L. Dawson Award presented by the Congressional Black Caucus for decades of public service to people of color and particularly women.

(H) The Citizens Medal Award for distinguished service presented by President Reagan.

(I) The Franklin Delano Roosevelt Freedom Medal awarded by the Franklin and Eleanor Roosevelt Institute.

(14) Dr. Dorothy Height has established a lasting legacy of public service that has been an invaluable contribution to the progress of this Nation.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) **PRESENTATION AUTHORIZED.**—The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of the Congress, to Dr. Dorothy Irene Height a gold medal of appropriate design in recognition of her many contributions to the Nation.

(b) **DESIGN AND STRIKING.**—For the purpose of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the “Secretary”) shall strike a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

Under such regulations as the Secretary may prescribe, the Secretary may strike and sell duplicates in bronze of the gold medals struck under section 2 at a price sufficient to cover the costs of the medals, including labor, materials, dies, use of machinery, and overhead expenses.

SEC. 4. NATIONAL MEDALS.

The medals struck under this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS; PROCEEDS OF SALE.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—There is hereby authorized to be charged against the United States Mint Public Enterprise Fund an amount not to exceed \$30,000 to pay for the cost of the medal authorized under section 2.

(b) **PROCEEDS OF SALE.**—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 1821:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 15, considered and passed House.

Nov. 21, considered and passed Senate.



Public Law 108–163
108th Congress

An Act

Dec. 6, 2003
[H.R. 3038]

To make certain technical and conforming amendments to correct the Health Care Safety Net Amendments of 2002.

Health Care
Safety Net
Amendments
Technical
Corrections Act
of 2003.
42 USC 201 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Health Care Safety Net Amendments Technical Corrections Act of 2003”.

SEC. 2. TECHNICAL AMENDMENTS.

(a) HEALTH CENTERS.—

(1) IN GENERAL.—Section 330 of the Public Health Service Act (42 U.S.C. 254b) is amended to read as if—

(A) subparagraph (C) of the second paragraph (4) of section 101 of Public Law 107–251 had not been enacted;

(B) paragraph (7)(C) of such section 101 had not been enacted; and

(C) paragraphs (8) through (11) of such section 101 had not been enacted.

(2) AMENDMENTS PER PUBLIC LAW 107–251.—Section 330 of the Public Health Service Act (42 U.S.C. 254b), as amended by paragraph (1), is amended—

(A) in subsection (c)(1)(B), in the matter preceding clause (i), by striking “plan..” and inserting “plan.”;

(B) in subsection (d)(1)(B)(iii), in subclause (I), by adding “or” at the end;

(C) by striking subsection (k);

(D) by redesignating subsection (j) as subsection (k);

(E) by inserting after subsection (i) a subsection that is identical to the subsection (j) that appears (as an amendment) in section 101(8)(C) of Public Law 107–251;

(F) by redesignating subsection (l) as subsection (r), by transferring it from its current placement, and by inserting it after subsection (q);

(G) by inserting before subsection (m) a subsection that is identical to the subsection that appears (as an amendment) in section 101(9) of Public Law 107–251, and by redesignating as subsection (l) the subsection that is so inserted;

(H) in subsection (l) (as inserted and redesignated by subparagraph (G) of this paragraph), in the first sentence—

(i) by inserting after “shall provide” the following: “(either through the Department of Health and Human Services or by grant or contract)”; and

- (ii) by striking “(l)(3)” and inserting “(k)(3)”;
- (I) in subsection (p), by striking “(j)(3)(G)” and inserting “(k)(3)(G)”;
- (J) in subsection (r) (as redesignated, transferred, and inserted by subparagraph (F) of this paragraph)—
 - (i) in paragraph (1), by striking “\$802,124,000” and all that follows through the period and inserting “\$1,340,000,000 for fiscal year 2002 and such sums as may be necessary for each of the fiscal years 2003 through 2006.”;
 - (ii) in paragraph (2)(A)—
 - (I) by striking “(j)(3)” and inserting “(k)(3)”;
 - and
 - (II) by striking “(j)(3)(G)(ii)” and inserting “(k)(3)(H)”;
 - (iii) in paragraph (2), by striking subparagraph (B) and inserting a subparagraph that is identical to the subparagraph (B) that appears (as an amendment) in section 101(11)(B)(ii) of Public Law 107–251.
- (b) RURAL HEALTH OUTREACH.—Section 330A(b)(4) of the Public Health Service Act (42 U.S.C. 254c(b)(4)) is amended by striking “799B” and inserting “799B(6)”.
- (c) TELEHEALTH.—Section 330I of the Public Health Service Act (42 U.S.C. 254c–14) is amended—
 - (1) in subsection (a)(4), by striking “799B” and inserting “799B(6)”;
 - and
 - (2) in subsection (c)(1), by striking “Health and Resources and Services Administration” and inserting “Health Resources and Services Administration”.
- (d) MENTAL HEALTH SERVICES VIA TELEHEALTH.—Section 330K of the Public Health Service Act (42 U.S.C. 254c–16) is amended—
 - (1) in subsection (b)(2), by striking “subsection (a)(4)” and inserting “subsection (a)(3)”;
 - and
 - (2) in subsection (c)(1)—
 - (A) in subparagraph (A), by striking “subsection (a)(4)(A)” and inserting “subsection (a)(3)(A)”;
 - and
 - (B) in subparagraph (B), by striking “subsection (a)(4)(B)” and inserting “subsection (a)(3)(B)”.
- (e) TELEMEDICINE INCENTIVE GRANTS.—
 - (1) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end the following:

“SEC. 330L. TELEMEDICINE; INCENTIVE GRANTS REGARDING COORDINATION AMONG STATES. 42 USC 254c–18.

“(a) IN GENERAL.—The Secretary may make grants to State professional licensing boards to carry out programs under which such licensing boards of various States cooperate to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

“(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.”.

(2) REPEAL.—Section 102 of the Health Care Safety Net Amendments of 2002 (Public Law 107–251) is repealed.

(f) HEALTH PROFESSIONAL SHORTAGE AREAS.—

42 USC 254c–17.

(1) IN GENERAL.—Section 332 of the Public Health Service Act (42 U.S.C. 254e) is amended—

(A) in subsection (a)(1)—

(i) by striking “such date of enactment” and inserting “such date of designation”; and

(ii) by striking “, issued after the date of enactment of this Act, that revise” and inserting “regarding”; and

(B) in subsection (a)(3), by striking “330(h)(4)” and inserting “330(h)(5)”;

(C) in subsection (b)(2), by striking “designation,” and inserting “designation.”; and

(D) by adding at the end the following:

Reports.
Regulations.

“(j)(1) The Secretary shall submit the report described in paragraph (2) if the Secretary, acting through the Administrator of the Health Resources and Services Administration, issues—

“(A) a regulation that revises the definition of a health professional shortage area for purposes of this section; or

“(B) a regulation that revises the standards concerning priority of such an area under section 333A.

“(2) On issuing a regulation described in paragraph (1), the Secretary shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that describes the regulation.

Effective date.

“(3) Each regulation described in paragraph (1) shall take effect 180 days after the committees described in paragraph (2) receive a report referred to in such paragraph describing the regulation.”.

42 USC 254e
note.

(2) REPEAL.—Subsection (b) of section 302 of the Health Care Safety Net Amendments of 2002 (Public Law 107–251) is repealed.

(g) ASSIGNMENT OF CORPS PERSONNEL.—Section 333(a)(1) of the Public Health Service Act (42 U.S.C. 254f) is amended by moving subparagraph (C) so that the margin of subparagraph (C) is aligned with the margins of subparagraphs (A), (B), and (D).

(h) PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL.—Section 333A(c)(4) of the Public Health Service Act (42 U.S.C. 254f–1(c)(4)) is amended by striking “30 days” and inserting “30 days from such notification”.

(i) CHARGES FOR SERVICES.—Section 334(b)(1)(B) of the Public Health Service Act (42 U.S.C. 254g(b)(1)(B)) is amended by inserting “the payment of” after “applied to”.

(j) NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM.—Section 338A(d)(1) (42 U.S.C. 254l(d)(1)) is amended by moving subparagraph (B) so that the margin of subparagraph (B) is aligned with the margin of subparagraphs (A) and (C).

(k) NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM.—Section 338B(e) of the Public Health Service Act (42 U.S.C. 254l–1) is amended by striking “PARTICIPATION.—” and all that follows through “An individual” and inserting “PARTICIPATION.—An individual”.

(l) BREACH OF CONTRACT.—

(1) IN GENERAL.—Section 338E of the Public Health Service Act (42 U.S.C. 254o) is amended—

(A) in subsection (c)(1), by moving subparagraphs (A), (B), and (C), and the flush matter following subparagraph (C), 2 ems to the left; and

(B) by adding at the end the following:

“(f) The amendment made by section 313(a)(4) of the Health Care Safety Net Amendments of 2002 (Public Law 107–251) shall apply to any obligation for which a discharge in bankruptcy has not been granted before the date that is 31 days after the date of enactment of such Act.”.

Applicability.

(2) REPEAL.—Subsection (b) of section 313 of the Health Care Safety Net Amendments of 2002 (Public Law 107–251) is repealed.

42 USC 254o note.

(m) MISCELLANEOUS.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in subsections (g)(1)(G)(ii), (k)(2), and (n)(1)(C) of section 224, and sections 317A(a)(2), 317E(c), and 318A(e), by striking “330, 330(h)” and inserting “330”;

42 USC 233, 247b–1, 247b–6, 247c–1.

(2) in section 1313, by striking “329, 330, and 330(h)” and inserting “329 and 330”; and

42 USC 300e–12.

(3) in section 2652(a)(2), by striking “section 340” and inserting “section 330(h)”.

42 USC 300ff–52.

(n) HEALTH CARE SAFETY NET AMENDMENTS OF 2002.—The Health Care Safety Net Amendments of 2002 (Public Law 107–251) is amended—

(1) in section 404(c)(5), by striking “Health Care Financing Administration and the Health Research” and inserting “Centers for Medicare & Medicaid Services and the Health Resources”; and

42 USC 1396a note.

(2) in section 501, by striking “solvency for managed care networks” and inserting “guarantees of solvency for managed care networks or plans”.

42 USC 254b note.

SEC. 3. EFFECTIVE DATE.

42 USC 233 note.

This Act is deemed to have taken effect immediately after the enactment of Public Law 107–251.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 3038:

HOUSE REPORTS: No. 108–275 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 1, considered and passed House.

Nov. 20, considered and passed Senate.



Public Law 108–164
108th Congress

An Act

Dec. 6, 2003
[H.R. 3140]

To provide for availability of contact lens prescriptions to patients, and for other purposes.

Fairness to
Contact Lens
Consumers Act.
15 USC 7601
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Fairness to Contact Lens Consumers Act”.

15 USC 7601.

SEC. 2. AVAILABILITY OF CONTACT LENS PRESCRIPTIONS TO PATIENTS.

(a) **IN GENERAL.**—When a prescriber completes a contact lens fitting, the prescriber—

(1) whether or not requested by the patient, shall provide to the patient a copy of the contact lens prescription; and

(2) shall, as directed by any person designated to act on behalf of the patient, provide or verify the contact lens prescription by electronic or other means.

(b) **LIMITATIONS.**—A prescriber may not—

(1) require purchase of contact lenses from the prescriber or from another person as a condition of providing a copy of a prescription under subsection (a)(1) or (a)(2) or verification of a prescription under subsection (a)(2);

(2) require payment in addition to, or as part of, the fee for an eye examination, fitting, and evaluation as a condition of providing a copy of a prescription under subsection (a)(1) or (a)(2) or verification of a prescription under subsection (a)(2); or

(3) require the patient to sign a waiver or release as a condition of verifying or releasing a prescription.

15 USC 7602.

SEC. 3. IMMEDIATE PAYMENT OF FEES IN LIMITED CIRCUMSTANCES.

A prescriber may require payment of fees for an eye examination, fitting, and evaluation before the release of a contact lens prescription, but only if the prescriber requires immediate payment in the case of an examination that reveals no requirement for ophthalmic goods. For purposes of the preceding sentence, presentation of proof of insurance coverage for that service shall be deemed to be a payment.

15 USC 7603.

SEC. 4. PRESCRIBER VERIFICATION.

(a) **PRESCRIPTION REQUIREMENT.**—A seller may sell contact lenses only in accordance with a contact lens prescription for the patient that is—

(1) presented to the seller by the patient or prescriber directly or by facsimile; or

(2) verified by direct communication.

(b) RECORD REQUIREMENT.—A seller shall maintain a record of all direct communications referred to in subsection (a).

(c) INFORMATION.—When seeking verification of a contact lens prescription, a seller shall provide the prescriber with the following information:

(1) Patient's full name and address.

(2) Contact lens power, manufacturer, base curve or appropriate designation, and diameter when appropriate.

(3) Quantity of lenses ordered.

(4) Date of patient request.

(5) Date and time of verification request.

(6) Name of contact person at seller's company, including facsimile and telephone number.

(d) VERIFICATION EVENTS.—A prescription is verified under this Act only if one of the following occurs:

(1) The prescriber confirms the prescription is accurate by direct communication with the seller.

(2) The prescriber informs the seller that the prescription is inaccurate and provides the accurate prescription.

(3) The prescriber fails to communicate with the seller within 8 business hours, or a similar time as defined by the Federal Trade Commission, after receiving from the seller the information described in subsection (c).

(e) INVALID PRESCRIPTION.—If a prescriber informs a seller before the deadline under subsection (d)(3) that the contact lens prescription is inaccurate, expired, or otherwise invalid, the seller shall not fill the prescription. The prescriber shall specify the basis for the inaccuracy or invalidity of the prescription. If the prescription communicated by the seller to the prescriber is inaccurate, the prescriber shall correct it.

(f) NO ALTERATION.—A seller may not alter a contact lens prescription. Notwithstanding the preceding sentence, if the same contact lens is manufactured by the same company and sold under multiple labels to individual providers, the seller may fill the prescription with a contact lens manufactured by that company under another label.

(g) DIRECT COMMUNICATION.—As used in this section, the term “direct communication” includes communication by telephone, facsimile, or electronic mail.

SEC. 5. EXPIRATION OF CONTACT LENS PRESCRIPTIONS.

15 USC 7604.

(a) IN GENERAL.—A contact lens prescription shall expire—

(1) on the date specified by the law of the State in which the prescription was written, if that date is one year or more after the issue date of the prescription;

(2) not less than one year after the issue date of the prescription if such State law specifies no date or a date that is less than one year after the issue date of the prescription; or

(3) notwithstanding paragraphs (1) and (2), on the date specified by the prescriber, if that date is based on the medical judgment of the prescriber with respect to the ocular health of the patient.

(b) SPECIAL RULES FOR PRESCRIPTIONS OF LESS THAN 1 YEAR.—If a prescription expires in less than 1 year, the reasons for the judgment referred to in subsection (a)(3) shall be documented in the patient’s medical record. In no circumstance shall the prescription expiration date be less than the period of time recommended by the prescriber for a reexamination of the patient that is medically necessary.

(c) DEFINITION.—As used in this section, the term “issue date” means the date on which the patient receives a copy of the prescription.

15 USC 7605. **SEC. 6. CONTENT OF ADVERTISEMENTS AND OTHER REPRESENTATIONS.**

Any person that engages in the manufacture, processing, assembly, sale, offering for sale, or distribution of contact lenses may not represent, by advertisement, sales presentation, or otherwise, that contact lenses may be obtained without a prescription.

15 USC 7606. **SEC. 7. PROHIBITION OF CERTAIN WAIVERS.**

A prescriber may not place on the prescription, or require the patient to sign, or deliver to the patient a form or notice waiving or disclaiming the liability or responsibility of the prescriber for the accuracy of the eye examination. The preceding sentence does not impose liability on a prescriber for the ophthalmic goods and services dispensed by another seller pursuant to the prescriber’s correctly verified prescription.

15 USC 7607. **SEC. 8. RULEMAKING BY FEDERAL TRADE COMMISSION.**

The Federal Trade Commission shall prescribe rules pursuant to section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) to carry out this Act. Rules so prescribed shall be exempt from the requirements of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (15 U.S.C. 2301 et seq.). Any such regulations shall be issued in accordance with section 553 of title 5, United States Code. The first rules under this section shall take effect not later than 180 days after the effective date of this Act.

15 USC 7608. **SEC. 9. VIOLATIONS.**

(a) IN GENERAL.—Any violation of this Act or the rules required under section 8 shall be treated as a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices.

(b) ACTIONS BY THE COMMISSION.—The Federal Trade Commission shall enforce this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act.

15 USC 7609. **SEC. 10. STUDY AND REPORT.**

(a) STUDY.—The Federal Trade Commission shall undertake a study to examine the strength of competition in the sale of prescription contact lenses. The study shall include an examination of the following issues:

(1) Incidence of exclusive relationships between prescribers or sellers and contact lens manufacturers and the impact of such relationships on competition.

(2) Difference between online and offline sellers of contact lenses, including price, access, and availability.

(3) Incidence, if any, of contact lens prescriptions that specify brand name or custom labeled contact lenses, the reasons for the incidence, and the effect on consumers and competition.

(4) The impact of the Federal Trade Commission eyeglasses rule (16 CFR 456 et seq.) on competition, the nature of the enforcement of the rule, and how such enforcement has impacted competition.

(5) Any other issue that has an impact on competition in the sale of prescription contact lenses.

(b) REPORT.—Not later than 12 months after the effective date of this Act, the Chairman of the Federal Trade Commission shall submit to the Congress a report of the study required by subsection (a). Deadline.

SEC. 11. DEFINITIONS.

15 USC 7610.

As used in this Act:

(1) CONTACT LENS FITTING.—The term “contact lens fitting” means the process that begins after the initial eye examination and ends when a successful fit has been achieved or, in the case of a renewal prescription, ends when the prescriber determines that no change in prescription is required, and such term may include—

(A) an examination to determine lens specifications;

(B) except in the case of a renewal of a prescription, an initial evaluation of the fit of the lens on the eye; and

(C) medically necessary follow up examinations.

(2) PRESCRIBER.—The term “prescriber” means, with respect to contact lens prescriptions, an ophthalmologist, optometrist, or other person permitted under State law to issue prescriptions for contact lenses in compliance with any applicable requirements established by the Food and Drug Administration.

(3) CONTACT LENS PRESCRIPTION.—The term “contact lens prescription” means a prescription, issued in accordance with State and Federal law, that contains sufficient information for the complete and accurate filling of a prescription, including the following:

(A) Name of the patient.

(B) Date of examination.

(C) Issue date and expiration date of prescription.

(D) Name, postal address, telephone number, and facsimile telephone number of prescriber.

(E) Power, material or manufacturer or both.

(F) Base curve or appropriate designation.

(G) Diameter, when appropriate.

(H) In the case of a private label contact lens, name of manufacturer, trade name of private label brand, and, if applicable, trade name of equivalent brand name.

15 USC 7601
note.

SEC. 12. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 3140:

HOUSE REPORTS: No. 108–318 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 19, considered and passed House.

Nov. 20, considered and passed Senate.



Public Law 108–165
108th Congress

An Act

To designate the facility of the United States Postal Service located at 57 Old Tappan Road in Tappan, New York, as the “John G. Dow Post Office Building”.

Dec. 6, 2003
[H.R. 3166]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 57 Old Tappan Road in Tappan, New York, shall be known and designated as the “John G. Dow Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “John G. Dow Post Office Building”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 3166 (S. 1659):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 4, considered and passed House.

Nov. 20, considered and passed Senate.



Public Law 108–166
108th Congress

An Act

Dec. 6, 2003
[H.R. 3185]

To designate the facility of the United States Postal Service located at 38 Spring Street in Nashua, New Hampshire, as the “Hugh Gregg Post Office Building”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 38 Spring Street in Nashua, New Hampshire, shall be known and designated as the “Hugh Gregg Post Office Building”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in section 1 shall be deemed to be a reference to the “Hugh Gregg Post Office Building”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 3185 (S. 1692):
CONGRESSIONAL RECORD, Vol. 149 (2003):
Nov. 17, considered and passed House.
Nov. 20, considered and passed Senate.



Public Law 108–167
108th Congress

An Act

To authorize salary adjustments for Justices and judges of the United States for
fiscal year 2004.

Dec. 6, 2003

[H.R. 3349]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

**SECTION 1. AUTHORIZATION OF SALARY ADJUSTMENTS FOR FEDERAL
JUSTICES AND JUDGES.**

28 USC 461 note.

Pursuant to section 140 of Public Law 97–92, Justices and
judges of the United States are authorized during fiscal year 2004
to receive a salary adjustment in accordance with section 461 of
title 28, United States Code.

Approved December 6, 2003.

LEGISLATIVE HISTORY—H.R. 3349:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 5, considered and passed House.

Nov. 21, considered and passed Senate.



Public Law 108–168
108th Congress

An Act

Dec. 6, 2003

[S. 579]

National
Transportation
Safety Board
Reauthorization
Act of 2003.
49 USC 1101
note.

To reauthorize the National Transportation Safety Board, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Transportation Safety Board Reauthorization Act of 2003”.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEARS 2003–2006.—Section 1118(a) of title 49, United States Code, is amended—

(1) by striking “and”; and

(2) by striking “such sums to” and inserting the following: “\$73,325,000 for fiscal year 2003, \$78,757,000 for fiscal year 2004, \$83,011,000 for fiscal year 2005, and \$87,539,000 for fiscal year 2006. Such sums shall”.

(b) EMERGENCY FUND.—Section 1118(b) of such title is amended by striking the second sentence and inserting the following: “In addition, there are authorized to be appropriated such sums as may be necessary to increase the fund to, and maintain the fund at, a level not to exceed \$4,000,000.”.

(c) NTSB ACADEMY.—Section 1118 of such title is amended by adding at the end the following:

“(c) ACADEMY.—

“(1) AUTHORIZATION.—There are authorized to be appropriated to the Board for necessary expenses of the National Transportation Safety Board Academy, not otherwise provided for, \$3,347,000 for fiscal year 2003, \$4,896,000 for fiscal year 2004, \$4,995,000 for fiscal year 2005, and \$5,200,000 for fiscal year 2006. Such sums shall remain available until expended.

“(2) FEES.—The Board may impose and collect such fees as it determines to be appropriate for services provided by or through the Academy.

“(3) RECEIPTS CREDITED AS OFFSETTING COLLECTIONS.—Notwithstanding section 3302 of title 31, any fee collected under this subsection—

“(A) shall be credited as offsetting collections to the account that finances the activities and services for which the fee is imposed;

“(B) shall be available for expenditure only to pay the costs of activities and services for which the fee is imposed; and

“(C) shall remain available until expended.

“(4) REFUNDS.—The Board may refund any fee paid by mistake or any amount paid in excess of that required.

“(d) REPORT ON ACADEMY OPERATIONS.—The National Transportation Safety Board shall transmit an annual report to the Congress on the activities and operations of the National Transportation Safety Board Academy.”.

SEC. 3. ASSISTANCE TO FAMILIES OF PASSENGERS INVOLVED IN AIRCRAFT ACCIDENTS.

(a) RELINQUISHMENT OF INVESTIGATIVE PRIORITY.—Section 1136 of title 49, United States Code, is amended by adding at the end the following:

“(j) RELINQUISHMENT OF INVESTIGATIVE PRIORITY.—

“(1) GENERAL RULE.—This section (other than subsection (g)) shall not apply to an aircraft accident if the Board has relinquished investigative priority under section 1131(a)(2)(B) and the Federal agency to which the Board relinquished investigative priority is willing and able to provide assistance to the victims and families of the passengers involved in the accident.

“(2) BOARD ASSISTANCE.—If this section does not apply to an aircraft accident because the Board has relinquished investigative priority with respect to the accident, the Board shall assist, to the maximum extent possible, the agency to which the Board has relinquished investigative priority in assisting families with respect to the accident.”.

(b) REVISION OF MOU.—Not later than 1 year after the date of enactment of this Act, the National Transportation Safety Board and the Federal Bureau of Investigation shall revise their 1977 agreement on the investigation of accidents to take into account the amendments made by this section and shall submit a copy of the revised agreement to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

Deadline.
49 USC 1131
note.

SEC. 4. RELIEF FROM CONTRACTING REQUIREMENTS FOR INVESTIGATIONS SERVICES.

(a) IN GENERAL.—From the date of enactment of this Act through September 30, 2006, the National Transportation Safety Board may enter into agreements or contracts under the authority of section 1113(b)(1)(B) of title 49, United States Code, for investigations conducted under section 1131 of that title without regard to any other provision of law requiring competition if necessary to expedite the investigation.

49 USC 1113
note.

Effective date.
Termination
date.

(b) REPORT ON USAGE.—On February 1, 2006, the National Transportation Safety Board shall transmit a report to the House of Representatives Committee on Transportation and Infrastructure, the House of Representatives Committee on Government Reform, the Senate Committee on Commerce, Science, and Transportation, and the Senate Committee on Governmental Affairs that—

Deadline.

(1) describes each contract for \$25,000 or more executed by the Board to which the authority provided by subsection (a) was applied; and

(2) sets forth the rationale for dispensing with competition requirements with respect to such contract.

SEC. 5. ACCIDENT AND SAFETY DATA CLASSIFICATION AND PUBLICATION.

Section 1119 of title 49, United States Code, is amended by adding at the end the following:

“(c) APPEALS.—

“(1) NOTIFICATION OF RIGHTS.—In any case in which an employee of the Board determines that an occurrence associated with the operation of an aircraft constitutes an accident, the employee shall notify the owner or operator of that aircraft of the right to appeal that determination to the Board.

“(2) PROCEDURE.—The Board shall establish and publish the procedures for appeals under this subsection.

“(3) LIMITATION ON APPLICABILITY.—This subsection shall not apply in the case of an accident that results in a loss of life.”.

SEC. 6. SECRETARY OF TRANSPORTATION’S RESPONSES TO SAFETY RECOMMENDATIONS.

Section 1135(d) of title 49, United States Code, is amended to read as follows:

“(d) REPORTING REQUIREMENTS.—

“(1) ANNUAL SECRETARIAL REGULATORY STATUS REPORTS.—

On February 1 of each year, the Secretary shall submit a report to Congress and the Board containing the regulatory status of each recommendation made by the Board to the Secretary (or to an Administration within the Department of Transportation) that is on the Board’s ‘most wanted list’. The Secretary shall continue to report on the regulatory status of each such recommendation in the report due on February 1 of subsequent years until final regulatory action is taken on that recommendation or the Secretary (or an Administration within the Department) determines and states in such a report that no action should be taken.

“(2) FAILURE TO REPORT.—If on March 1 of each year the Board has not received the Secretary’s report required by this subsection, the Board shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the Secretary’s failure to submit the required report.

“(3) TERMINATION.—This subsection shall cease to be in effect after the report required to be filed on February 1, 2008, is filed.”.

SEC. 7. TECHNICAL AMENDMENTS.

Section 1131(a)(2) of title 49, United States Code, is amended by moving subparagraphs (B) and (C) 4 ems to the left.

SEC. 8. DOT INSPECTOR GENERAL INVESTIGATIVE AUTHORITY.

(a) IN GENERAL.—Section 228 of the Motor Carrier Safety Improvement Act of 1999 (113 Stat. 1773) is transferred to, and added at the end of, subchapter III of chapter 3 of title 49, United States Code, as section 354 of that title.

(b) CONFORMING AMENDMENTS.—(1) The caption of the section is amended to read as follows:

5 USC app. 4
note; 49 USC
354.

Deadlines.

“§ 354. Investigative authority of Inspector General”.

(2) The chapter analysis for chapter 3 of title 49, United States Code, is amended by adding at the end the following:

“354. Investigative authority of Inspector General.”.

SEC. 9. REPORTS ON CERTAIN OPEN SAFETY RECOMMENDATIONS.

Deadline.
49 USC 1135
note.

(a) **INITIAL REPORT.**—Within 1 year after the date of enactment of this Act, the Secretary of Transportation shall submit a report to Congress and the National Transportation Safety Board containing the regulatory status of each open safety recommendation made by the Board to the Secretary concerning—

- (1) 15-passenger van safety;
- (2) railroad grade crossing safety; and
- (3) medical certifications for a commercial driver’s license.

(b) **BIENNIAL UPDATES.**—The Secretary shall continue to report on the regulatory status of each such recommendation (and any subsequent recommendation made by the Board to the Secretary concerning a matter described in paragraph (1), (2), or (3) of subsection (a)) at 2-year intervals until—

- (1) final regulatory action has been taken on the recommendation;
- (2) the Secretary determines, and states in the report, that no action should be taken on that recommendation; or
- (3) the report, if any, required to be submitted in 2008 is submitted.

(c) **FAILURE TO REPORT.**—If the Board has not received a report required to be submitted under subsection (a) or (b) within 30 days after the date on which that report is required to be submitted, the Board shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

Approved December 6, 2003.

LEGISLATIVE HISTORY—S. 579:

SENATE REPORTS: No. 108–53 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 21, considered and passed Senate and House.



Public Law 108–169
108th Congress

An Act

Dec. 6, 2003

[S. 1152]

To reauthorize the United States Fire Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

United States
Fire
Administration
Reauthorization
Act of 2003.
15 USC 2201
note.

**TITLE I—UNITED STATES FIRE
ADMINISTRATION REAUTHORIZATION**

SEC. 101. SHORT TITLE.

This title may be cited as the “United States Fire Administration Reauthorization Act of 2003”.

15 USC 2204
note.

**SEC. 102. RE-ESTABLISHMENT OF POSITION OF UNITED STATES FIRE
ADMINISTRATOR.**

Section 1513 of the Homeland Security Act of 2002 (6 U.S.C. 553) does not apply to the position or office of Administrator of the United States Fire Administration, who shall continue to be appointed and compensated as provided by section 5(b) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2204(b)).

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

Section 17(g)(1) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216(g)) is amended by striking subparagraphs (A) through (K) and inserting the following:

“(A) \$63,000,000 for fiscal year 2005, of which \$2,266,000 shall be used to carry out section 8(f);

“(B) \$64,850,000 for fiscal year 2006, of which \$2,334,000 shall be used to carry out section 8(f);

“(C) \$66,796,000 for fiscal year 2007, of which \$2,404,000 shall be used to carry out section 8(f); and

“(D) \$68,800,000 for fiscal year 2008, of which \$2,476,000 shall be used to carry out section 8(f).”.

Firefighting
Research and
Coordination Act.

**TITLE II—FIREFIGHTING RESEARCH
AND COORDINATION**

15 USC 2201
note.

SEC. 201. SHORT TITLE.

This title may be cited as the “Firefighting Research and Coordination Act”.

SEC. 202. NEW FIREFIGHTING TECHNOLOGY.

Section 8 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2207) is amended—

- (1) by redesignating subsection (e) as subsection (g); and
- (2) by inserting after subsection (d) the following:

“(e) ASSISTANCE TO OTHER FEDERAL AGENCIES.—At the request of other Federal agencies, including the Department of Agriculture and the Department of the Interior, the Administrator may provide assistance in fire prevention and control technologies, including methods of containing insect-infested forest fires and limiting dispersal of resultant fire particle smoke, and methods of measuring and tracking the dispersal of fine particle smoke resulting from fires of insect-infested fuel.

“(f) TECHNOLOGY EVALUATION AND STANDARDS DEVELOPMENT.—

“(1) IN GENERAL.—In addition to, or as part of, the program conducted under subsection (a), the Administrator, in consultation with the National Institute of Standards and Technology, the Inter-Agency Board for Equipment Standardization and Inter-Operability, the National Institute for Occupational Safety and Health, the Directorate of Science and Technology of the Department of Homeland Security, national voluntary consensus standards development organizations, interested Federal, State, and local agencies, and other interested parties, shall—

“(A) develop new, and utilize existing, measurement techniques and testing methodologies for evaluating new firefighting technologies, including—

- “(i) personal protection equipment;
- “(ii) devices for advance warning of extreme hazard;
- “(iii) equipment for enhanced vision;
- “(iv) devices to locate victims, firefighters, and other rescue personnel in above-ground and below-ground structures;
- “(v) equipment and methods to provide information for incident command, including the monitoring and reporting of individual personnel welfare;
- “(vi) equipment and methods for training, especially for virtual reality training; and
- “(vii) robotics and other remote-controlled devices;

“(B) evaluate the compatibility of new equipment and technology with existing firefighting technology; and

“(C) support the development of new voluntary consensus standards through national voluntary consensus standards organizations for new firefighting technologies based on techniques and methodologies described in subparagraph (A).

“(2) STANDARDS FOR NEW EQUIPMENT.—(A) The Administrator shall, by regulation, require that new equipment or systems purchased through the assistance program established by the first section 33 meet or exceed applicable voluntary consensus standards for such equipment or systems for which applicable voluntary consensus standards have been established. The Administrator may waive the requirement under this subparagraph with respect to specific standards.

Regulations.

“(B) If an applicant for a grant under the first section 33 proposes to purchase, with assistance provided under the grant, new equipment or systems that do not meet or exceed applicable voluntary consensus standards, the applicant shall include in the application an explanation of why such equipment or systems will serve the needs of the applicant better than equipment or systems that do meet or exceed such standards.

“(C) In making a determination whether or not to waive the requirement under subparagraph (A) with respect to a specific standard, the Administrator shall, to the greatest extent practicable—

“(i) consult with grant applicants and other members of the fire services regarding the impact on fire departments of the requirement to meet or exceed the specific standard;

“(ii) take into consideration the explanation provided by the applicant under subparagraph (B); and

“(iii) seek to minimize the impact of the requirement to meet or exceed the specific standard on the applicant, particularly if meeting the standard would impose additional costs.

“(D) Applicants that apply for a grant under the terms of subparagraph (B) may include a second grant request in the application to be considered by the Administrator in the event that the Administrator does not approve the primary grant request on the grounds of the equipment not meeting applicable voluntary consensus standards.”.

SEC. 203. COORDINATION OF RESPONSE TO NATIONAL EMERGENCY.

(a) IN GENERAL.—Section 10 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2209) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) MUTUAL AID SYSTEMS.—

“(1) IN GENERAL.—The Administrator shall provide technical assistance and training to State and local fire service officials to establish nationwide and State mutual aid systems for dealing with national emergencies that—

“(A) include threat assessment and equipment deployment strategies;

“(B) include means of collecting asset and resource information to provide accurate and timely data for regional deployment; and

“(C) are consistent with the Federal Response Plan.

“(2) MODEL MUTUAL AID PLANS.—The Administrator shall develop and make available to State and local fire service officials model mutual aid plans for both intrastate and interstate assistance.”.

Deadline.

(b) REPORT ON STRATEGIC NEEDS.—Within 90 days after the date of enactment of this Act, the Administrator of the United States Fire Administration shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science on the need for a strategy concerning deployment of volunteers and emergency response personnel (as defined in section 6 of the Firefighters’ Safety Study Act (15

U.S.C. 2223e)), including a national credentialing system, in the event of a national emergency.

(c) **REPORT ON FEDERAL RESPONSE PLAN.**—Within 180 days after the date of enactment of this Act, the Department of Homeland Security shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Governmental Affairs, and the House of Representatives Committee on Science describing plans for revisions to the Federal Response Plan and its integration into the National Response Plan, including how the revised plan will address response to terrorist attacks, particularly in urban areas, including fire detection and suppression and related emergency services. Deadline.

SEC. 204. TRAINING.

(a) **IN GENERAL.**—Section 7(d)(1) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(d)(1)) is amended—

(1) by striking “and” after the semicolon in subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (N); and

(3) by inserting after subparagraph (E) the following:

“(F) strategies for building collapse rescue;

“(G) the use of technology in response to fires, including terrorist incidents and other national emergencies;

“(H) response, tactics, and strategies for dealing with terrorist-caused national catastrophes;

“(I) use of and familiarity with the Federal Response Plan;

“(J) leadership and strategic skills, including integrated management systems operations and integrated response;

“(K) applying new technology and developing strategies and tactics for fighting forest fires;

“(L) integrating the activities of terrorism response agencies into national terrorism incident response systems;

“(M) response tactics and strategies for fighting fires at United States ports, including fires on the water and aboard vessels; and”.

(b) **CONSULTATION ON FIRE ACADEMY CLASSES.**—The Superintendent of the National Fire Academy may consult with other Federal, State, and local agency officials in developing curricula for classes offered by the Academy. 15 USC 2206 note.

(c) **COORDINATION WITH OTHER PROGRAMS TO AVOID DUPLICATION.**—The Administrator of the United States Fire Administration shall coordinate training provided under section 7(d)(1) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(d)(1)) with the Attorney General, the Secretary of Health and Human Services, and the heads of other Federal agencies— 15 USC 2206 note.

(1) to ensure that such training does not duplicate existing courses available to fire service personnel; and

(2) to establish a mechanism for eliminating duplicative training programs.

(d) **COURSES AND TRAINING ASSISTANCE.**—Section 7(l) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(l)) is amended by adding at the end the following: “The Superintendent shall offer, at the Academy and at other sites, courses and training assistance as necessary to accommodate all geographic regions and needs of career and volunteer firefighters.”.

SEC. 205. FIREFIGHTER ASSISTANCE GRANTS PROGRAM.

(a) **ADMINISTRATION.**—The first section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229) is amended—

(1) by striking subsection (b)(2) and inserting the following:

“(2) **ADMINISTRATIVE ASSISTANCE.**—The Director shall establish specific criteria for the selection of recipients of assistance under this section and shall provide grant-writing assistance to applicants.”; and

(2) by striking “operate the office established under subsection (b)(2) and” in subsection (e)(2).

(b) **MARITIME FIREFIGHTING.**—Subsection (b)(3)(B) of the first section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229(b)(3)(B)) is amended by inserting “maritime firefighting,” after “arson prevention and detection,”.

(c) **FIREFIGHTING IN REMOTE AREAS.**—The first section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229) is amended—

(1) by inserting “equipment for fighting fires with foam in remote areas without access to water, and” after “including” in subsection (b)(3)(H); and

(2) by inserting “Of the amounts authorized in this paragraph, \$3,000,000 shall be made available each year through fiscal year 2008 for foam firefighting equipment.” at the end of subsection (e)(1).

SEC. 206. NATIONAL FALLEN FIREFIGHTERS FOUNDATION.

(a) **MEMBERS.**—Section 151303(b) of title 36, United States Code, is amended—

(1) by striking “9” in paragraph (2) and inserting “12”;

(2) by striking “six” in subparagraph (D) of paragraph (2) and inserting “nine”; and

(3) by striking “3 members” in paragraph (3) and inserting “4 members”.

(b) **COMPENSATION.**—Section 151304(b)(3) of title 36, United States Code, is amended by inserting “15 percent above” after “more than”.

(c) PERIOD OF AUTHORIZED ASSISTANCE.—Section 151307 of title 36, United States Code, is amended in subsection (a)(1), by striking “During the 10-year period beginning on the date of the enactment of the Fire Administration Authorization Act of 2000, the” and inserting “The”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—S. 1152 (H.R. 2692):

HOUSE REPORTS: No. 108–245 accompanying H.R. 2692 (Comm. on Science).

SENATE REPORTS: No. 108–126 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 20, considered and passed Senate.

Nov. 21, considered and passed House.



Public Law 108–170
108th Congress

An Act

Dec. 6, 2003
[S. 1156]

Veterans Health
Care, Capital
Asset, and
Business
Improvement Act
of 2003.
38 USC 101 note.

To amend title 38, United States Code, to improve and enhance provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Veterans Health Care, Capital Asset, and Business Improvement Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.

TITLE I—HEALTH CARE AUTHORITIES AND RELATED MATTERS

- Sec. 101. Improved benefits for former prisoners of war.
- Sec. 102. Provision of health care to veterans who participated in certain Department of Defense chemical and biological warfare testing.
- Sec. 103. Eligibility for Department of Veterans Affairs health care for certain Filipino World War II veterans residing in the United States.
- Sec. 104. Enhancement of rehabilitative services.
- Sec. 105. Enhanced agreement authority for provision of nursing home care and adult day health care in contract facilities.
- Sec. 106. Five-year extension of period for provision of noninstitutional extended-care services and required nursing home care.
- Sec. 107. Expansion of Department of Veterans Affairs pilot program on assisted living for veterans.
- Sec. 108. Improvement of program for provision of specialized mental health services to veterans.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Program Authorities

- Sec. 201. Increase in threshold for major medical facility construction projects.
- Sec. 202. Enhancements to enhanced-use lease authority.
- Sec. 203. Simplification of annual report on long-range health planning.

Subtitle B—Project Authorizations

- Sec. 211. Authorization of major medical facility projects.
- Sec. 212. Authorization of major medical facility leases.
- Sec. 213. Advance planning authorizations.
- Sec. 214. Authorization of appropriations.

Subtitle C—Capital Asset Realignment for Enhanced Services Initiative

- Sec. 221. Authorization of major construction projects in connection with Capital Asset Realignment Initiative.
- Sec. 222. Advance notification of capital asset realignment actions.
- Sec. 223. Sense of Congress and report on access to health care for veterans in rural areas.

Subtitle D—Plans for New Facilities

- Sec. 231. Plans for facilities in specified areas.
Sec. 232. Study and report on feasibility of coordination of veterans health care services in South Carolina with new university medical center.

Subtitle E—Designation of Facilities

- Sec. 241. Designation of Department of Veterans Affairs medical center, Prescott, Arizona, as the Bob Stump Department of Veterans Affairs Medical Center.
Sec. 242. Designation of Department of Veterans Affairs health care facility, Chicago, Illinois, as the Jesse Brown Department of Veterans Affairs Medical Center.
Sec. 243. Designation of Department of Veterans Affairs medical center, Houston, Texas, as the Michael E. DeBakey Department of Veterans Affairs Medical Center.
Sec. 244. Designation of Department of Veterans Affairs medical center, Salt Lake City, Utah, as the George E. Wahlen Department of Veterans Affairs Medical Center.
Sec. 245. Designation of Department of Veterans Affairs outpatient clinic, New London, Connecticut.
Sec. 246. Designation of Department of Veterans Affairs outpatient clinic, Horsham, Pennsylvania.

TITLE III—PERSONNEL MATTERS

- Sec. 301. Modification of certain authorities on appointment and promotion of personnel in the Veterans Health Administration.
Sec. 302. Appointment of chiropractors in the Veterans Health Administration.
Sec. 303. Additional pay for Saturday tours of duty for additional health care workers in the Veterans Health Administration.
Sec. 304. Coverage of employees of Veterans' Canteen Service under additional employment laws.

TITLE IV—OTHER MATTERS

- Sec. 401. Office of Research Oversight in Veterans Health Administration.
Sec. 402. Enhancement of authorities relating to nonprofit research corporations.
Sec. 403. Department of Defense participation in Revolving Supply Fund purchases.
Sec. 404. Five-year extension of housing assistance for homeless veterans.
Sec. 405. Report date changes.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

**TITLE I—HEALTH CARE AUTHORITIES
AND RELATED MATTERS****SEC. 101. IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR.**

(a) **OUTPATIENT DENTAL CARE FOR ALL FORMER PRISONERS OF WAR.**—Section 1712(a)(1)(F) is amended by striking “and who was detained or interned for a period of not less than 90 days”.

(b) **EXEMPTION FROM PHARMACY COPAYMENT REQUIREMENT.**—Section 1722A(a)(3) is amended—

- (1) by striking “or” at the end of subparagraph (A);
- (2) by redesignating subparagraph (B) as subparagraph (C); and
- (3) by inserting after subparagraph (A) the following new subparagraph (B):
“(B) to a veteran who is a former prisoner of war; or”.

SEC. 102. PROVISION OF HEALTH CARE TO VETERANS WHO PARTICIPATED IN CERTAIN DEPARTMENT OF DEFENSE CHEMICAL AND BIOLOGICAL WARFARE TESTING.

Section 1710(e) is amended—

(1) in paragraph (1), by adding at the end the following new subparagraph:

“(E) Subject to paragraphs (2) and (3), a veteran who participated in a test conducted by the Department of Defense Desert Test Center as part of a program for chemical and biological warfare testing from 1962 through 1973 (including the program designated as ‘Project Shipboard Hazard and Defense (SHAD)’ and related land-based tests) is eligible for hospital care, medical services, and nursing home care under subsection (a)(2)(F) for any illness, notwithstanding that there is insufficient medical evidence to conclude that such illness is attributable to such testing.”;

(2) in paragraph (2)(B)—

(A) by striking out “paragraph (1)(C) or (1)(D)” and inserting “subparagraph (C), (D), or (E) of paragraph (1)”; and

(B) by striking “service described in that paragraph” and inserting “service or testing described in such subparagraph”; and

(3) in paragraph (3)—

(A) by striking “and” at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(D) in the case of care for a veteran described in paragraph (1)(E), after December 31, 2005.”.

SEC. 103. ELIGIBILITY FOR DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FOR CERTAIN FILIPINO WORLD WAR II VETERANS RESIDING IN THE UNITED STATES.

The text of section 1734 is amended to read as follows:

“(a) The Secretary shall furnish hospital and nursing home care and medical services to any individual described in subsection (b) in the same manner, and subject to the same terms and conditions, as apply to the furnishing of such care and services to individuals who are veterans as defined in section 101(2) of this title. Any disability of an individual described in subsection (b) that is a service-connected disability for purposes of this subchapter (as provided for under section 1735(2) of this title) shall be considered to be a service-connected disability for purposes of furnishing care and services under the preceding sentence.

“(b) Subsection (a) applies to any individual who is a Commonwealth Army veteran or new Philippine Scout and who—

“(1) is residing in the United States; and

“(2) is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence.”.

SEC. 104. ENHANCEMENT OF REHABILITATIVE SERVICES.

(a) REHABILITATIVE SERVICES THROUGH MEDICAL CARE AUTHORITY.—Section 1701(8) is amended by striking “(other than those types of vocational rehabilitation services provided under chapter 31 of this title)”.

Applicability.

(b) EXPANSION OF AUTHORIZED REHABILITATIVE SERVICES.—(1) Section 1718 is amended—

(A) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(B) by inserting after subsection (c) the following new subsection (d):

“(d) In providing to a veteran rehabilitative services under this chapter, the Secretary may furnish the veteran with the following:

“(1) Work skills training and development services.

“(2) Employment support services.

“(3) Job development and placement services.”.

(2) Subsection (c) of such section is amended—

(A) in paragraph (1), by striking “subsection (b) of this section” and inserting “subsection (b) or (d)”; and

(B) in paragraph (2)—

(i) by striking “subsection (b) of this section” and inserting “subsection (b) or (d)”; and

(ii) by striking “paragraph (2) of such subsection” and inserting “subsection (b)(2)”.

SEC. 105. ENHANCED AGREEMENT AUTHORITY FOR PROVISION OF NURSING HOME CARE AND ADULT DAY HEALTH CARE IN CONTRACT FACILITIES.

(a) ENHANCED AUTHORITY.—Subsection (c) of section 1720 is amended—

(1) by designating the existing text as paragraph (2); and

(2) by inserting before paragraph (2), as so designated, the following new paragraph (1):

“(1)(A) In furnishing nursing home care, adult day health care, or other extended care services under this section, the Secretary may enter into agreements for furnishing such care or services with—

“(i) in the case of the medicare program, a provider of services that has entered into a provider agreement under section 1866(a) of the Social Security Act (42 U.S.C. 1395cc(a)); and

“(ii) in the case of the medicaid program, a provider participating under a State plan under title XIX of such Act (42 U.S.C. 1396 et seq.).

“(B) In entering into an agreement under subparagraph (A) with a provider of services described in clause (i) of that subparagraph or a provider described in clause (ii) of that subparagraph, the Secretary may use the procedures available for entering into provider agreements under section 1866(a) of the Social Security Act.”.

(b) CONFORMING AMENDMENT.—Subsection (f)(1)(B) of such section is amended by inserting “or agreement” after “contract” each place it appears.

SEC. 106. FIVE-YEAR EXTENSION OF PERIOD FOR PROVISION OF NON-INSTITUTIONAL EXTENDED-CARE SERVICES AND REQUIRED NURSING HOME CARE.

(a) NONINSTITUTIONAL EXTENDED CARE SERVICES.—Section 1701(10)(A) is amended by striking “the date of the enactment of the Veterans Millennium Health Care and Benefits Act and ending on December 31, 2003,” and inserting “November 30, 1999, and ending on December 31, 2008,”.

(b) **REQUIRED NURSING HOME CARE.**—Section 1710A(c) is amended by striking “December 31, 2003” and inserting “December 31, 2008”.

SEC. 107. EXPANSION OF DEPARTMENT OF VETERANS AFFAIRS PILOT PROGRAM ON ASSISTED LIVING FOR VETERANS.

Section 103(b) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1552; 38 U.S.C. 1710B note) is amended—

(1) by striking “LOCATION OF PILOT PROGRAM.—” and inserting “LOCATIONS OF PILOT PROGRAM.—(1)”; and

(2) by adding at the end the following new paragraph:

“(2)(A) In addition to the health care region of the Department selected for the pilot program under paragraph (1), the Secretary may also carry out the pilot program in not more than one additional designated health care region of the Department selected by the Secretary for purposes of this section.

“(B) Notwithstanding subsection (f), the authority of the Secretary to provide services under the pilot program in a health care region of the Department selected under subparagraph (A) shall cease on the date that is three years after the commencement of the provision of services under the pilot program in the health care region.”.

SEC. 108. IMPROVEMENT OF PROGRAM FOR PROVISION OF SPECIALIZED MENTAL HEALTH SERVICES TO VETERANS.

(a) **INCREASE IN FUNDING.**—Subsection (c) of section 116 of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1559; 38 U.S.C. 1712A note) is amended—

(1) in paragraph (1), by striking “\$15,000,000” and inserting “\$25,000,000 in each of fiscal years 2004, 2005, and 2006”; and

(2) in paragraph (2), by striking “\$15,000,000” and inserting “\$25,000,000”; and

(3) in paragraph (3)—

(A) by inserting “(A)” after “(3)”; and

(B) by adding at the end the following new subparagraph:

“(B) For purposes of this paragraph, in fiscal years 2004, 2005, and 2006, the fiscal year used to determine the baseline amount shall be fiscal year 2003.”.

(b) **ALLOCATION OF FUNDS.**—Subsection (d) of that section is amended—

(1) by striking “The Secretary” and inserting “(1) In each of fiscal years 2004, 2005, and 2006, the Secretary”; and

(2) by adding at the end the following new paragraphs:

“(2) In allocating funds to facilities in a fiscal year under paragraph (1), the Secretary shall ensure that—

“(A) not less than \$10,000,000 is allocated by direct grants to programs that are identified by the Mental Health Strategic Health Care Group and the Committee on Care of Severely Chronically Mentally Ill Veterans;

“(B) not less than \$5,000,000 is allocated for programs on post-traumatic stress disorder; and

“(C) not less than \$5,000,000 is allocated for programs on substance use disorder.

“(3) The Secretary shall provide that the funds to be allocated under this section during each of fiscal years 2004, 2005, and 2006 are funds for a special purpose program for which funds

Termination
date.

are not allocated through the Veterans Equitable Resource Allocation system.”.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

Subtitle A—Program Authorities

SEC. 201. INCREASE IN THRESHOLD FOR MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS.

Section 8104(a)(3)(A) is amended by striking “\$4,000,000” and inserting “\$7,000,000”.

SEC. 202. ENHANCEMENTS TO ENHANCED-USE LEASE AUTHORITY.

(a) NOTIFICATION OF PROPERTY TO BE LEASED.—Section 8163 is amended—

(1) in the first sentence of subsection (a)—

(A) by striking “designate a property to be leased under an enhanced-use lease” and inserting “enter into an enhanced-use lease with respect to certain property”; and

(B) by striking “before making the designation” and inserting “before entering into the lease”;

(2) in subsection (b), by striking “of the proposed designation” and inserting “to the congressional veterans’ affairs committees and to the public of the proposed lease”; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “designate the property involved” and inserting “enter into an enhanced-use lease of the property involved”; and

(ii) by striking “to so designate the property” and inserting “to enter into such lease”;

(B) in paragraph (2), by striking “90-day period” and inserting “45-day period”;

(C) in paragraph (3)—

(i) by striking “general description” in subparagraph (D) and inserting “description of the provisions”; and

(ii) by adding at the end the following new subparagraph:

“(G) A summary of a cost-benefit analysis of the proposed lease.”; and

(D) by striking paragraph (4).

(b) DISPOSITION OF LEASED PROPERTY.—Section 8164 is amended—

(1) in subsection (a)—

(A) by striking “by requesting the Administrator of General Services to dispose of the property pursuant to subsection (b)” in the first sentence; and

(B) by striking the third sentence;

(2) in subsection (b)—

(A) by striking “Secretary and the Administrator of General Services jointly determine” and inserting “Secretary determines”; and

(B) by striking “Secretary and the Administrator consider” and inserting “Secretary considers”; and

(3) in subsection (c), by striking “90 days” and inserting “45 days”.

(c) USE OF PROCEEDS.—Section 8165 is amended—

(1) in subsection (a)(2), by striking “and remaining after any deduction from such funds under the laws referred to in subsection (c)”;

(2) in subsection (b), by adding at the end the following new sentence: “The Secretary may use the proceeds from any enhanced-use lease to reimburse applicable appropriations of the Department for any expenses incurred in the development of additional enhanced-use leases.”; and

(3) by striking subsection (c).

(d) CLERICAL AMENDMENTS.—(1) The heading of section 8163 is amended to read as follows:

“§ 8163. Hearing and notice requirements regarding proposed leases”.

(2) The item relating to section 8163 in the table of sections at the beginning of chapter 81 is amended to read as follows:

“8163. Hearing and notice requirements regarding proposed leases.”.

SEC. 203. SIMPLIFICATION OF ANNUAL REPORT ON LONG-RANGE HEALTH PLANNING.

Section 8107(b) is amended by striking paragraphs (3) and (4).

Subtitle B—Project Authorizations

SEC. 211. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in an amount not to exceed the amount specified for that project:

(1) Construction of a long-term care facility in Lebanon, Pennsylvania, \$14,500,000.

(2) Construction of a long-term care facility in Beckley, West Virginia, \$20,000,000.

(3) Construction of a new bed tower to consolidate two inpatient sites of care in the city of Chicago at the West Side Division of the Department of Veterans Affairs health care system in Chicago, Illinois, in an amount not to exceed \$98,500,000.

(4) Seismic corrections to strengthen Medical Center Building 1 of the Department of Veterans Affairs health care system in San Diego, California, in an amount not to exceed \$48,600,000.

(5) A project for (A) renovation of all inpatient care wards at the West Haven, Connecticut, facility of the Department of Veterans Affairs health system in Connecticut to improve the environment of care and enhance safety, privacy, and accessibility, and (B) establishment of a consolidated medical research facility at that facility, in an amount not to exceed \$50,000,000.

(6) Construction of a Department of Veterans Affairs-Department of the Navy joint venture comprehensive outpatient medical care facility to be built on the grounds of the Pensacola Naval Air Station, Pensacola, Florida, in an amount not to exceed \$45,000,000.

SEC. 212. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) For an outpatient clinic in Charlotte, North Carolina, in an amount not to exceed \$3,000,000.

(2) For an outpatient clinic extension, Boston, Massachusetts, in an amount not to exceed \$2,879,000.

SEC. 213. ADVANCE PLANNING AUTHORIZATIONS.

The Secretary of Veterans Affairs may carry out advance planning for a major medical facility project at each of the following locations, with such planning to be carried out in an amount not to exceed the amount specified for that location:

(1) Denver, Colorado, in an amount not to exceed \$30,000,000, of which \$26,000,000 shall be provided by the Secretary of Veterans Affairs and \$4,000,000 shall be provided by the Secretary of Defense.

(2) Pittsburgh, Pennsylvania, in an amount not to exceed \$9,000,000.

(3) Las Vegas, Nevada, in an amount not to exceed \$25,000,000.

(4) Columbus, Ohio, in an amount not to exceed \$9,000,000.

(5) East Central, Florida, in an amount not to exceed \$17,500,000.

SEC. 214. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2004—

(1) for the Construction, Major Projects, account, a total of \$363,100,000, of which—

(A) \$276,600,000 is for the projects authorized in section 211; and

(B) \$86,500,000 is for the advance planning authorized in section 213; and

(2) for the Medical Care account, \$5,879,000 for the leases authorized in section 212.

(b) LIMITATION.—The projects authorized in section 211 may only be carried out using—

(1) funds appropriated for fiscal year 2004 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2004 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects, for fiscal year 2004 for a category of activity not specific to a project.

Subtitle C—Capital Asset Realignment for Enhanced Services Initiative

SEC. 221. AUTHORIZATION OF MAJOR CONSTRUCTION PROJECTS IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE.

(a) **AUTHORITY TO CARRY OUT MAJOR CONSTRUCTION PROJECTS.**—Subject to subsection (b), the Secretary of Veterans Affairs may carry out major construction projects as specified in the final report of the Capital Asset Realignment for Enhanced Services Commission and approved by the Secretary.

(b) **LIMITATION.**—The Secretary may not exercise the authority in subsection (a) until 45 days after the date of the submittal of the report required by subsection (c).

Deadline.

(c) **REPORT ON PROPOSED MAJOR CONSTRUCTION PROJECTS.**—(1) The Secretary shall submit to the Committees on Veterans' Affairs and the Committees on Appropriations of the Senate and House of Representatives not later than February 1, 2004, a report describing the major construction projects the Secretary proposes to carry out in connection with the Capital Asset Realignment for Enhanced Services initiative.

(2) The report shall list each proposed major construction project in order of priority, with such priority determined in the order as follows:

(A) The use of the facility to be constructed or altered as a replacement or enhancement facility necessitated by the loss, closure, or other divestment of major infrastructure or clinical space at a Department of Veterans Affairs medical facility currently in operation, as determined by the Secretary.

(B) The remedy of life and safety code deficiencies, including seismic, egress, and fire deficiencies at such facility.

(C) The use of such facility to provide health care services to a population that is determined under the Capital Asset Realignment for Enhanced Services initiative to be underserved or not currently served by such facility.

(D) The renovation or modernization of such facility, including the provision of barrier-free design, improvement of building systems and utilities, or enhancement of clinical support services.

(E) The need for such facility to further an enhanced-use lease or sharing agreement.

(F) Any other factor that the Secretary considers to be of importance in providing care to eligible veterans.

(3) In developing the list of projects and according a priority to each project, the Secretary should consider the importance of allocating available resources equitably among the geographic service areas of the Department and take into account recent shifts in populations of veterans among those geographic service areas.

(d) **SUNSET.**—The Secretary may not enter into a contract to carry out major construction projects under the authority in subsection (a) after September 30, 2006.

SEC. 222. ADVANCE NOTIFICATION OF CAPITAL ASSET REALIGNMENT ACTIONS.

(a) **REQUIREMENT FOR ADVANCE NOTIFICATION.**—If the Secretary of Veterans Affairs approves a recommendation resulting

from the Capital Asset Realignment for Enhanced Services initiative, then before taking any action resulting from that recommendation that would result in—

- (1) a medical facility closure;
- (2) an administrative reorganization described in subsection (c) of section 510 of title 38, United States Code; or
- (3) a medical facility consolidation,

the Secretary shall submit to Congress a written notification of the intent to take such action.

(b) **LIMITATION.**—Upon submitting a notification under subsection (a), the Secretary may not take any action described in the notification until the later of—

(1) the end of the 60-day period beginning on the date on which the notification is received by Congress; or

(2) the end of a period of 30 days of continuous session of Congress beginning on the date on which the notification is received by Congress or, if either House of Congress is not in session on such date, the first day after such date on which both Houses of Congress are in session.

(c) **CONTINUOUS SESSION OF CONGRESS.**—For the purposes of subsection (b)—

(1) the continuity of a session of Congress is broken only by an adjournment of Congress sine die; and

(2) any day on which either House is not in session because of an adjournment of more than three days to a day certain is excluded in the computation of any period of time in which Congress is in continuous session.

(d) **MEDICAL FACILITY CONSOLIDATION.**—For the purposes of subsection (a), the term “medical facility consolidation” means an action that closes one or more medical facilities for the purpose of relocating those activities to another medical facility or facilities within the same geographic service area.

SEC. 223. SENSE OF CONGRESS AND REPORT ON ACCESS TO HEALTH CARE FOR VETERANS IN RURAL AREAS.

(a) **SENSE OF CONGRESS.**—Recognizing the difficulties that veterans residing in rural areas encounter in gaining access to health care in facilities of the Department of Veterans Affairs, it is the sense of Congress that the Secretary of Veterans Affairs should take steps to ensure that an appropriate mix of facilities and clinical staff is available for health care for veterans residing in rural areas.

(b) **REPORT.**—Not later than 120 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report describing the steps the Secretary is taking, and intends to take, to improve access to health care for veterans residing in rural areas.

Deadline.

Subtitle D—Plans for New Facilities

SEC. 231. PLANS FOR FACILITIES IN SPECIFIED AREAS.

(a) **SOUTHERN NEW JERSEY.**—(1) The Secretary of Veterans Affairs shall develop a plan for meeting the future hospital care needs of veterans who reside in southern New Jersey.

(2) For purposes of paragraph (1), the term “southern New Jersey” means the following counties of the State of New Jersey: Ocean, Burlington, Camden, Gloucester, Salem, Cumberland, Atlantic, and Cape May.

(b) FAR SOUTH TEXAS.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in far south Texas.

(2) For purposes of paragraph (1), the term “far south Texas” means the following counties of the State of Texas: Bee, Calhoun, Crockett, DeWitt, Dimmit, Goliad, Jackson, Victoria, Webb, Aransas, Duval, Jim Wells, Kleberg, Nueces, Refugio, San Patricio, Brooks, Cameron, Hidalgo, Jim Hogg, Kenedy, Starr, Willacy, and Zapata.

(c) NORTH CENTRAL WASHINGTON.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in north central Washington.

(2) For purposes of paragraph (1), the term “north central Washington” means the following counties of the State of Washington: Chelan, Douglas, Ferry, Grant, Kittitas, and Okanogan.

Florida.
Alabama.

(d) PENSACOLA AREA.—(1) The Secretary shall develop a plan for meeting the future hospital care needs of veterans who reside in the Pensacola area.

(2) For purposes of paragraph (1), the term “Pensacola area” means—

(A) the counties of Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Liberty, Gulf, and Franklin of the State of Florida; and

(B) the counties of Covington, Geneva, Houston, and Escambia of the State of Alabama.

(e) CONSIDERATION OF USE OF CERTAIN EXISTING AUTHORITIES.—In developing the plans under this section, the Secretary shall, at a minimum, consider options using the existing authorities of sections 8111 and 8153 of title 38, United States Code, to—

(1) establish a hospital staffed and managed by employees of the Department, either in private or public facilities, including Federal facilities; or

Contracts.

(2) enter into contracts with existing Federal facilities, private facilities, and private providers for that care.

Deadline.

(f) REPORT.—The Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on each plan under this section not later than April 15, 2004.

SEC. 232. STUDY AND REPORT ON FEASIBILITY OF COORDINATION OF VETERANS HEALTH CARE SERVICES IN SOUTH CAROLINA WITH NEW UNIVERSITY MEDICAL CENTER.

(a) STUDY REQUIRED.—The Secretary of Veterans Affairs shall conduct a study to examine the feasibility of coordination by the Department of Veterans Affairs of its needs for inpatient hospital, medical care, and long-term care services for veterans with the pending construction of a new university medical center at the Medical University of South Carolina, Charleston, South Carolina.

(b) MATTERS TO BE INCLUDED IN STUDY.—(1) As part of the study under subsection (a), the Secretary shall consider the following:

(A) Integration with the Medical University of South Carolina of some or all of the services referred to in subsection

(a) through contribution to the construction of that university's new medical facility or by becoming a tenant provider in that new facility.

(B) Construction by the Department of Veterans Affairs of a new independent inpatient or outpatient facility alongside or nearby the university's new facility.

(2) In carrying out paragraph (1), the Secretary shall consider the degree to which the Department and the university medical center would be able to share expensive technologies and scarce specialty services that would affect any such plans of the Secretary or the university.

(3) In carrying out the study, the Secretary shall especially consider the applicability of the authorities under section 8153 of title 38, United States Code (relating to sharing of health care resources between the Department and community provider organizations), to govern future arrangements and relationships between the Department and the Medical University of South Carolina.

(c) CONSULTATION WITH SECRETARY OF DEFENSE.—The Secretary of Veterans Affairs shall consult with the Secretary of Defense in carrying out the study under this section. Such consultation shall include consideration of establishing a Department of Veterans Affairs-Department of Defense joint health-care venture at the site referred to in subsection (a).

(d) REPORT.—Not later than April 15, 2004, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the study. The report shall include the Secretary's recommendations with respect to coordination described in subsection (a), including recommendations with respect to each of the matters referred to in subsection (b).

Deadline.

Subtitle E—Designation of Facilities

SEC. 241. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, PRESCOTT, ARIZONA, AS THE BOB STUMP DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center located in Prescott, Arizona, shall after the date of the enactment of this Act be known and designated as the "Bob Stump Department of Veterans Affairs Medical Center". Any reference to such medical center in any law, regulation, map, document, or other paper of the United States shall be considered to be a reference to the Bob Stump Department of Veterans Affairs Medical Center.

SEC. 242. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITY, CHICAGO, ILLINOIS, AS THE JESSE BROWN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs health care facility located at 820 South Damen Avenue in Chicago, Illinois, shall after the date of the enactment of this Act be known and designated as the "Jesse Brown Department of Veterans Affairs Medical Center". Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered

to be a reference to the Jesse Brown Department of Veterans Affairs Medical Center.

SEC. 243. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, HOUSTON, TEXAS, AS THE MICHAEL E. DEBAKEY DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center in Houston, Texas, shall after the date of the enactment of this Act be known and designated as the “Michael E. DeBakey Department of Veterans Affairs Medical Center”. Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Michael E. DeBakey Department of Veterans Affairs Medical Center.

25 USC 1680f
and note.

SEC. 244. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, SALT LAKE CITY, UTAH, AS THE GEORGE E. WAHLEN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The Department of Veterans Affairs Medical Center in Salt Lake City, Utah, shall after the date of the enactment of this Act be known and designated as the “George E. Wahlen Department of Veterans Affairs Medical Center”. Any references to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the George E. Wahlen Department of Veterans Affairs Medical Center.

SEC. 245. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, NEW LONDON, CONNECTICUT.

The Department of Veterans Affairs outpatient clinic located in New London, Connecticut, shall after the date of the enactment of this Act be known and designated as the “John J. McGuirk Department of Veterans Affairs Outpatient Clinic”. Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the John J. McGuirk Department of Veterans Affairs Outpatient Clinic.

SEC. 246. DESIGNATION OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, HORSHAM, PENNSYLVANIA.

The Department of Veterans Affairs outpatient clinic located in Horsham, Pennsylvania, shall after the date of the enactment of this Act be known and designated as the “Victor J. Saracini Department of Veterans Affairs Outpatient Clinic”. Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Victor J. Saracini Department of Veterans Affairs Outpatient Clinic.

TITLE III—PERSONNEL MATTERS

SEC. 301. MODIFICATION OF AUTHORITIES ON APPOINTMENT AND PROMOTION OF PERSONNEL IN THE VETERANS HEALTH ADMINISTRATION.

(a) POSITIONS TREATABLE AS HYBRID STATUS POSITIONS.—(1) Section 7401 is amended—

(A) by striking paragraph (2) and inserting the following new paragraph (2):

“(2) Scientific and professional personnel, such as microbiologists, chemists, and biostatisticians.”; and

(B) by striking paragraph (3) and inserting the following new paragraph (3):

“(3) Audiologists, speech pathologists, and audiologist-speech pathologists, biomedical engineers, certified or registered respiratory therapists, dietitians, licensed physical therapists, licensed practical or vocational nurses, medical instrument technicians, medical records administrators or specialists, medical records technicians, medical and dental technologists, nuclear medicine technologists, occupational therapists, occupational therapy assistants, kinesiotherapists, orthotist-prosthetists, pharmacists, pharmacy technicians, physical therapy assistants, prosthetic representatives, psychologists, diagnostic radiologic technicians, therapeutic radiologic technicians, and social workers.”.

(2) Personnel appointed to the Veterans Health Administration before the date of the enactment of this Act who are in an occupational category of employees specified in paragraph (3) of section 7401 of title 38, United States Code, by reason of the amendment made by paragraph (1)(B) of this subsection shall, as of such date, be deemed to have been appointed to the Administration under such paragraph (3).

38 USC 7401
note.

(b) APPOINTMENTS AND PROMOTIONS.—Section 7403 of such title is amended—

(1) in subsection (f)(3)—

(A) by inserting “reductions-in-force, the applicability of the principles of preference referred to in paragraph (2), rights of part-time employees,” after “adverse actions,”;

(B) by inserting “, whether appointed under this section or section 7405(a)(1)(B) of this title” after “such positions”; and

(C) by inserting a comma after “status”;

(2) by adding at the end the following new subsection:

“(h)(1) If the Secretary uses the authority provided in subsection (c) for the promotion and advancement of an occupational category of employees described in section 7401(3) of this title, as authorized by subsection (f)(1)(B), the Secretary shall do so through one or more systems prescribed by the Secretary. Each such system shall be planned, developed, and implemented in collaboration with, and with the participation of, exclusive employee representatives of such occupational category of employees.

“(2)(A) Before prescribing a system of promotion and advancement of an occupational category of employees under paragraph (1), the Secretary shall provide to exclusive employee representatives of such occupational category of employees a written description of the proposed system.

“(B) Not later than 30 days after receipt of the description of a proposed system under subparagraph (A), exclusive employee representatives may submit to the Secretary the recommendations, if any, of such exclusive employee representatives with respect to the proposed system.

Deadline.

“(C) The Secretary shall give full and fair consideration to any recommendations received under subparagraph (B) in deciding whether and how to proceed with a proposed system.

“(3) The Secretary shall implement immediately any part of a system of promotion and advancement under paragraph (1) that is proposed under paragraph (2) for which the Secretary receives no recommendations from exclusive employee representatives under paragraph (2).

“(4) If the Secretary receives recommendations under paragraph (2) from exclusive employee representatives on any part of a proposed system of promotion and advancement under that paragraph, the Secretary shall determine whether or not to accept the recommendations, either in whole or in part. If the Secretary determines not to accept all or part of the recommendations, the Secretary shall—

Notification.

“(A) notify the congressional veterans’ affairs committees of the recommendations and of the portion of the recommendations that the Secretary has determined not to accept;

“(B) meet and confer with such exclusive employee representatives, for a period not less than 30 days, for purposes of attempting to reach an agreement on whether and how to proceed with the portion of the recommendations that the Secretary has determined not to accept;

“(C) at the election of the Secretary, or of a majority of such exclusive employee representatives who are participating in negotiations on such matter, employ the services of the Federal Mediation and Conciliation Service during the period referred to in subparagraph (B) for purposes of reaching such agreement; and

“(D) if the Secretary determines that activities under subparagraph (B), (C), or both are unsuccessful at reaching such agreement and determines (in the sole and unreviewable discretion of the Secretary) that further meeting and conferral under subparagraph (B), mediation under subparagraph (C), or both are unlikely to reach such agreement—

Notification.

“(i) notify the congressional veterans’ affairs committees of such determinations, identify for such committees the portions of the recommendations that the Secretary has determined not to accept, and provide such committees an explanation and justification for determining to implement the part of the system subject to such portions of the recommendations without regard to such portions of the recommendations; and

“(ii) commencing not earlier than 30 days after notice under clause (i), implement the part of the system subject to the recommendations that the Secretary has determined not to accept without regard to those recommendations.

“(5) If the Secretary and exclusive employee representatives reach an agreement under paragraph (4) providing for the resolution of a disagreement on one or more portions of the recommendations that the Secretary had determined not to accept under that paragraph, the Secretary shall immediately implement such resolution.

“(6) In implementing a system of promotion and advancement under this subsection, the Secretary shall—

Procedures.

“(A) develop and implement mechanisms to permit exclusive employee representatives to participate in the periodic review and evaluation of the system, including peer review, and in any further planning or development required with respect to the system as a result of such review and evaluation; and

“(B) provide exclusive employee representatives appropriate access to information to ensure that the participation of such exclusive employee representative in activities under subparagraph (A) is productive.

“(7)(A) The Secretary may from time to time modify a system of promotion and advancement under this subsection.

“(B) In modifying a system, the Secretary shall take into account any recommendations made by the exclusive employee representatives concerned.

“(C) In modifying a system, the Secretary shall comply with paragraphs (2) through (5) and shall treat any proposal for the modification of a system as a proposal for a system for purposes of such paragraphs.

“(D) The Secretary shall promptly submit to the congressional veterans’ affairs committees a report on any modification of a system. Each report shall include—

Reports.

“(i) an explanation and justification of the modification; and

“(ii) a description of any recommendations of exclusive employee representatives with respect to the modification and a statement whether or not the modification was revised in light of such recommendations.

“(8) In the case of employees who are not within a unit with respect to which a labor organization is accorded exclusive recognition, the Secretary may develop procedures for input from representatives under this subsection from any appropriate organization that represents a substantial percentage of such employees or, if none, in such other manner as the Secretary considers appropriate, consistent with the purposes of this subsection.

“(9) In this subsection, the term ‘congressional veterans’ affairs committees’ means the Committees on Veterans’ Affairs of the Senate and the House of Representatives.”.

(c) TEMPORARY, PART-TIME, AND WITHOUT COMPENSATION APPOINTMENTS.—Section 7405 of such title is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

“(B) Positions listed in section 7401(3) of this title.

“(C) Librarians.”; and

(B) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraph (B):

“(B) Positions listed in section 7401(3) of this title.”;

and

(2) in subsection (c)(1), by striking “section 7401(1)” and inserting “paragraphs (1) and (3) of section 7401”.

(d) AUTHORITY FOR ADDITIONAL PAY FOR CERTAIN HEALTH CARE PROFESSIONALS.—Section 7454(b)(1) of such title is amended by striking “certified or registered” and all that follows through “occupational therapists,” and inserting “individuals in positions listed in section 7401(3) of this title.”.

SEC. 302. APPOINTMENT OF CHIROPRACTORS IN THE VETERANS HEALTH ADMINISTRATION.

(a) APPOINTMENTS.—Section 7401 is amended—

(1) in the matter preceding paragraph (1), by striking “medical” and inserting “health”; and

(2) in paragraph (1), by inserting “chiropractors,” after “podiatrists,”.

(b) QUALIFICATIONS OF APPOINTEES.—Section 7402(b) is amended—

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph (10):

“(10) CHIROPRACTOR.—To be eligible to be appointed to a chiropractor position, a person must—

“(A) hold the degree of doctor of chiropractic, or its equivalent, from a college of chiropractic approved by the Secretary; and

“(B) be licensed to practice chiropractic in a State.”.

(c) PERIOD OF APPOINTMENTS AND PROMOTIONS.—Section 7403(a)(2) is amended by adding at the end the following new subparagraph:

“(H) Chiropractors.”.

(d) GRADES AND PAY SCALES.—Section 7404(b)(1) is amended by striking the third center heading in the table and inserting the following:

“CLINICAL PODIATRIST, CHIROPRACTOR, AND OPTOMETRIST SCHEDULE”.

(e) MALPRACTICE AND NEGLIGENCE PROTECTION.—Section 7316(a) is amended—

(1) in paragraph (1), by striking “medical” each place it appears and inserting “health”; and

(2) in paragraph (2)—

(A) by striking “medical” the first place it appears and inserting “health”; and

(B) by inserting “chiropractor,” after “podiatrist,”.

(f) TREATMENT AS SCARCE MEDICAL SPECIALISTS FOR CONTRACTING PURPOSES.—Section 7409(a) is amended by inserting “chiropractors,” in the second sentence after “optometrists,”.

(g) COLLECTIVE BARGAINING EXEMPTION.—Section 7421(b) is amended by adding at the end the following new paragraph:

“(8) Chiropractors.”.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 303. ADDITIONAL PAY FOR SATURDAY TOURS OF DUTY FOR ADDITIONAL HEALTH CARE WORKERS IN THE VETERANS HEALTH ADMINISTRATION.

(a) IN GENERAL.—Section 7454(b) is amended by adding at the end the following new paragraph:

“(3) Employees appointed under section 7408 of this title shall be entitled to additional pay on the same basis as provided for nurses in section 7453(c) of this title.”.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect with respect to the first pay period beginning on or after January 1, 2004.

SEC. 304. COVERAGE OF EMPLOYEES OF VETERANS' CANTEEN SERVICE UNDER ADDITIONAL EMPLOYMENT LAWS.

(a) COVERAGE.—Paragraph (5) of section 7802 is amended by inserting before the semicolon a period and the following: “An employee appointed under this section may be considered for

38 USC 7316
note.

Effective date.
38 USC 7454
note.

appointment to a Department position in the competitive service in the same manner that a Department employee in the competitive service is considered for transfer to such position. An employee of the Service who is appointed to a Department position in the competitive service under the authority of the preceding sentence may count toward the time-in-service requirement for a career appointment in such position any previous period of employment in the Service”.

(b) **TECHNICAL AMENDMENTS.**—Such section is further amended—

(1) by striking the semicolon at the end of each of paragraphs (1) through (10) and inserting a period;

(2) by striking “The Secretary” and all that follows through “(1) establish,” and inserting “(a) **LOCATIONS FOR CANTEENS.**—The Secretary shall establish,”;

(3) by redesignating paragraphs (2) through (11) as subsections (b) through (k), respectively, and by realigning those subsections (as so redesignated) so as to be flush to the left margin;

(4) in subsection (b) (as so redesignated), by inserting “**WAREHOUSES AND STORAGE DEPOTS.**—The Secretary shall” before “establish”;

(5) in subsection (c) (as so redesignated), by inserting “**SPACE, BUILDINGS, AND STRUCTURES.**—The Secretary shall” before “furnish”;

(6) in subsection (d) (as so redesignated), by inserting “**EQUIPMENT, SERVICES, AND UTILITIES.**—The Secretary shall” before “transfer”;

(7) in subsection (e) (as so redesignated and as amended by subsection (a)), by inserting “**PERSONNEL.**—The Secretary shall” before “employ”;

(8) in subsection (f) (as so redesignated), by inserting “**CONTRACTS AND AGREEMENTS.**—The Secretary shall” before “make all”;

(9) in subsection (g) (as so redesignated), by inserting “**PRICES.**—The Secretary shall” before “fix the”;

(10) in subsection (h) (as so redesignated), by inserting “**GIFTS AND DONATIONS.**—The Secretary may” before “accept”;

(11) in subsection (i) (as so redesignated), by inserting “**RULES AND REGULATIONS.**—The Secretary shall” before “make such”;

(12) in subsection (j) (as so redesignated), by inserting “**DELEGATION.**—The Secretary may” before “delegate such”; and

(13) in subsection (k) (as so redesignated), by inserting “**AUTHORITY TO CASH CHECKS, ETC.**—The Secretary may” before “authorize”.

TITLE IV—OTHER MATTERS

SEC. 401. OFFICE OF RESEARCH OVERSIGHT IN VETERANS HEALTH ADMINISTRATION.

(a) **STATUTORY CHARTER.**—(1) Chapter 73 is amended by inserting after section 7306 the following new section:

“§ 7307. Office of Research Oversight

Establishment.

“(a) REQUIREMENT FOR OFFICE.—(1) There is in the Veterans Health Administration an Office of Research Oversight (hereinafter in this section referred to as the ‘Office’). The Office shall advise the Under Secretary for Health on matters of compliance and assurance in human subjects protections, research safety, and research impropriety and misconduct. The Office shall function independently of entities within the Veterans Health Administration with responsibility for the conduct of medical research programs.

“(2) The Office shall—

“(A) monitor, review, and investigate matters of medical research compliance and assurance in the Department with respect to human subjects protections; and

“(B) monitor, review, and investigate matters relating to the protection and safety of human subjects and Department employees participating in medical research in Department programs.

“(b) DIRECTOR.—(1) The head of the Office shall be a Director, who shall report directly to the Under Secretary for Health (without delegation).

“(2) Any person appointed as Director shall be—

“(A) an established expert in the field of medical research, administration of medical research programs, or similar fields; and

“(B) qualified to carry out the duties of the Office based on demonstrated experience and expertise.

“(c) FUNCTIONS.—(1) The Director shall report to the Under Secretary for Health on matters relating to protections of human subjects in medical research projects of the Department under any applicable Federal law and regulation, the safety of employees involved in Department medical research programs, and suspected misconduct and impropriety in such programs. In carrying out the preceding sentence, the Director shall consult with employees of the Veterans Health Administration who are responsible for the management and conduct of Department medical research programs.

“(2) The matters to be reported by the Director to the Under Secretary under paragraph (1) shall include allegations of research impropriety and misconduct by employees engaged in medical research programs of the Department.

“(3)(A) When the Director determines that such a recommendation is warranted, the Director may recommend to the Under Secretary that a Department research activity be terminated, suspended, or restricted, in whole or in part.

“(B) In a case in which the Director reasonably believes that activities of a medical research project of the Department place human subjects’ lives or health at imminent risk, the Director shall direct that activities under that project be immediately suspended or, as appropriate and specified by the Director, be limited.

“(d) GENERAL FUNCTIONS.—(1) The Director shall conduct periodic inspections and reviews, as the Director determines appropriate, of medical research programs of the Department. Such inspections and reviews shall include review of required documented assurances.

“(2) The Director shall observe external accreditation activities conducted for accreditation of medical research programs conducted in facilities of the Department.

“(3) The Director shall investigate allegations of research impropriety and misconduct in medical research projects of the Department.

“(4) The Director shall submit to the Under Secretary for Health, the Secretary, and the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on any suspected lapse, from whatever cause or causes, in protecting safety of human subjects and others, including employees, in medical research programs of the Department.

Reports.

“(5) The Director shall carry out such other duties as the Under Secretary for Health may require.

“(e) SOURCE OF FUNDS.—Amounts for the activities of the Office, including its regional offices, shall be derived from amounts appropriated for the Veterans Health Administration for Medical Care.

“(f) ANNUAL REPORT.—Not later than March 15 each year, the Director shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the activities of the Office during the preceding calendar year. Each such report shall include, with respect to that year, the following:

Deadline.

“(1) A summary of reviews of individual medical research programs of the Department completed by the Office.

“(2) Directives and other communications issued by the Office to field activities of the Department.

“(3) Results of any investigations undertaken by the Office during the reporting period consonant with the purposes of this section.

“(4) Other information that would be of interest to those committees in oversight of the Department medical research program.

“(g) MEDICAL RESEARCH.—For purposes of this section, the term ‘medical research’ means medical research described in section 7303(a)(2) of this title.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7306 the following new item:

“7307. Office of Research Oversight.”.

(b) CONFORMING AMENDMENT.—Section 7303 is amended by striking subsection (e).

SEC. 402. ENHANCEMENT OF AUTHORITIES RELATING TO NONPROFIT RESEARCH CORPORATIONS.

(a) COVERAGE OF PERSONNEL UNDER TORT CLAIMS LAWS.—
(1) Subchapter IV of chapter 73 is amended by inserting after section 7364 the following new section:

“§ 7364A. Coverage of employees under certain Federal tort claims laws

“(a) An employee of a corporation established under this subchapter who is described by subsection (b) shall be considered an employee of the Government, or a medical care employee of the Veterans Health Administration, for purposes of the following provisions of law:

“(1) Section 1346(b) of title 28.

“(2) Chapter 171 of title 28.

“(3) Section 7316 of this title.

“(b) An employee described in this subsection is an employee who—

“(1) has an appointment with the Department, whether with or without compensation;

“(2) is directly or indirectly involved or engaged in research or education and training that is approved in accordance with procedures established by the Under Secretary for Health for research or education and training; and

“(3) performs such duties under the supervision of Department personnel.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7364 the following new item:

“7364A. Coverage of employees under certain Federal tort claims laws.”.

(b) CLARIFICATION OF EXECUTIVE DIRECTOR’S ETHICS CERTIFICATION DUTIES.—Section 7366(c) is amended—

(1) by inserting “(1)” after “(c)”;

(2) by striking “any year—” and all that follows through “shall be subject” and inserting “any year shall be subject”;

(3) by striking “functions; and” and inserting “functions.”; and

(4) by striking paragraph (2) and inserting the following:

“(2) Each corporation established under this subchapter shall each year submit to the Secretary a statement signed by the executive director of the corporation verifying that each director and employee has certified awareness of the laws and regulations referred to in paragraph (1) and of the consequences of violations of those laws and regulations in the same manner as Federal employees are required to so certify.”.

(c) FIVE-YEAR EXTENSION OF AUTHORITY TO ESTABLISH RESEARCH CORPORATIONS.—Section 7368 is amended by striking “December 31, 2003” and inserting “December 31, 2008”.

SEC. 403. DEPARTMENT OF DEFENSE PARTICIPATION IN REVOLVING SUPPLY FUND PURCHASES.

(a) ENHANCEMENT OF DEPARTMENT OF DEFENSE PARTICIPATION.—Section 8121 is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively;

(2) by designating the last sentence of subsection (a) as subsection (c); and

(3) by inserting after paragraph (3) of subsection (a) the following new subsection (b):

“(b) The Secretary may authorize the Secretary of Defense to make purchases through the fund in the same manner as activities of the Department. When services, equipment, or supplies are furnished to the Secretary of Defense through the fund, the reimbursement required by paragraph (2) of subsection (a) shall be made from appropriations made to the Department of Defense, and when services or supplies are to be furnished to the Department of Defense, the fund may be credited, as provided in paragraph (3) of subsection (a), with advances from appropriations available to the Department of Defense.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to funds appropriated for a fiscal year after fiscal year 2003.

SEC. 404. FIVE-YEAR EXTENSION OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 2041(c) is amended by striking “December 31, 2003” and inserting “December 31, 2008”.

SEC. 405. REPORT DATE CHANGES.

(a) SENIOR MANAGERS’ QUARTERLY REPORT.—Section 516(e)(1)(A) is amended by striking “30 days” and inserting “45 days”.

(b) ANNUAL REPORT ON ASSISTANCE TO HOMELESS VETERANS.—Section 2065(a) is amended by striking “April 15 of each year” and inserting “June 15 of each year”.

(c) ANNUAL REPORT OF COMMITTEE ON CARE OF SEVERELY CHRONICALLY MENTALLY ILL VETERANS.—Section 7321(d)(2) is amended by striking “February 1, 1998, and February 1 of each of the six following years” and inserting “June 1 of each year through 2008”.

(d) ANNUAL REPORT ON SHARING OF HEALTH CARE RESOURCES.—Section 8153(g) is amended—

(1) by striking “not more than 60 days after the end of each fiscal year” and inserting “not later than February 1 of each year”; and

(2) by inserting “during the preceding fiscal year” after “under this section”.

(e) ANNUAL REPORT OF SPECIAL COMMITTEE ON PTSD.—Section 110(e)(2) of the Veterans’ Health Care Act of 1984 (38 U.S.C. 1712A note) is amended by striking “February 1 of each of the three following years” and inserting “May 1 of each year through 2008”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—S. 1156:

SENATE REPORTS: No. 108–193 (Comm. on Veterans’ Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 19, considered and passed Senate.

Nov. 21, considered and passed House.



Public Law 108–171
108th Congress

An Act

Dec. 6, 2003

[S. 1768]

National Flood
Insurance
Program
Reauthorization
Act of 2004.
42 USC 4001
note.

To extend the national flood insurance program.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Flood Insurance Program Reauthorization Act of 2004”.

SEC. 2. EXTENSION OF PROGRAM.

(a) **EXTENSION.**—The National Flood Insurance Act of 1968 is amended as follows:

(1) **AUTHORITY FOR CONTRACTS.**—In section 1319 (42 U.S.C. 4026), by striking “December 31, 2003” and inserting “March 31, 2004”.

(2) **BORROWING AUTHORITY.**—In the first sentence of section 1309(a) (42 U.S.C. 4016(a)), by striking “December 31, 2003” and inserting “the date specified in section 1319”.

(3) **EMERGENCY IMPLEMENTATION.**—In section 1336(a) (42 U.S.C. 4056(a)), by striking “December 31, 2003” and inserting “on the date specified in section 1319”.

(4) **AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.**—In section 1376(c) (42 U.S.C. 4127(c)), by striking “December 31, 2003” and inserting “the date specified in section 1319”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall be considered to have taken effect on December 31, 2003.

42 USC 4016
note.

Approved December 6, 2003.

LEGISLATIVE HISTORY—S. 1768:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 27, considered and passed Senate.

Nov. 21, considered and passed House, amended.

Nov. 24, Senate concurred in House amendment.



Public Law 108–172
108th Congress

An Act

To temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958 through March 15, 2004, and for other purposes.

Dec. 6, 2003
[S. 1895]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF PROGRAM AUTHORITY.

(a) **IN GENERAL.**—Any program, authority, or provision, including any pilot program, authorized under the Small Business Act (15 U.S.C. 631 et seq.) or the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) as of September 30, 2003, that is scheduled to expire on or after September 30, 2003 and before March 15, 2004, shall remain authorized through March 15, 2004, under the same terms and conditions in effect on September 30, 2003.

(b) **EXCEPTION.**—Notwithstanding subsection (a), section 303(g)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(2)) is amended by striking “1.38 percent” and inserting “1.46 percent”.

Approved December 6, 2003.

LEGISLATIVE HISTORY—S. 1895:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Nov. 19, considered and passed Senate.
Nov. 20, considered and passed House.



Public Law 108–173
108th Congress

An Act

Dec. 8, 2003
[H.R. 1]

To amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, to amend the Internal Revenue Code of 1986 to allow a deduction to individuals for amounts contributed to health savings security accounts and health savings accounts, to provide for the disposition of unused health benefits in cafeteria plans and flexible spending arrangements, and for other purposes.

Medicare
Prescription
Drug,
Improvement,
and
Modernization
Act of 2003.
42 USC 1305
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES TO BIPA AND SECRETARY; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Medicare Prescription Drug, Improvement, and Modernization Act of 2003”.

(b) **AMENDMENTS TO SOCIAL SECURITY ACT.**—Except as otherwise specifically provided, whenever in division A of this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) **BIPA; SECRETARY.**—In this Act:

(1) **BIPA.**—The term “BIPA” means the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554.

(2) **SECRETARY.**—The term “Secretary” means the Secretary of Health and Human Services.

(d) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; references to BIPA and Secretary; table of contents.

TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT

Sec. 101. Medicare prescription drug benefit.

Sec. 102. Medicare Advantage conforming amendments.

Sec. 103. Medicaid amendments.

Sec. 104. Medigap amendments.

Sec. 105. Additional provisions relating to medicare prescription drug discount card and transitional assistance program.

Sec. 106. State Pharmaceutical Assistance Transition Commission.

Sec. 107. Studies and reports.

Sec. 108. Grants to physicians to implement electronic prescription drug programs.

Sec. 109. Expanding the work of medicare Quality Improvement Organizations to include parts C and D.

Sec. 110. Conflict of interest study.

Sec. 111. Study on employment-based retiree health coverage.

42 USC 1301
note.

TITLE II—MEDICARE ADVANTAGE**Subtitle A—Implementation of Medicare Advantage Program**

Sec. 201. Implementation of Medicare Advantage program.

Subtitle B—Immediate Improvements

Sec. 211. Immediate improvements.

Subtitle C—Offering of Medicare Advantage (MA) Regional Plans; Medicare Advantage Competition

Sec. 221. Establishment of MA regional plans.

Sec. 222. Competition program beginning in 2006.

Sec. 223. Effective date.

Subtitle D—Additional Reforms

Sec. 231. Specialized MA plans for special needs individuals.

Sec. 232. Avoiding duplicative State regulation.

Sec. 233. Medicare MSAs.

Sec. 234. Extension of reasonable cost contracts.

Sec. 235. Two-year extension of municipal health service demonstration projects.

Sec. 236. Payment by PACE providers for medicare and medicaid services furnished by noncontract providers.

Sec. 237. Reimbursement for federally qualified health centers providing services under MA plans.

Sec. 238. Institute of Medicine evaluation and report on health care performance measures.

Subtitle E—Comparative Cost Adjustment (CCA) Program

Sec. 241. Comparative Cost Adjustment (CCA) program.

TITLE III—COMBATTING WASTE, FRAUD, AND ABUSE

Sec. 301. Medicare secondary payor (MSP) provisions.

Sec. 302. Payment for durable medical equipment; competitive acquisition of certain items and services.

Sec. 303. Payment reform for covered outpatient drugs and biologicals.

Sec. 304. Extension of application of payment reform for covered outpatient drugs and biologicals to other physician specialties.

Sec. 305. Payment for inhalation drugs.

Sec. 306. Demonstration project for use of recovery audit contractors.

Sec. 307. Pilot program for national and State background checks on direct patient access employees of long-term care facilities or providers.

TITLE IV—RURAL PROVISIONS**Subtitle A—Provisions Relating to Part A Only**

Sec. 401. Equalizing urban and rural standardized payment amounts under the medicare inpatient hospital prospective payment system.

Sec. 402. Enhanced disproportionate share hospital (DSH) treatment for rural hospitals and urban hospitals with fewer than 100 beds.

Sec. 403. Adjustment to the medicare inpatient hospital prospective payment system wage index to revise the labor-related share of such index.

Sec. 404. More frequent update in weights used in hospital market basket.

Sec. 405. Improvements to critical access hospital program.

Sec. 406. Medicare inpatient hospital payment adjustment for low-volume hospitals.

Sec. 407. Treatment of missing cost reporting periods for sole community hospitals.

Sec. 408. Recognition of attending nurse practitioners as attending physicians to serve hospice patients.

Sec. 409. Rural hospice demonstration project.

Sec. 410. Exclusion of certain rural health clinic and federally qualified health center services from the prospective payment system for skilled nursing facilities.

Sec. 410A. Rural community hospital demonstration program.

Subtitle B—Provisions Relating to Part B Only

Sec. 411. Two-year extension of hold harmless provisions for small rural hospitals and sole community hospitals under the prospective payment system for hospital outpatient department services.

Sec. 412. Establishment of floor on work geographic adjustment.

Sec. 413. Medicare incentive payment program improvements for physician scarcity.

- Sec. 414. Payment for rural and urban ambulance services.
- Sec. 415. Providing appropriate coverage of rural air ambulance services.
- Sec. 416. Treatment of certain clinical diagnostic laboratory tests furnished to hospital outpatients in certain rural areas.
- Sec. 417. Extension of telemedicine demonstration project.
- Sec. 418. Report on demonstration project permitting skilled nursing facilities to be originating telehealth sites; authority to implement.

Subtitle C—Provisions Relating to Parts A and B

- Sec. 421. One-year increase for home health services furnished in a rural area.
- Sec. 422. Redistribution of unused resident positions.

Subtitle D—Other Provisions

- Sec. 431. Providing safe harbor for certain collaborative efforts that benefit medically underserved populations.
- Sec. 432. Office of Rural Health Policy improvements.
- Sec. 433. MedPAC study on rural hospital payment adjustments.
- Sec. 434. Frontier extended stay clinic demonstration project.

TITLE V—PROVISIONS RELATING TO PART A

Subtitle A—Inpatient Hospital Services

- Sec. 501. Revision of acute care hospital payment updates.
- Sec. 502. Revision of the indirect medical education (IME) adjustment percentage.
- Sec. 503. Recognition of new medical technologies under inpatient hospital prospective payment system.
- Sec. 504. Increase in Federal rate for hospitals in Puerto Rico.
- Sec. 505. Wage index adjustment reclassification reform.
- Sec. 506. Limitation on charges for inpatient hospital contract health services provided to Indians by medicare participating hospitals.
- Sec. 507. Clarifications to certain exceptions to medicare limits on physician referrals.
- Sec. 508. One-time appeals process for hospital wage index classification.

Subtitle B—Other Provisions

- Sec. 511. Payment for covered skilled nursing facility services.
- Sec. 512. Coverage of hospice consultation services.
- Sec. 513. Study on portable diagnostic ultrasound services for beneficiaries in skilled nursing facilities.

TITLE VI—PROVISIONS RELATING TO PART B

Subtitle A—Provisions Relating to Physicians' Services

- Sec. 601. Revision of updates for physicians' services.
- Sec. 602. Treatment of physicians' services furnished in Alaska.
- Sec. 603. Inclusion of podiatrists, dentists, and optometrists under private contracting authority.
- Sec. 604. GAO study on access to physicians' services.
- Sec. 605. Collaborative demonstration-based review of physician practice expense geographic adjustment data.
- Sec. 606. MedPAC report on payment for physicians' services.

Subtitle B—Preventive Services

- Sec. 611. Coverage of an initial preventive physical examination.
- Sec. 612. Coverage of cardiovascular screening blood tests.
- Sec. 613. Coverage of diabetes screening tests.
- Sec. 614. Improved payment for certain mammography services.

Subtitle C—Other Provisions

- Sec. 621. Hospital outpatient department (HOPD) payment reform.
- Sec. 622. Limitation of application of functional equivalence standard.
- Sec. 623. Payment for renal dialysis services.
- Sec. 624. Two-year moratorium on therapy caps; provisions relating to reports.
- Sec. 625. Waiver of part B late enrollment penalty for certain military retirees; special enrollment period.
- Sec. 626. Payment for services furnished in ambulatory surgical centers.
- Sec. 627. Payment for certain shoes and inserts under the fee schedule for orthotics and prosthetics.
- Sec. 628. Payment for clinical diagnostic laboratory tests.
- Sec. 629. Indexing part B deductible to inflation.

- Sec. 630. Five-year authorization of reimbursement for all medicare part B services furnished by certain Indian hospitals and clinics.

Subtitle D—Additional Demonstrations, Studies, and Other Provisions

- Sec. 641. Demonstration project for coverage of certain prescription drugs and biologicals.
Sec. 642. Extension of coverage of Intravenous Immune Globulin (IVIG) for the treatment of primary immune deficiency diseases in the home.
Sec. 643. MedPAC study of coverage of surgical first assisting services of certified registered nurse first assistants.
Sec. 644. MedPAC study of payment for cardio-thoracic surgeons.
Sec. 645. Studies relating to vision impairments.
Sec. 646. Medicare health care quality demonstration programs.
Sec. 647. MedPAC study on direct access to physical therapy services.
Sec. 648. Demonstration project for consumer-directed chronic outpatient services.
Sec. 649. Medicare care management performance demonstration.
Sec. 650. GAO study and report on the propagation of concierge care.
Sec. 651. Demonstration of coverage of chiropractic services under medicare.

TITLE VII—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

- Sec. 701. Update in home health services.
Sec. 702. Demonstration project to clarify the definition of homebound.
Sec. 703. Demonstration project for medical adult day care services.
Sec. 704. Temporary suspension of OASIS requirement for collection of data on non-medicare and non-medicare patients.
Sec. 705. MedPAC study on medicare margins of home health agencies.
Sec. 706. Coverage of religious nonmedical health care institution services furnished in the home.

Subtitle B—Graduate Medical Education

- Sec. 711. Extension of update limitation on high cost programs.
Sec. 712. Exception to initial residency period for geriatric residency or fellowship programs.
Sec. 713. Treatment of volunteer supervision.

Subtitle C—Chronic Care Improvement

- Sec. 721. Voluntary chronic care improvement under traditional fee-for-service.
Sec. 722. Medicare Advantage quality improvement programs.
Sec. 723. Chronically ill medicare beneficiary research, data, demonstration strategy.

Subtitle D—Other Provisions

- Sec. 731. Improvements in national and local coverage determination process to respond to changes in technology.
Sec. 732. Extension of treatment of certain physician pathology services under medicare.
Sec. 733. Payment for pancreatic islet cell investigational transplants for medicare beneficiaries in clinical trials.
Sec. 734. Restoration of medicare trust funds.
Sec. 735. Modifications to Medicare Payment Advisory Commission (MedPAC).
Sec. 736. Technical amendments.

TITLE VIII—COST CONTAINMENT

Subtitle A—Cost Containment

- Sec. 801. Inclusion in annual report of medicare trustees of information on status of medicare trust funds.
Sec. 802. Presidential submission of legislation.
Sec. 803. Procedures in the House of Representatives.
Sec. 804. Procedures in the Senate.

Subtitle B—Income-Related Reduction in Part B Premium Subsidy

- Sec. 811. Income-related reduction in part B premium subsidy.

TITLE IX—ADMINISTRATIVE IMPROVEMENTS, REGULATORY REDUCTION, AND CONTRACTING REFORM

- Sec. 900. Administrative improvements within the Centers for Medicare & Medicaid Services (CMS).

Subtitle A—Regulatory Reform

- Sec. 901. Construction; definition of supplier.
- Sec. 902. Issuance of regulations.
- Sec. 903. Compliance with changes in regulations and policies.
- Sec. 904. Reports and studies relating to regulatory reform.

Subtitle B—Contracting Reform

- Sec. 911. Increased flexibility in medicare administration.
- Sec. 912. Requirements for information security for medicare administrative contractors.

Subtitle C—Education and Outreach

- Sec. 921. Provider education and technical assistance.
- Sec. 922. Small provider technical assistance demonstration program.
- Sec. 923. Medicare Beneficiary Ombudsman.
- Sec. 924. Beneficiary outreach demonstration program.
- Sec. 925. Inclusion of additional information in notices to beneficiaries about skilled nursing facility benefits.
- Sec. 926. Information on medicare-certified skilled nursing facilities in hospital discharge plans.

Subtitle D—Appeals and Recovery

- Sec. 931. Transfer of responsibility for medicare appeals.
- Sec. 932. Process for expedited access to review.
- Sec. 933. Revisions to medicare appeals process.
- Sec. 934. Prepayment review.
- Sec. 935. Recovery of overpayments.
- Sec. 936. Provider enrollment process; right of appeal.
- Sec. 937. Process for correction of minor errors and omissions without pursuing appeals process.
- Sec. 938. Prior determination process for certain items and services; advance beneficiary notices.
- Sec. 939. Appeals by providers when there is no other party available.
- Sec. 940. Revisions to appeals timeframes and amounts.
- Sec. 940A. Mediation process for local coverage determinations.

Subtitle E—Miscellaneous Provisions

- Sec. 941. Policy development regarding evaluation and management (E & M) documentation guidelines.
- Sec. 942. Improvement in oversight of technology and coverage.
- Sec. 943. Treatment of hospitals for certain services under medicare secondary payor (MSP) provisions.
- Sec. 944. EMTALA improvements.
- Sec. 945. Emergency Medical Treatment and Labor Act (EMTALA) Technical Advisory Group.
- Sec. 946. Authorizing use of arrangements to provide core hospice services in certain circumstances.
- Sec. 947. Application of OSHA bloodborne pathogens standard to certain hospitals.
- Sec. 948. BIPA-related technical amendments and corrections.
- Sec. 949. Conforming authority to waive a program exclusion.
- Sec. 950. Treatment of certain dental claims.
- Sec. 951. Furnishing hospitals with information to compute DSH formula.
- Sec. 952. Revisions to reassignment provisions.
- Sec. 953. Other provisions.

TITLE X—MEDICAID AND MISCELLANEOUS PROVISIONS**Subtitle A—Medicaid Provisions**

- Sec. 1001. Medicaid disproportionate share hospital (DSH) payments.
- Sec. 1002. Clarification of inclusion of inpatient drug prices charged to certain public hospitals in the best price exemptions for the medicaid drug rebate program.
- Sec. 1003. Extension of moratorium.

Subtitle B—Miscellaneous Provisions

- Sec. 1011. Federal reimbursement of emergency health services furnished to undocumented aliens.
- Sec. 1012. Commission on Systemic Interoperability.
- Sec. 1013. Research on outcomes of health care items and services.
- Sec. 1014. Health care that works for all Americans: Citizens Health Care Working Group.

- Sec. 1015. Funding start-up administrative costs for medicare reform.
 Sec. 1016. Health care infrastructure improvement program.

TITLE XI—ACCESS TO AFFORDABLE PHARMACEUTICALS

Subtitle A—Access to Affordable Pharmaceuticals

- Sec. 1101. Thirty-month stay-of-effectiveness period.
 Sec. 1102. Forfeiture of 180-day exclusivity period.
 Sec. 1103. Bioavailability and bioequivalence.
 Sec. 1104. Conforming amendments.

Subtitle B—Federal Trade Commission Review

- Sec. 1111. Definitions.
 Sec. 1112. Notification of agreements.
 Sec. 1113. Filing deadlines.
 Sec. 1114. Disclosure exemption.
 Sec. 1115. Enforcement.
 Sec. 1116. Rulemaking.
 Sec. 1117. Savings clause.
 Sec. 1118. Effective date.

Subtitle C—Importation of Prescription Drugs

- Sec. 1121. Importation of prescription drugs.
 Sec. 1122. Study and report on importation of drugs.
 Sec. 1123. Study and report on trade in pharmaceuticals.

TITLE XII—TAX INCENTIVES FOR HEALTH AND RETIREMENT SECURITY

- Sec. 1201. Health savings accounts.
 Sec. 1202. Exclusion from gross income of certain Federal subsidies for prescription drug plans.
 Sec. 1203. Exception to information reporting requirements related to certain health arrangements.

TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT

SEC. 101. MEDICARE PRESCRIPTION DRUG BENEFIT.

- (a) IN GENERAL.—Title XVIII is amended—
 (1) by redesignating part D as part E; and
 (2) by inserting after part C the following new part:

“PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM

“Subpart 1—Part D Eligible Individuals and Prescription Drug Benefits

“ELIGIBILITY, ENROLLMENT, AND INFORMATION

“SEC. 1860D–1. (a) PROVISION OF QUALIFIED PRESCRIPTION
 DRUG COVERAGE THROUGH ENROLLMENT IN PLANS.—

42 USC
 1395w–101.

“(1) IN GENERAL.—Subject to the succeeding provisions of this part, each part D eligible individual (as defined in paragraph (3)(A)) is entitled to obtain qualified prescription drug coverage (described in section 1860D–2(a)) as follows:

“(A) FEE-FOR-SERVICE ENROLLEES MAY RECEIVE COVERAGE THROUGH A PRESCRIPTION DRUG PLAN.—A part D eligible individual who is not enrolled in an MA plan may obtain qualified prescription drug coverage through enrollment in a prescription drug plan (as defined in section 1860D–41(a)(14)).

“(B) MEDICARE ADVANTAGE ENROLLEES.—

“(i) ENROLLEES IN A PLAN PROVIDING QUALIFIED PRESCRIPTION DRUG COVERAGE RECEIVE COVERAGE THROUGH THE PLAN.—A part D eligible individual who is enrolled in an MA-PD plan obtains such coverage through such plan.

“(ii) LIMITATION ON ENROLLMENT OF MA PLAN ENROLLEES IN PRESCRIPTION DRUG PLANS.—Except as provided in clauses (iii) and (iv), a part D eligible individual who is enrolled in an MA plan may not enroll in a prescription drug plan under this part.

“(iii) PRIVATE FEE-FOR-SERVICE ENROLLEES IN MA PLANS NOT PROVIDING QUALIFIED PRESCRIPTION DRUG COVERAGE PERMITTED TO ENROLL IN A PRESCRIPTION DRUG PLAN.—A part D eligible individual who is enrolled in an MA private fee-for-service plan (as defined in section 1859(b)(2)) that does not provide qualified prescription drug coverage may obtain qualified prescription drug coverage through enrollment in a prescription drug plan.

“(iv) ENROLLEES IN MSA PLANS PERMITTED TO ENROLL IN A PRESCRIPTION DRUG PLAN.—A part D eligible individual who is enrolled in an MSA plan (as defined in section 1859(b)(3)) may obtain qualified prescription drug coverage through enrollment in a prescription drug plan.

“(2) COVERAGE FIRST EFFECTIVE JANUARY 1, 2006.—Coverage under prescription drug plans and MA-PD plans shall first be effective on January 1, 2006.

“(3) DEFINITIONS.—For purposes of this part:

“(A) PART D ELIGIBLE INDIVIDUAL.—The term ‘part D eligible individual’ means an individual who is entitled to benefits under part A or enrolled under part B.

“(B) MA PLAN.—The term ‘MA plan’ has the meaning given such term in section 1859(b)(1).

“(C) MA-PD PLAN.—The term ‘MA-PD plan’ means an MA plan that provides qualified prescription drug coverage.

“(b) ENROLLMENT PROCESS FOR PRESCRIPTION DRUG PLANS.—

“(1) ESTABLISHMENT OF PROCESS.—

“(A) IN GENERAL.—The Secretary shall establish a process for the enrollment, disenrollment, termination, and change of enrollment of part D eligible individuals in prescription drug plans consistent with this subsection.

“(B) APPLICATION OF MA RULES.—In establishing such process, the Secretary shall use rules similar to (and coordinated with) the rules for enrollment, disenrollment, termination, and change of enrollment with an MA-PD plan under the following provisions of section 1851:

“(i) RESIDENCE REQUIREMENTS.—Section 1851(b)(1)(A), relating to residence requirements.

“(ii) EXERCISE OF CHOICE.—Section 1851(c) (other than paragraph (3)(A) of such section), relating to exercise of choice.

“(iii) COVERAGE ELECTION PERIODS.—Subject to paragraphs (2) and (3) of this subsection, section 1851(e) (other than subparagraphs (B) and (C) of paragraph (2) and the second sentence of paragraph (4)

of such section), relating to coverage election periods, including initial periods, annual coordinated election periods, special election periods, and election periods for exceptional circumstances.

“(iv) COVERAGE PERIODS.—Section 1851(f), relating to effectiveness of elections and changes of elections.

“(v) GUARANTEED ISSUE AND RENEWAL.—Section 1851(g) (other than paragraph (2) of such section and clause (i) and the second sentence of clause (ii) of paragraph (3)(C) of such section), relating to guaranteed issue and renewal.

“(vi) MARKETING MATERIAL AND APPLICATION FORMS.—Section 1851(h), relating to approval of marketing material and application forms.

In applying clauses (ii), (iv), and (v) of this subparagraph, any reference to section 1851(e) shall be treated as a reference to such section as applied pursuant to clause (iii) of this subparagraph.

“(C) SPECIAL RULE.—The process established under subparagraph (A) shall include, in the case of a part D eligible individual who is a full-benefit dual eligible individual (as defined in section 1935(c)(6)) who has failed to enroll in a prescription drug plan or an MA–PD plan, for the enrollment in a prescription drug plan that has a monthly beneficiary premium that does not exceed the premium assistance available under section 1860D–14(a)(1)(A)). If there is more than one such plan available, the Secretary shall enroll such an individual on a random basis among all such plans in the PDP region. Nothing in the previous sentence shall prevent such an individual from declining or changing such enrollment.

“(2) INITIAL ENROLLMENT PERIOD.—

“(A) PROGRAM INITIATION.—In the case of an individual who is a part D eligible individual as of November 15, 2005, there shall be an initial enrollment period that shall be the same as the annual, coordinated open election period described in section 1851(e)(3)(B)(iii), as applied under paragraph (1)(B)(iii).

“(B) CONTINUING PERIODS.—In the case of an individual who becomes a part D eligible individual after November 15, 2005, there shall be an initial enrollment period which is the period under section 1851(e)(1), as applied under paragraph (1)(B)(iii) of this section, as if ‘entitled to benefits under part A or enrolled under part B’ were substituted for ‘entitled to benefits under part A and enrolled under part B’, but in no case shall such period end before the period described in subparagraph (A).

“(3) ADDITIONAL SPECIAL ENROLLMENT PERIODS.—The Secretary shall establish special enrollment periods, including the following:

“(A) INVOLUNTARY LOSS OF CREDITABLE PRESCRIPTION DRUG COVERAGE.—

“(i) IN GENERAL.—In the case of a part D eligible individual who involuntarily loses creditable prescription drug coverage (as defined in section 1860D–13(b)(4)).

“(ii) NOTICE.—In establishing special enrollment periods under clause (i), the Secretary shall take into account when the part D eligible individuals are provided notice of the loss of creditable prescription drug coverage.

“(iii) FAILURE TO PAY PREMIUM.—For purposes of clause (i), a loss of coverage shall be treated as voluntary if the coverage is terminated because of failure to pay a required beneficiary premium.

“(iv) REDUCTION IN COVERAGE.—For purposes of clause (i), a reduction in coverage so that the coverage no longer meets the requirements under section 1860D–13(b)(5) (relating to actuarial equivalence) shall be treated as an involuntary loss of coverage.

“(B) ERRORS IN ENROLLMENT.—In the case described in section 1837(h) (relating to errors in enrollment), in the same manner as such section applies to part B.

“(C) EXCEPTIONAL CIRCUMSTANCES.—In the case of part D eligible individuals who meet such exceptional conditions (in addition to those conditions applied under paragraph (1)(B)(iii)) as the Secretary may provide.

“(D) MEDICAID COVERAGE.—In the case of an individual (as determined by the Secretary) who is a full-benefit dual eligible individual (as defined in section 1935(c)(6)).

“(E) DISCONTINUANCE OF MA–PD ELECTION DURING FIRST YEAR OF ELIGIBILITY.—In the case of a part D eligible individual who discontinues enrollment in an MA–PD plan under the second sentence of section 1851(e)(4) at the time of the election of coverage under such sentence under the original medicare fee-for-service program.

“(4) INFORMATION TO FACILITATE ENROLLMENT.—

“(A) IN GENERAL.—Notwithstanding any other provision of law but subject to subparagraph (B), the Secretary may provide to each PDP sponsor and MA organization such identifying information about part D eligible individuals as the Secretary determines to be necessary to facilitate efficient marketing of prescription drug plans and MA–PD plans to such individuals and enrollment of such individuals in such plans.

“(B) LIMITATION.—

“(i) PROVISION OF INFORMATION.—The Secretary may provide the information under subparagraph (A) only to the extent necessary to carry out such subparagraph.

“(ii) USE OF INFORMATION.—Such information provided by the Secretary to a PDP sponsor or an MA organization may be used by such sponsor or organization only to facilitate marketing of, and enrollment of part D eligible individuals in, prescription drug plans and MA–PD plans.

“(5) REFERENCE TO ENROLLMENT PROCEDURES FOR MA–PD PLANS.—For rules applicable to enrollment, disenrollment, termination, and change of enrollment of part D eligible individuals in MA–PD plans, see section 1851.

“(6) REFERENCE TO PENALTIES FOR LATE ENROLLMENT.—Section 1860D–13(b) imposes a late enrollment penalty for part D eligible individuals who—

“(A) enroll in a prescription drug plan or an MA–PD plan after the initial enrollment period described in paragraph (2); and

“(B) fail to maintain continuous creditable prescription drug coverage during the period of non-enrollment.

“(c) PROVIDING INFORMATION TO BENEFICIARIES.—

“(1) ACTIVITIES.—The Secretary shall conduct activities that are designed to broadly disseminate information to part D eligible individuals (and prospective part D eligible individuals) regarding the coverage provided under this part. Such activities shall ensure that such information is first made available at least 30 days prior to the initial enrollment period described in subsection (b)(2)(A).

“(2) REQUIREMENTS.—The activities described in paragraph (1) shall—

“(A) be similar to the activities performed by the Secretary under section 1851(d), including dissemination (including through the toll-free telephone number 1–800–MEDICARE) of comparative information for prescription drug plans and MA–PD plans; and

“(B) be coordinated with the activities performed by the Secretary under such section and under section 1804.

“(3) COMPARATIVE INFORMATION.—

“(A) IN GENERAL.—Subject to subparagraph (B), the comparative information referred to in paragraph (2)(A) shall include a comparison of the following with respect to qualified prescription drug coverage:

“(i) BENEFITS.—The benefits provided under the plan.

“(ii) MONTHLY BENEFICIARY PREMIUM.—The monthly beneficiary premium under the plan.

“(iii) QUALITY AND PERFORMANCE.—The quality and performance under the plan.

“(iv) BENEFICIARY COST-SHARING.—The cost-sharing required of part D eligible individuals under the plan.

“(v) CONSUMER SATISFACTION SURVEYS.—The results of consumer satisfaction surveys regarding the plan conducted pursuant to section 1860D–4(d).

“(B) EXCEPTION FOR UNAVAILABILITY OF INFORMATION.—The Secretary is not required to provide comparative information under clauses (iii) and (v) of subparagraph (A) with respect to a plan—

“(i) for the first plan year in which it is offered; and

“(ii) for the next plan year if it is impracticable or the information is otherwise unavailable.

“(4) INFORMATION ON LATE ENROLLMENT PENALTY.—The information disseminated under paragraph (1) shall include information concerning the methodology for determining the late enrollment penalty under section 1860D–13(b).

“PRESCRIPTION DRUG BENEFITS

“SEC. 1860D–2. (a) REQUIREMENTS.—

“(1) IN GENERAL.—For purposes of this part and part C, the term ‘qualified prescription drug coverage’ means either of the following:

42 USC
1395w–102.

“(A) STANDARD PRESCRIPTION DRUG COVERAGE WITH ACCESS TO NEGOTIATED PRICES.—Standard prescription drug coverage (as defined in subsection (b)) and access to negotiated prices under subsection (d).

“(B) ALTERNATIVE PRESCRIPTION DRUG COVERAGE WITH AT LEAST ACTUARIALLY EQUIVALENT BENEFITS AND ACCESS TO NEGOTIATED PRICES.—Coverage of covered part D drugs which meets the alternative prescription drug coverage requirements of subsection (c) and access to negotiated prices under subsection (d), but only if the benefit design of such coverage is approved by the Secretary, as provided under subsection (c).

“(2) PERMITTING SUPPLEMENTAL PRESCRIPTION DRUG COVERAGE.—

“(A) IN GENERAL.—Subject to subparagraph (B), qualified prescription drug coverage may include supplemental prescription drug coverage consisting of either or both of the following:

“(i) CERTAIN REDUCTIONS IN COST-SHARING.—

“(I) IN GENERAL.—A reduction in the annual deductible, a reduction in the coinsurance percentage, or an increase in the initial coverage limit with respect to covered part D drugs, or any combination thereof, insofar as such a reduction or increase increases the actuarial value of benefits above the actuarial value of basic prescription drug coverage.

“(II) CONSTRUCTION.—Nothing in this paragraph shall be construed as affecting the application of subsection (c)(3).

“(ii) OPTIONAL DRUGS.—Coverage of any product that would be a covered part D drug but for the application of subsection (e)(2)(A).

“(B) REQUIREMENT.—A PDP sponsor may not offer a prescription drug plan that provides supplemental prescription drug coverage pursuant to subparagraph (A) in an area unless the sponsor also offers a prescription drug plan in the area that only provides basic prescription drug coverage.

“(3) BASIC PRESCRIPTION DRUG COVERAGE.—For purposes of this part and part C, the term ‘basic prescription drug coverage’ means either of the following:

“(A) Coverage that meets the requirements of paragraph (1)(A).

“(B) Coverage that meets the requirements of paragraph (1)(B) but does not have any supplemental prescription drug coverage described in paragraph (2)(A).

“(4) APPLICATION OF SECONDARY PAYOR PROVISIONS.—The provisions of section 1852(a)(4) shall apply under this part in the same manner as they apply under part C.

“(5) CONSTRUCTION.—Nothing in this subsection shall be construed as changing the computation of incurred costs under subsection (b)(4).

“(b) STANDARD PRESCRIPTION DRUG COVERAGE.—For purposes of this part and part C, the term ‘standard prescription drug coverage’ means coverage of covered part D drugs that meets the following requirements:

“(1) DEDUCTIBLE.—

“(A) IN GENERAL.—The coverage has an annual deductible—

“(i) for 2006, that is equal to \$250; or

“(ii) for a subsequent year, that is equal to the amount specified under this paragraph for the previous year increased by the percentage specified in paragraph (6) for the year involved.

“(B) ROUNDING.—Any amount determined under subparagraph (A)(ii) that is not a multiple of \$5 shall be rounded to the nearest multiple of \$5.

“(2) BENEFIT STRUCTURE.—

“(A) 25 PERCENT COINSURANCE.—The coverage has coinsurance (for costs above the annual deductible specified in paragraph (1) and up to the initial coverage limit under paragraph (3)) that is—

“(i) equal to 25 percent; or

“(ii) actuarially equivalent (using processes and methods established under section 1860D–11(c)) to an average expected payment of 25 percent of such costs.

“(B) USE OF TIERS.—Nothing in this part shall be construed as preventing a PDP sponsor or an MA organization from applying tiered copayments under a plan, so long as such tiered copayments are consistent with subparagraph (A)(ii).

“(3) INITIAL COVERAGE LIMIT.—

“(A) IN GENERAL.—Except as provided in paragraph (4), the coverage has an initial coverage limit on the maximum costs that may be recognized for payment purposes (including the annual deductible)—

“(i) for 2006, that is equal to \$2,250; or

“(ii) for a subsequent year, that is equal to the amount specified in this paragraph for the previous year, increased by the annual percentage increase described in paragraph (6) for the year involved.

“(B) ROUNDING.—Any amount determined under subparagraph (A)(ii) that is not a multiple of \$10 shall be rounded to the nearest multiple of \$10.

“(4) PROTECTION AGAINST HIGH OUT-OF-POCKET EXPENDITURES.—

“(A) IN GENERAL.—

“(i) IN GENERAL.—The coverage provides benefits, after the part D eligible individual has incurred costs (as described in subparagraph (C)) for covered part D drugs in a year equal to the annual out-of-pocket threshold specified in subparagraph (B), with cost-sharing that is equal to the greater of—

“(I) a copayment of \$2 for a generic drug or a preferred drug that is a multiple source drug (as defined in section 1927(k)(7)(A)(i)) and \$5 for any other drug; or

“(II) coinsurance that is equal to 5 percent.

“(ii) ADJUSTMENT OF AMOUNT.—For a year after 2006, the dollar amounts specified in clause (i)(I) shall be equal to the dollar amounts specified in this subparagraph for the previous year, increased by the annual percentage increase described in paragraph (6)

for the year involved. Any amount established under this clause that is not a multiple of a 5 cents shall be rounded to the nearest multiple of 5 cents.

“(B) ANNUAL OUT-OF-POCKET THRESHOLD.—

“(i) IN GENERAL.—For purposes of this part, the ‘annual out-of-pocket threshold’ specified in this subparagraph—

“(I) for 2006, is equal to \$3,600; or

“(II) for a subsequent year, is equal to the amount specified in this subparagraph for the previous year, increased by the annual percentage increase described in paragraph (6) for the year involved.

“(ii) ROUNDING.—Any amount determined under clause (i)(II) that is not a multiple of \$50 shall be rounded to the nearest multiple of \$50.

“(C) APPLICATION.—In applying subparagraph (A)—

“(i) incurred costs shall only include costs incurred with respect to covered part D drugs for the annual deductible described in paragraph (1), for cost-sharing described in paragraph (2), and for amounts for which benefits are not provided because of the application of the initial coverage limit described in paragraph (3), but does not include any costs incurred for covered part D drugs which are not included (or treated as being included) in the plan’s formulary; and

“(ii) such costs shall be treated as incurred only if they are paid by the part D eligible individual (or by another person, such as a family member, on behalf of the individual), under section 1860D-14, or under a State Pharmaceutical Assistance Program and the part D eligible individual (or other person) is not reimbursed through insurance or otherwise, a group health plan, or other third-party payment arrangement (other than under such section or such a Program) for such costs.

“(D) INFORMATION REGARDING THIRD-PARTY REIMBURSEMENT.—

“(i) PROCEDURES FOR EXCHANGING INFORMATION.—In order to accurately apply the requirements of subparagraph (C)(ii), the Secretary is authorized to establish procedures, in coordination with the Secretary of the Treasury and the Secretary of Labor—

“(I) for determining whether costs for part D eligible individuals are being reimbursed through insurance or otherwise, a group health plan, or other third-party payment arrangement; and

“(II) for alerting the PDP sponsors and MA organizations that offer the prescription drug plans and MA-PD plans in which such individuals are enrolled about such reimbursement arrangements.

“(ii) AUTHORITY TO REQUEST INFORMATION FROM ENROLLEES.—A PDP sponsor or an MA organization may periodically ask part D eligible individuals enrolled in a prescription drug plan or an MA-PD plan offered by the sponsor or organization whether such individuals have or expect to receive such third-

party reimbursement. A material misrepresentation of the information described in the preceding sentence by an individual (as defined in standards set by the Secretary and determined through a process established by the Secretary) shall constitute grounds for termination of enrollment in any plan under section 1851(g)(3)(B) (and as applied under this part under section 1860D–1(b)(1)(B)(v)) for a period specified by the Secretary.

“(5) CONSTRUCTION.—Nothing in this part shall be construed as preventing a PDP sponsor or an MA organization offering an MA–PD plan from reducing to zero the cost-sharing otherwise applicable to preferred or generic drugs.

“(6) ANNUAL PERCENTAGE INCREASE.—The annual percentage increase specified in this paragraph for a year is equal to the annual percentage increase in average per capita aggregate expenditures for covered part D drugs in the United States for part D eligible individuals, as determined by the Secretary for the 12-month period ending in July of the previous year using such methods as the Secretary shall specify.

“(c) ALTERNATIVE PRESCRIPTION DRUG COVERAGE REQUIREMENTS.—A prescription drug plan or an MA–PD plan may provide a different prescription drug benefit design from standard prescription drug coverage so long as the Secretary determines (consistent with section 1860D–11(c)) that the following requirements are met and the plan applies for, and receives, the approval of the Secretary for such benefit design:

“(1) ASSURING AT LEAST ACTUARIALLY EQUIVALENT COVERAGE.—

“(A) ASSURING EQUIVALENT VALUE OF TOTAL COVERAGE.—The actuarial value of the total coverage is at least equal to the actuarial value of standard prescription drug coverage.

“(B) ASSURING EQUIVALENT UNSUBSIDIZED VALUE OF COVERAGE.—The unsubsidized value of the coverage is at least equal to the unsubsidized value of standard prescription drug coverage. For purposes of this subparagraph, the unsubsidized value of coverage is the amount by which the actuarial value of the coverage exceeds the actuarial value of the subsidy payments under section 1860D–15 with respect to such coverage.

“(C) ASSURING STANDARD PAYMENT FOR COSTS AT INITIAL COVERAGE LIMIT.—The coverage is designed, based upon an actuarially representative pattern of utilization, to provide for the payment, with respect to costs incurred that are equal to the initial coverage limit under subsection (b)(3) for the year, of an amount equal to at least the product of—

“(i) the amount by which the initial coverage limit described in subsection (b)(3) for the year exceeds the deductible described in subsection (b)(1) for the year; and

“(ii) 100 percent minus the coinsurance percentage specified in subsection (b)(2)(A)(i).

“(2) MAXIMUM REQUIRED DEDUCTIBLE.—The deductible under the coverage shall not exceed the deductible amount specified under subsection (b)(1) for the year.

“(3) SAME PROTECTION AGAINST HIGH OUT-OF-POCKET EXPENDITURES.—The coverage provides the coverage required under subsection (b)(4).

“(d) ACCESS TO NEGOTIATED PRICES.—

“(1) ACCESS.—

“(A) IN GENERAL.—Under qualified prescription drug coverage offered by a PDP sponsor offering a prescription drug plan or an MA organization offering an MA-PD plan, the sponsor or organization shall provide enrollees with access to negotiated prices used for payment for covered part D drugs, regardless of the fact that no benefits may be payable under the coverage with respect to such drugs because of the application of a deductible or other cost-sharing or an initial coverage limit (described in subsection (b)(3)).

“(B) NEGOTIATED PRICES.—For purposes of this part, negotiated prices shall take into account negotiated price concessions, such as discounts, direct or indirect subsidies, rebates, and direct or indirect remunerations, for covered part D drugs, and include any dispensing fees for such drugs.

“(C) MEDICAID-RELATED PROVISIONS.—The prices negotiated by a prescription drug plan, by an MA-PD plan with respect to covered part D drugs, or by a qualified retiree prescription drug plan (as defined in section 1860D-22(a)(2)) with respect to such drugs on behalf of part D eligible individuals, shall (notwithstanding any other provision of law) not be taken into account for the purposes of establishing the best price under section 1927(c)(1)(C).

“(2) DISCLOSURE.—A PDP sponsor offering a prescription drug plan or an MA organization offering an MA-PD plan shall disclose to the Secretary (in a manner specified by the Secretary) the aggregate negotiated price concessions described in paragraph (1)(B) made available to the sponsor or organization by a manufacturer which are passed through in the form of lower subsidies, lower monthly beneficiary prescription drug premiums, and lower prices through pharmacies and other dispensers. The provisions of section 1927(b)(3)(D) apply to information disclosed to the Secretary under this paragraph.

“(3) AUDITS.—To protect against fraud and abuse and to ensure proper disclosures and accounting under this part and in accordance with section 1857(d)(2)(B) (as applied under section 1860D-12(b)(3)(C)), the Secretary may conduct periodic audits, directly or through contracts, of the financial statements and records of PDP sponsors with respect to prescription drug plans and MA organizations with respect to MA-PD plans.

“(e) COVERED PART D DRUG DEFINED.—

“(1) IN GENERAL.—Except as provided in this subsection, for purposes of this part, the term ‘covered part D drug’ means—

“(A) a drug that may be dispensed only upon a prescription and that is described in subparagraph (A)(i), (A)(ii), or (A)(iii) of section 1927(k)(2); or

“(B) a biological product described in clauses (i) through (iii) of subparagraph (B) of such section or insulin described in subparagraph (C) of such section and medical supplies

associated with the injection of insulin (as defined in regulations of the Secretary), and such term includes a vaccine licensed under section 351 of the Public Health Service Act and any use of a covered part D drug for a medically accepted indication (as defined in section 1927(k)(6)).

“(2) EXCLUSIONS.—

“(A) IN GENERAL.—Such term does not include drugs or classes of drugs, or their medical uses, which may be excluded from coverage or otherwise restricted under section 1927(d)(2), other than subparagraph (E) of such section (relating to smoking cessation agents), or under section 1927(d)(3).

“(B) MEDICARE COVERED DRUGS.—A drug prescribed for a part D eligible individual that would otherwise be a covered part D drug under this part shall not be so considered if payment for such drug as so prescribed and dispensed or administered with respect to that individual is available (or would be available but for the application of a deductible) under part A or B for that individual.

“(3) APPLICATION OF GENERAL EXCLUSION PROVISIONS.—A prescription drug plan or an MA–PD plan may exclude from qualified prescription drug coverage any covered part D drug—

“(A) for which payment would not be made if section 1862(a) applied to this part; or

“(B) which is not prescribed in accordance with the plan or this part.

Such exclusions are determinations subject to reconsideration and appeal pursuant to subsections (g) and (h), respectively, of section 1860D–4.

“ACCESS TO A CHOICE OF QUALIFIED PRESCRIPTION DRUG COVERAGE

“SEC. 1860D–3. (a) ASSURING ACCESS TO A CHOICE OF COVERAGE.—

42 USC
1395w–103.

“(1) CHOICE OF AT LEAST TWO PLANS IN EACH AREA.—The Secretary shall ensure that each part D eligible individual has available, consistent with paragraph (2), a choice of enrollment in at least 2 qualifying plans (as defined in paragraph (3)) in the area in which the individual resides, at least one of which is a prescription drug plan. In any such case in which such plans are not available, the part D eligible individual shall be given the opportunity to enroll in a fallback prescription drug plan.

“(2) REQUIREMENT FOR DIFFERENT PLAN SPONSORS.—The requirement in paragraph (1) is not satisfied with respect to an area if only one entity offers all the qualifying plans in the area.

“(3) QUALIFYING PLAN DEFINED.—For purposes of this section, the term ‘qualifying plan’ means—

“(A) a prescription drug plan; or

“(B) an MA–PD plan described in section 1851(a)(2)(A)(i) that provides—

“(i) basic prescription drug coverage; or

“(ii) qualified prescription drug coverage that provides supplemental prescription drug coverage so long as there is no MA monthly supplemental beneficiary premium applied under the plan, due to the application

of a credit against such premium of a rebate under section 1854(b)(1)(C).

“(b) FLEXIBILITY IN RISK ASSUMED AND APPLICATION OF FALLBACK PLAN.—In order to ensure access pursuant to subsection (a) in an area—

“(1) the Secretary may approve limited risk plans under section 1860D-11(f) for the area; and

“(2) only if such access is still not provided in the area after applying paragraph (1), the Secretary shall provide for the offering of a fallback prescription drug plan for that area under section 1860D-11(g).

“BENEFICIARY PROTECTIONS FOR QUALIFIED PRESCRIPTION DRUG COVERAGE

42 USC
1395w-104.

“SEC. 1860D-4. (a) DISSEMINATION OF INFORMATION.—

“(1) GENERAL INFORMATION.—

“(A) APPLICATION OF MA INFORMATION.—A PDP sponsor shall disclose, in a clear, accurate, and standardized form to each enrollee with a prescription drug plan offered by the sponsor under this part at the time of enrollment and at least annually thereafter, the information described in section 1852(c)(1) relating to such plan, insofar as the Secretary determines appropriate with respect to benefits provided under this part, and including the information described in subparagraph (B).

“(B) DRUG SPECIFIC INFORMATION.—The information described in this subparagraph is information concerning the following:

“(i) Access to specific covered part D drugs, including access through pharmacy networks.

“(ii) How any formulary (including any tiered formulary structure) used by the sponsor functions, including a description of how a part D eligible individual may obtain information on the formulary consistent with paragraph (3).

“(iii) Beneficiary cost-sharing requirements and how a part D eligible individual may obtain information on such requirements, including tiered or other copayment level applicable to each drug (or class of drugs), consistent with paragraph (3).

“(iv) The medication therapy management program required under subsection (c).

“(2) DISCLOSURE UPON REQUEST OF GENERAL COVERAGE, UTILIZATION, AND GRIEVANCE INFORMATION.—Upon request of a part D eligible individual who is eligible to enroll in a prescription drug plan, the PDP sponsor offering such plan shall provide information similar (as determined by the Secretary) to the information described in subparagraphs (A), (B), and (C) of section 1852(c)(2) to such individual.

“(3) PROVISION OF SPECIFIC INFORMATION.—

“(A) RESPONSE TO BENEFICIARY QUESTIONS.—Each PDP sponsor offering a prescription drug plan shall have a mechanism for providing specific information on a timely basis to enrollees upon request. Such mechanism shall include access to information through the use of a toll-free telephone number and, upon request, the provision of such information in writing.

“(B) AVAILABILITY OF INFORMATION ON CHANGES IN FORMULARY THROUGH THE INTERNET.—A PDP sponsor offering a prescription drug plan shall make available on a timely basis through an Internet website information on specific changes in the formulary under the plan (including changes to tiered or preferred status of covered part D drugs).

“(4) CLAIMS INFORMATION.—A PDP sponsor offering a prescription drug plan must furnish to each enrollee in a form easily understandable to such enrollees—

“(A) an explanation of benefits (in accordance with section 1806(a) or in a comparable manner); and

“(B) when prescription drug benefits are provided under this part, a notice of the benefits in relation to—

“(i) the initial coverage limit for the current year; and

“(ii) the annual out-of-pocket threshold for the current year.

Notices under subparagraph (B) need not be provided more often than as specified by the Secretary and notices under subparagraph (B)(ii) shall take into account the application of section 1860D–2(b)(4)(C) to the extent practicable, as specified by the Secretary.

“(b) ACCESS TO COVERED PART D DRUGS.—

“(1) ASSURING PHARMACY ACCESS.—

“(A) PARTICIPATION OF ANY WILLING PHARMACY.—A prescription drug plan shall permit the participation of any pharmacy that meets the terms and conditions under the plan.

“(B) DISCOUNTS ALLOWED FOR NETWORK PHARMACIES.—For covered part D drugs dispensed through in-network pharmacies, a prescription drug plan may, notwithstanding subparagraph (A), reduce coinsurance or copayments for part D eligible individuals enrolled in the plan below the level otherwise required. In no case shall such a reduction result in an increase in payments made by the Secretary under section 1860D–15 to a plan.

“(C) CONVENIENT ACCESS FOR NETWORK PHARMACIES.—

“(i) IN GENERAL.—The PDP sponsor of the prescription drug plan shall secure the participation in its network of a sufficient number of pharmacies that dispense (other than by mail order) drugs directly to patients to ensure convenient access (consistent with rules established by the Secretary).

“(ii) APPLICATION OF TRICARE STANDARDS.—The Secretary shall establish rules for convenient access to in-network pharmacies under this subparagraph that are no less favorable to enrollees than the rules for convenient access to pharmacies included in the statement of work of solicitation (#MDA906–03–R–0002) of the Department of Defense under the TRICARE Retail Pharmacy (TRRx) as of March 13, 2003.

“(iii) ADEQUATE EMERGENCY ACCESS.—Such rules shall include adequate emergency access for enrollees.

“(iv) CONVENIENT ACCESS IN LONG-TERM CARE FACILITIES.—Such rules may include standards with respect to access for enrollees who are residing in

long-term care facilities and for pharmacies operated by the Indian Health Service, Indian tribes and tribal organizations, and urban Indian organizations (as defined in section 4 of the Indian Health Care Improvement Act).

“(D) LEVEL PLAYING FIELD.—Such a sponsor shall permit enrollees to receive benefits (which may include a 90-day supply of drugs or biologicals) through a pharmacy (other than a mail order pharmacy), with any differential in charge paid by such enrollees.

“(E) NOT REQUIRED TO ACCEPT INSURANCE RISK.—The terms and conditions under subparagraph (A) may not require participating pharmacies to accept insurance risk as a condition of participation.

“(2) USE OF STANDARDIZED TECHNOLOGY.—

“(A) IN GENERAL.—The PDP sponsor of a prescription drug plan shall issue (and reissue, as appropriate) such a card (or other technology) that may be used by an enrollee to assure access to negotiated prices under section 1860D-2(d).

“(B) STANDARDS.—

“(i) IN GENERAL.—The Secretary shall provide for the development, adoption, or recognition of standards relating to a standardized format for the card or other technology required under subparagraph (A). Such standards shall be compatible with part C of title XI and may be based on standards developed by an appropriate standard setting organization.

“(ii) CONSULTATION.—In developing the standards under clause (i), the Secretary shall consult with the National Council for Prescription Drug Programs and other standard setting organizations determined appropriate by the Secretary.

“(iii) IMPLEMENTATION.—The Secretary shall develop, adopt, or recognize the standards under clause (i) by such date as the Secretary determines shall be sufficient to ensure that PDP sponsors utilize such standards beginning January 1, 2006.

“(3) REQUIREMENTS ON DEVELOPMENT AND APPLICATION OF FORMULARIES.—If a PDP sponsor of a prescription drug plan uses a formulary (including the use of tiered cost-sharing), the following requirements must be met:

“(A) DEVELOPMENT AND REVISION BY A PHARMACY AND THERAPEUTIC (P&T) COMMITTEE.—

“(i) IN GENERAL.—The formulary must be developed and reviewed by a pharmacy and therapeutic committee. A majority of the members of such committee shall consist of individuals who are practicing physicians or practicing pharmacists (or both).

“(ii) INCLUSION OF INDEPENDENT EXPERTS.—Such committee shall include at least one practicing physician and at least one practicing pharmacist, each of whom—

“(I) is independent and free of conflict with respect to the sponsor and plan; and

“(II) has expertise in the care of elderly or disabled persons.

“(B) FORMULARY DEVELOPMENT.—In developing and reviewing the formulary, the committee shall—

“(i) base clinical decisions on the strength of scientific evidence and standards of practice, including assessing peer-reviewed medical literature, such as randomized clinical trials, pharmacoeconomic studies, outcomes research data, and on such other information as the committee determines to be appropriate; and

“(ii) take into account whether including in the formulary (or in a tier in such formulary) particular covered part D drugs has therapeutic advantages in terms of safety and efficacy.

“(C) INCLUSION OF DRUGS IN ALL THERAPEUTIC CATEGORIES AND CLASSES.—

“(i) IN GENERAL.—The formulary must include drugs within each therapeutic category and class of covered part D drugs, although not necessarily all drugs within such categories and classes.

“(ii) MODEL GUIDELINES.—The Secretary shall request the United States Pharmacopeia to develop, in consultation with pharmaceutical benefit managers and other interested parties, a list of categories and classes that may be used by prescription drug plans under this paragraph and to revise such classification from time to time to reflect changes in therapeutic uses of covered part D drugs and the additions of new covered part D drugs.

“(iii) LIMITATION ON CHANGES IN THERAPEUTIC CLASSIFICATION.—The PDP sponsor of a prescription drug plan may not change the therapeutic categories and classes in a formulary other than at the beginning of each plan year except as the Secretary may permit to take into account new therapeutic uses and newly approved covered part D drugs.

“(D) PROVIDER AND PATIENT EDUCATION.—The PDP sponsor shall establish policies and procedures to educate and inform health care providers and enrollees concerning the formulary.

“(E) NOTICE BEFORE REMOVING DRUG FROM FORMULARY OR CHANGING PREFERRED OR TIER STATUS OF DRUG.—Any removal of a covered part D drug from a formulary and any change in the preferred or tiered cost-sharing status of such a drug shall take effect only after appropriate notice is made available (such as under subsection (a)(3)) to the Secretary, affected enrollees, physicians, pharmacies, and pharmacists.

“(F) PERIODIC EVALUATION OF PROTOCOLS.—In connection with the formulary, the sponsor of a prescription drug plan shall provide for the periodic evaluation and analysis of treatment protocols and procedures.

The requirements of this paragraph may be met by a PDP sponsor directly or through arrangements with another entity.

“(c) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE; MEDICATION THERAPY MANAGEMENT PROGRAM.—

“(1) IN GENERAL.—The PDP sponsor shall have in place, directly or through appropriate arrangements, with respect to covered part D drugs, the following:

“(A) A cost-effective drug utilization management program, including incentives to reduce costs when medically appropriate, such as through the use of multiple source drugs (as defined in section 1927(k)(7)(A)(i)).

“(B) Quality assurance measures and systems to reduce medication errors and adverse drug interactions and improve medication use.

“(C) A medication therapy management program described in paragraph (2).

“(D) A program to control fraud, abuse, and waste. Nothing in this section shall be construed as impairing a PDP sponsor from utilizing cost management tools (including differential payments) under all methods of operation.

“(2) MEDICATION THERAPY MANAGEMENT PROGRAM.—

“(A) DESCRIPTION.—

“(i) IN GENERAL.—A medication therapy management program described in this paragraph is a program of drug therapy management that may be furnished by a pharmacist and that is designed to assure, with respect to targeted beneficiaries described in clause (ii), that covered part D drugs under the prescription drug plan are appropriately used to optimize therapeutic outcomes through improved medication use, and to reduce the risk of adverse events, including adverse drug interactions. Such a program may distinguish between services in ambulatory and institutional settings.

“(ii) TARGETED BENEFICIARIES DESCRIBED.—Targeted beneficiaries described in this clause are part D eligible individuals who—

“(I) have multiple chronic diseases (such as diabetes, asthma, hypertension, hyperlipidemia, and congestive heart failure);

“(II) are taking multiple covered part D drugs; and

“(III) are identified as likely to incur annual costs for covered part D drugs that exceed a level specified by the Secretary.

“(B) ELEMENTS.—Such program may include elements that promote—

“(i) enhanced enrollee understanding to promote the appropriate use of medications by enrollees and to reduce the risk of potential adverse events associated with medications, through beneficiary education, counseling, and other appropriate means;

“(ii) increased enrollee adherence with prescription medication regimens through medication refill reminders, special packaging, and other compliance programs and other appropriate means; and

“(iii) detection of adverse drug events and patterns of overuse and underuse of prescription drugs.

“(C) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—Such program shall be developed in cooperation with licensed and practicing pharmacists and physicians.

“(D) COORDINATION WITH CARE MANAGEMENT PLANS.—The Secretary shall establish guidelines for the coordination of any medication therapy management program under this paragraph with respect to a targeted beneficiary with any care management plan established with respect to such beneficiary under a chronic care improvement program under section 1807.

“(E) CONSIDERATIONS IN PHARMACY FEES.—The PDP sponsor of a prescription drug plan shall take into account, in establishing fees for pharmacists and others providing services under such plan, the resources used, and time required to, implement the medication therapy management program under this paragraph. Each such sponsor shall disclose to the Secretary upon request the amount of any such management or dispensing fees. The provisions of section 1927(b)(3)(D) apply to information disclosed under this subparagraph.

“(d) CONSUMER SATISFACTION SURVEYS.—In order to provide for comparative information under section 1860D–1(c)(3)(A)(v), the Secretary shall conduct consumer satisfaction surveys with respect to PDP sponsors and prescription drug plans in a manner similar to the manner such surveys are conducted for MA organizations and MA plans under part C.

“(e) ELECTRONIC PRESCRIPTION PROGRAM.—

“(1) APPLICATION OF STANDARDS.—As of such date as the Secretary may specify, but not later than 1 year after the date of promulgation of final standards under paragraph (4)(D), prescriptions and other information described in paragraph (2)(A) for covered part D drugs prescribed for part D eligible individuals that are transmitted electronically shall be transmitted only in accordance with such standards under an electronic prescription drug program that meets the requirements of paragraph (2).

Deadline.

“(2) PROGRAM REQUIREMENTS.—Consistent with uniform standards established under paragraph (3)—

“(A) PROVISION OF INFORMATION TO PRESCRIBING HEALTH CARE PROFESSIONAL AND DISPENSING PHARMACIES AND PHARMACISTS.—An electronic prescription drug program shall provide for the electronic transmittal to the prescribing health care professional and to the dispensing pharmacy and pharmacist of the prescription and information on eligibility and benefits (including the drugs included in the applicable formulary, any tiered formulary structure, and any requirements for prior authorization) and of the following information with respect to the prescribing and dispensing of a covered part D drug:

“(i) Information on the drug being prescribed or dispensed and other drugs listed on the medication history, including information on drug-drug interactions, warnings or cautions, and, when indicated, dosage adjustments.

“(ii) Information on the availability of lower cost, therapeutically appropriate alternatives (if any) for the drug prescribed.

“(B) APPLICATION TO MEDICAL HISTORY INFORMATION.—Effective on and after such date as the Secretary specifies and after the establishment of appropriate standards to

carry out this subparagraph, the program shall provide for the electronic transmittal in a manner similar to the manner under subparagraph (A) of information that relates to the medical history concerning the individual and related to a covered part D drug being prescribed or dispensed, upon request of the professional or pharmacist involved.

“(C) LIMITATIONS.—Information shall only be disclosed under subparagraph (A) or (B) if the disclosure of such information is permitted under the Federal regulations (concerning the privacy of individually identifiable health information) promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996.

“(D) TIMING.—To the extent feasible, the information exchanged under this paragraph shall be on an interactive, real-time basis.

“(3) STANDARDS.—

“(A) IN GENERAL.—The Secretary shall provide consistent with this subsection for the promulgation of uniform standards relating to the requirements for electronic prescription drug programs under paragraph (2).

“(B) OBJECTIVES.—Such standards shall be consistent with the objectives of improving—

“(i) patient safety;

“(ii) the quality of care provided to patients; and

“(iii) efficiencies, including cost savings, in the delivery of care.

“(C) DESIGN CRITERIA.—Such standards shall—

“(i) be designed so that, to the extent practicable, the standards do not impose an undue administrative burden on prescribing health care professionals and dispensing pharmacies and pharmacists;

“(ii) be compatible with standards established under part C of title XI, standards established under subsection (b)(2)(B)(i), and with general health information technology standards; and

“(iii) be designed so that they permit electronic exchange of drug labeling and drug listing information maintained by the Food and Drug Administration and the National Library of Medicine.

“(D) PERMITTING USE OF APPROPRIATE MESSAGING.—Such standards shall allow for the messaging of information only if it relates to the appropriate prescribing of drugs, including quality assurance measures and systems referred to in subsection (c)(1)(B).

“(E) PERMITTING PATIENT DESIGNATION OF DISPENSING PHARMACY.—

“(i) IN GENERAL.—Consistent with clause (ii), such standards shall permit a part D eligible individual to designate a particular pharmacy to dispense a prescribed drug.

“(ii) NO CHANGE IN BENEFITS.—Clause (i) shall not be construed as affecting—

“(I) the access required to be provided to pharmacies by a prescription drug plan; or

“(II) the application of any differences in benefits or payments under such a plan based on the pharmacy dispensing a covered part D drug.

“(4) DEVELOPMENT, PROMULGATION, AND MODIFICATION OF STANDARDS.—

“(A) INITIAL STANDARDS.—Not later than September 1, 2005, the Secretary shall develop, adopt, recognize, or modify initial uniform standards relating to the requirements for electronic prescription drug programs described in paragraph (2) taking into consideration the recommendations (if any) from the National Committee on Vital and Health Statistics (as established under section 306(k) of the Public Health Service Act (42 U.S.C. 242k(k))) under subparagraph (B). Deadline.

“(B) ROLE OF NCVHS.—The National Committee on Vital and Health Statistics shall develop recommendations for uniform standards relating to such requirements in consultation with the following:

“(i) Standard setting organizations (as defined in section 1171(8))

“(ii) Practicing physicians.

“(iii) Hospitals.

“(iv) Pharmacies.

“(v) Practicing pharmacists.

“(vi) Pharmacy benefit managers.

“(vii) State boards of pharmacy.

“(viii) State boards of medicine.

“(ix) Experts on electronic prescribing.

“(x) Other appropriate Federal agencies.

“(C) PILOT PROJECT TO TEST INITIAL STANDARDS.—

“(i) IN GENERAL.—During the 1-year period that begins on January 1, 2006, the Secretary shall conduct a pilot project to test the initial standards developed under subparagraph (A) prior to the promulgation of the final uniform standards under subparagraph (D) in order to provide for the efficient implementation of the requirements described in paragraph (2).

“(ii) EXCEPTION.—Pilot testing of standards is not required under clause (i) where there already is adequate industry experience with such standards, as determined by the Secretary after consultation with effected standard setting organizations and industry users.

“(iii) VOLUNTARY PARTICIPATION OF PHYSICIANS AND PHARMACIES.—In order to conduct the pilot project under clause (i), the Secretary shall enter into agreements with physicians, physician groups, pharmacies, hospitals, PDP sponsors, MA organizations, and other appropriate entities under which health care professionals electronically transmit prescriptions to dispensing pharmacies and pharmacists in accordance with such standards. Contracts.

“(iv) EVALUATION AND REPORT.—

“(I) EVALUATION.—The Secretary shall conduct an evaluation of the pilot project conducted under clause (i).

Deadline.

“(II) REPORT TO CONGRESS.—Not later than April 1, 2007, the Secretary shall submit to Congress a report on the evaluation conducted under subclause (I).

Deadline.

“(D) FINAL STANDARDS.—Based upon the evaluation of the pilot project under subparagraph (C)(iv)(I) and not later than April 1, 2008, the Secretary shall promulgate uniform standards relating to the requirements described in paragraph (2).

“(5) RELATION TO STATE LAWS.—The standards promulgated under this subsection shall supersede any State law or regulation that—

“(A) is contrary to the standards or restricts the ability to carry out this part; and

“(B) pertains to the electronic transmission of medication history and of information on eligibility, benefits, and prescriptions with respect to covered part D drugs under this part.

“(6) ESTABLISHMENT OF SAFE HARBOR.—The Secretary, in consultation with the Attorney General, shall promulgate regulations that provide for a safe harbor from sanctions under paragraphs (1) and (2) of section 1128B(b) and an exception to the prohibition under subsection (a)(1) of section 1877 with respect to the provision of nonmonetary remuneration (in the form of hardware, software, or information technology and training services) necessary and used solely to receive and transmit electronic prescription information in accordance with the standards promulgated under this subsection—

“(A) in the case of a hospital, by the hospital to members of its medical staff;

“(B) in the case of a group practice (as defined in section 1877(h)(4)), by the practice to prescribing health care professionals who are members of such practice; and

“(C) in the case of a PDP sponsor or MA organization, by the sponsor or organization to pharmacists and pharmacies participating in the network of such sponsor or organization, and to prescribing health care professionals.

“(f) GRIEVANCE MECHANISM.—Each PDP sponsor shall provide meaningful procedures for hearing and resolving grievances between the sponsor (including any entity or individual through which the sponsor provides covered benefits) and enrollees with prescription drug plans of the sponsor under this part in accordance with section 1852(f).

“(g) COVERAGE DETERMINATIONS AND RECONSIDERATIONS.—

“(1) APPLICATION OF COVERAGE DETERMINATION AND RECONSIDERATION PROVISIONS.—A PDP sponsor shall meet the requirements of paragraphs (1) through (3) of section 1852(g) with respect to covered benefits under the prescription drug plan it offers under this part in the same manner as such requirements apply to an MA organization with respect to benefits it offers under an MA plan under part C.

“(2) REQUEST FOR A DETERMINATION FOR THE TREATMENT OF TIERED FORMULARY DRUG.—In the case of a prescription drug plan offered by a PDP sponsor that provides for tiered cost-sharing for drugs included within a formulary and provides lower cost-sharing for preferred drugs included within the formulary, a part D eligible individual who is enrolled in the

plan may request an exception to the tiered cost-sharing structure. Under such an exception, a nonpreferred drug could be covered under the terms applicable for preferred drugs if the prescribing physician determines that the preferred drug for treatment of the same condition either would not be as effective for the individual or would have adverse effects for the individual or both. A PDP sponsor shall have an exceptions process under this paragraph consistent with guidelines established by the Secretary for making a determination with respect to such a request. Denial of such an exception shall be treated as a coverage denial for purposes of applying subsection (h).

“(h) APPEALS.—

“(1) IN GENERAL.—Subject to paragraph (2), a PDP sponsor shall meet the requirements of paragraphs (4) and (5) of section 1852(g) with respect to benefits (including a determination related to the application of tiered cost-sharing described in subsection (g)(2)) in a manner similar (as determined by the Secretary) to the manner such requirements apply to an MA organization with respect to benefits under the original medicare fee-for-service program option it offers under an MA plan under part C. In applying this paragraph only the part D eligible individual shall be entitled to bring such an appeal.

“(2) LIMITATION IN CASES ON NONFORMULARY DETERMINATIONS.—A part D eligible individual who is enrolled in a prescription drug plan offered by a PDP sponsor may appeal under paragraph (1) a determination not to provide for coverage of a covered part D drug that is not on the formulary under the plan only if the prescribing physician determines that all covered part D drugs on any tier of the formulary for treatment of the same condition would not be as effective for the individual as the nonformulary drug, would have adverse effects for the individual, or both.

“(3) TREATMENT OF NONFORMULARY DETERMINATIONS.—If a PDP sponsor determines that a plan provides coverage for a covered part D drug that is not on the formulary of the plan, the drug shall be treated as being included on the formulary for purposes of section 1860D-2(b)(4)(C)(i).

“(i) PRIVACY, CONFIDENTIALITY, AND ACCURACY OF ENROLLEE RECORDS.—The provisions of section 1852(h) shall apply to a PDP sponsor and prescription drug plan in the same manner as it applies to an MA organization and an MA plan.

“(j) TREATMENT OF ACCREDITATION.—Subparagraph (A) of section 1852(e)(4) (relating to treatment of accreditation) shall apply to a PDP sponsor under this part with respect to the following requirements, in the same manner as it applies to an MA organization with respect to the requirements in subparagraph (B) (other than clause (vii) thereof) of such section:

“(1) Subsection (b) of this section (relating to access to covered part D drugs).

“(2) Subsection (c) of this section (including quality assurance and medication therapy management).

“(3) Subsection (i) of this section (relating to confidentiality and accuracy of enrollee records).

“(k) PUBLIC DISCLOSURE OF PHARMACEUTICAL PRICES FOR EQUIVALENT DRUGS.—

“(1) IN GENERAL.—A PDP sponsor offering a prescription drug plan shall provide that each pharmacy that dispenses

a covered part D drug shall inform an enrollee of any differential between the price of the drug to the enrollee and the price of the lowest priced generic covered part D drug under the plan that is therapeutically equivalent and bioequivalent and available at such pharmacy.

“(2) TIMING OF NOTICE.—

“(A) IN GENERAL.—Subject to subparagraph (B), the information under paragraph (1) shall be provided at the time of purchase of the drug involved, or, in the case of dispensing by mail order, at the time of delivery of such drug.

“(B) WAIVER.—The Secretary may waive subparagraph (A) in such circumstances as the Secretary may specify.

“Subpart 2—Prescription Drug Plans; PDP Sponsors; Financing

“PDP REGIONS; SUBMISSION OF BIDS; PLAN APPROVAL

42 USC
1395w–111.

“SEC. 1860D–11. (a) ESTABLISHMENT OF PDP REGIONS; SERVICE AREAS.—

“(1) COVERAGE OF ENTIRE PDP REGION.—The service area for a prescription drug plan shall consist of an entire PDP region established under paragraph (2).

“(2) ESTABLISHMENT OF PDP REGIONS.—

“(A) IN GENERAL.—The Secretary shall establish, and may revise, PDP regions in a manner that is consistent with the requirements for the establishment and revision of MA regions under subparagraphs (B) and (C) of section 1858(a)(2).

“(B) RELATION TO MA REGIONS.—To the extent practicable, PDP regions shall be the same as MA regions under section 1858(a)(2). The Secretary may establish PDP regions which are not the same as MA regions if the Secretary determines that the establishment of different regions under this part would improve access to benefits under this part.

“(C) AUTHORITY FOR TERRITORIES.—The Secretary shall establish, and may revise, PDP regions for areas in States that are not within the 50 States or the District of Columbia.

“(3) NATIONAL PLAN.—Nothing in this subsection shall be construed as preventing a prescription drug plan from being offered in more than one PDP region (including all PDP regions).

“(b) SUBMISSION OF BIDS, PREMIUMS, AND RELATED INFORMATION.—

“(1) IN GENERAL.—A PDP sponsor shall submit to the Secretary information described in paragraph (2) with respect to each prescription drug plan it offers. Such information shall be submitted at the same time and in a similar manner to the manner in which information described in paragraph (6) of section 1854(a) is submitted by an MA organization under paragraph (1) of such section.

“(2) INFORMATION DESCRIBED.—The information described in this paragraph is information on the following:

“(A) COVERAGE PROVIDED.—The prescription drug coverage provided under the plan, including the deductible and other cost-sharing.

“(B) ACTUARIAL VALUE.—The actuarial value of the qualified prescription drug coverage in the region for a part D eligible individual with a national average risk profile for the factors described in section 1860D–15(c)(1)(A) (as specified by the Secretary).

“(C) BID.—Information on the bid, including an actuarial certification of—

“(i) the basis for the actuarial value described in subparagraph (B) assumed in such bid;

“(ii) the portion of such bid attributable to basic prescription drug coverage and, if applicable, the portion of such bid attributable to supplemental benefits;

“(iii) assumptions regarding the reinsurance subsidy payments provided under section 1860D–15(b) subtracted from the actuarial value to produce such bid; and

“(iv) administrative expenses assumed in the bid.

“(D) SERVICE AREA.—The service area for the plan.

“(E) LEVEL OF RISK ASSUMED.—

“(i) IN GENERAL.—Whether the PDP sponsor requires a modification of risk level under clause (ii) and, if so, the extent of such modification. Any such modification shall apply with respect to all prescription drug plans offered by a PDP sponsor in a PDP region. This subparagraph shall not apply to an MA–PD plan.

“(ii) RISK LEVELS DESCRIBED.—A modification of risk level under this clause may consist of one or more of the following:

“(I) INCREASE IN FEDERAL PERCENTAGE ASSUMED IN INITIAL RISK CORRIDOR.—An equal percentage point increase in the percents applied under subparagraphs (B)(i), (B)(ii)(I), (C)(i), and (C)(ii)(I) of section 1860D–15(e)(2). In no case shall the application of previous sentence prevent the application of a higher percentage under section 1869D–15(e)(2)(B)(iii).

“(II) INCREASE IN FEDERAL PERCENTAGE ASSUMED IN SECOND RISK CORRIDOR.—An equal percentage point increase in the percents applied under subparagraphs (B)(ii)(II) and (C)(ii)(II) of section 1860D–15(e)(2).

“(III) DECREASE IN SIZE OF RISK CORRIDORS.—A decrease in the threshold risk percentages specified in section 1860D–15(e)(3)(C).

“(F) ADDITIONAL INFORMATION.—Such other information as the Secretary may require to carry out this part.

“(3) PAPERWORK REDUCTION FOR OFFERING OF PRESCRIPTION DRUG PLANS NATIONALLY OR IN MULTI-REGION AREAS.—The Secretary shall establish requirements for information submission under this subsection in a manner that promotes the offering of such plans in more than one PDP region (including all regions) through the filing of consolidated information.

“(c) ACTUARIAL VALUATION.—

“(1) PROCESSES.—For purposes of this part, the Secretary shall establish processes and methods for determining the actuarial valuation of prescription drug coverage, including—

“(A) an actuarial valuation of standard prescription drug coverage under section 1860D-2(b);

“(B) actuarial valuations relating to alternative prescription drug coverage under section 1860D-2(c)(1);

“(C) an actuarial valuation of the reinsurance subsidy payments under section 1860D-15(b);

“(D) the use of generally accepted actuarial principles and methodologies; and

“(E) applying the same methodology for determinations of actuarial valuations under subparagraphs (A) and (B).

“(2) ACCOUNTING FOR DRUG UTILIZATION.—Such processes and methods for determining actuarial valuation shall take into account the effect that providing alternative prescription drug coverage (rather than standard prescription drug coverage) has on drug utilization.

“(3) RESPONSIBILITIES.—

“(A) PLAN RESPONSIBILITIES.—PDP sponsors and MA organizations are responsible for the preparation and submission of actuarial valuations required under this part for prescription drug plans and MA-PD plans they offer.

“(B) USE OF OUTSIDE ACTUARIES.—Under the processes and methods established under paragraph (1), PDP sponsors offering prescription drug plans and MA organizations offering MA-PD plans may use actuarial opinions certified by independent, qualified actuaries to establish actuarial values.

“(d) REVIEW OF INFORMATION AND NEGOTIATION.—

“(1) REVIEW OF INFORMATION.—The Secretary shall review the information filed under subsection (b) for the purpose of conducting negotiations under paragraph (2).

“(2) NEGOTIATION REGARDING TERMS AND CONDITIONS.—Subject to subsection (i), in exercising the authority under paragraph (1), the Secretary—

“(A) has the authority to negotiate the terms and conditions of the proposed bid submitted and other terms and conditions of a proposed plan; and

“(B) has authority similar to the authority of the Director of the Office of Personnel Management with respect to health benefits plans under chapter 89 of title 5, United States Code.

“(e) APPROVAL OF PROPOSED PLANS.—

“(1) IN GENERAL.—After review and negotiation under subsection (d), the Secretary shall approve or disapprove the prescription drug plan.

“(2) REQUIREMENTS FOR APPROVAL.—The Secretary may approve a prescription drug plan only if the following requirements are met:

“(A) COMPLIANCE WITH REQUIREMENTS.—The plan and the PDP sponsor offering the plan comply with the requirements under this part, including the provision of qualified prescription drug coverage.

“(B) ACTUARIAL DETERMINATIONS.—The Secretary determines that the plan and PDP sponsor meet the requirements under this part relating to actuarial determinations, including such requirements under section 1860D-2(c).

“(C) APPLICATION OF FEHBP STANDARD.—

“(i) IN GENERAL.—The Secretary determines that the portion of the bid submitted under subsection (b) that is attributable to basic prescription drug coverage is supported by the actuarial bases provided under such subsection and reasonably and equitably reflects the revenue requirements (as used for purposes of section 1302(8)(C) of the Public Health Service Act) for benefits provided under that plan, less the sum (determined on a monthly per capita basis) of the actuarial value of the reinsurance payments under section 1860D–15(b).

“(ii) SUPPLEMENTAL COVERAGE.—The Secretary determines that the portion of the bid submitted under subsection (b) that is attributable to supplemental prescription drug coverage pursuant to section 1860D–2(a)(2) is supported by the actuarial bases provided under such subsection and reasonably and equitably reflects the revenue requirements (as used for purposes of section 1302(8)(C) of the Public Health Service Act) for such coverage under the plan.

“(D) PLAN DESIGN.—

“(i) IN GENERAL.—The Secretary does not find that the design of the plan and its benefits (including any formulary and tiered formulary structure) are likely to substantially discourage enrollment by certain part D eligible individuals under the plan.

“(ii) USE OF CATEGORIES AND CLASSES IN FORMULARIES.—The Secretary may not find that the design of categories and classes within a formulary violates clause (i) if such categories and classes are consistent with guidelines (if any) for such categories and classes established by the United States Pharmacopeia.

“(f) APPLICATION OF LIMITED RISK PLANS.—

“(1) CONDITIONS FOR APPROVAL OF LIMITED RISK PLANS.—The Secretary may only approve a limited risk plan (as defined in paragraph (4)(A)) for a PDP region if the access requirements under section 1860D–3(a) would not be met for the region but for the approval of such a plan (or a fallback prescription drug plan under subsection (g)).

“(2) RULES.—The following rules shall apply with respect to the approval of a limited risk plan in a PDP region:

“(A) LIMITED EXERCISE OF AUTHORITY.—Only the minimum number of such plans may be approved in order to meet the access requirements under section 1860D–3(a).

“(B) MAXIMIZING ASSUMPTION OF RISK.—The Secretary shall provide priority in approval for those plans bearing the highest level of risk (as computed by the Secretary), but the Secretary may take into account the level of the bids submitted by such plans.

“(C) NO FULL UNDERWRITING FOR LIMITED RISK PLANS.—In no case may the Secretary approve a limited risk plan under which the modification of risk level provides for no (or a de minimis) level of financial risk.

“(3) ACCEPTANCE OF ALL FULL RISK CONTRACTS.—There shall be no limit on the number of full risk plans that are approved under subsection (e).

“(4) RISK-PLANS DEFINED.—For purposes of this subsection:

“(A) LIMITED RISK PLAN.—The term ‘limited risk plan’ means a prescription drug plan that provides basic prescription drug coverage and for which the PDP sponsor includes a modification of risk level described in subparagraph (E) of subsection (b)(2) in its bid submitted for the plan under such subsection. Such term does not include a fallback prescription drug plan.

“(B) FULL RISK PLAN.—The term ‘full risk plan’ means a prescription drug plan that is not a limited risk plan or a fallback prescription drug plan.

“(g) GUARANTEEING ACCESS TO COVERAGE.—

“(1) SOLICITATION OF BIDS.—

“(A) IN GENERAL.—Separate from the bidding process under subsection (b), the Secretary shall provide for a process for the solicitation of bids from eligible fallback entities (as defined in paragraph (2)) for the offering in all fallback service areas (as defined in paragraph (3)) in one or more PDP regions of a fallback prescription drug plan (as defined in paragraph (4)) during the contract period specified in paragraph (5).

“(B) ACCEPTANCE OF BIDS.—

“(i) IN GENERAL.—Except as provided in this subparagraph, the provisions of subsection (e) shall apply with respect to the approval or disapproval of fallback prescription drug plans. The Secretary shall enter into contracts under this subsection with eligible fallback entities for the offering of fallback prescription drug plans so approved in fallback service areas.

“(ii) LIMITATION OF 1 PLAN FOR ALL FALLBACK SERVICE AREAS IN A PDP REGION.—With respect to all fallback service areas in any PDP region for a contract period, the Secretary shall approve the offering of only 1 fallback prescription drug plan.

“(iii) COMPETITIVE PROCEDURES.—Competitive procedures (as defined in section 4(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(5))) shall be used to enter into a contract under this subsection. The provisions of subsection (d) of section 1874A shall apply to a contract under this section in the same manner as they apply to a contract under such section.

“(iv) TIMING.—The Secretary shall approve a fallback prescription drug plan for a PDP region in a manner so that, if there are any fallback service areas in the region for a year, the fallback prescription drug plan is offered at the same time as prescription drug plans would otherwise be offered.

“(V) NO NATIONAL FALLBACK PLAN.—The Secretary shall not enter into a contract with a single fallback entity for the offering of fallback plans throughout the United States.

“(2) ELIGIBLE FALLBACK ENTITY.—For purposes of this section, the term ‘eligible fallback entity’ means, with respect

to all fallback service areas in a PDP region for a contract period, an entity that—

“(A) meets the requirements to be a PDP sponsor (or would meet such requirements but for the fact that the entity is not a risk-bearing entity); and

“(B) does not submit a bid under section 1860D-11(b) for any prescription drug plan for any PDP region for the first year of such contract period.

For purposes of subparagraph (B), an entity shall be treated as submitting a bid with respect to a prescription drug plan if the entity is acting as a subcontractor of a PDP sponsor that is offering such a plan. The previous sentence shall not apply to entities that are subcontractors of an MA organization except insofar as such organization is acting as a PDP sponsor with respect to a prescription drug plan.

“(3) FALLBACK SERVICE AREA.—For purposes of this subsection, the term ‘fallback service area’ means, for a PDP region with respect to a year, any area within such region for which the Secretary determines before the beginning of the year that the access requirements of the first sentence of section 1860D-3(a) will not be met for part D eligible individuals residing in the area for the year.

“(4) FALLBACK PRESCRIPTION DRUG PLAN.—For purposes of this part, the term ‘fallback prescription drug plan’ means a prescription drug plan that—

“(A) only offers the standard prescription drug coverage and access to negotiated prices described in section 1860D-2(a)(1)(A) and does not include any supplemental prescription drug coverage; and

“(B) meets such other requirements as the Secretary may specify.

“(5) PAYMENTS UNDER THE CONTRACT.—

“(A) IN GENERAL.—A contract entered into under this subsection shall provide for—

“(i) payment for the actual costs (taking into account negotiated price concessions described in section 1860D-2(d)(1)(B)) of covered part D drugs provided to part D eligible individuals enrolled in a fallback prescription drug plan offered by the entity; and

“(ii) payment of management fees that are tied to performance measures established by the Secretary for the management, administration, and delivery of the benefits under the contract.

“(B) PERFORMANCE MEASURES.—The performance measures established by the Secretary pursuant to subparagraph (A)(ii) shall include at least measures for each of the following:

“(i) COSTS.—The entity contains costs to the Medicare Prescription Drug Account and to part D eligible individuals enrolled in a fallback prescription drug plan offered by the entity through mechanisms such as generic substitution and price discounts.

“(ii) QUALITY PROGRAMS.—The entity provides such enrollees with quality programs that avoid adverse drug reactions and overutilization and reduce medical errors.

“(iii) CUSTOMER SERVICE.—The entity provides timely and accurate delivery of services and pharmacy and beneficiary support services.

“(iv) BENEFIT ADMINISTRATION AND CLAIMS ADJUDICATION.—The entity provides efficient and effective benefit administration and claims adjudication.

“(6) MONTHLY BENEFICIARY PREMIUM.—Except as provided in section 1860D–13(b) (relating to late enrollment penalty) and subject to section 1860D–14 (relating to low-income assistance), the monthly beneficiary premium to be charged under a fallback prescription drug plan offered in all fallback service areas in a PDP region shall be uniform and shall be equal to 25.5 percent of an amount equal to the Secretary’s estimate of the average monthly per capita actuarial cost, including administrative expenses, under the fallback prescription drug plan of providing coverage in the region, as calculated by the Chief Actuary of the Centers for Medicare & Medicaid Services. In calculating such administrative expenses, the Chief Actuary shall use a factor that is based on similar expenses of prescription drug plans that are not fallback prescription drug plans.

“(7) GENERAL CONTRACT TERMS AND CONDITIONS.—

“(A) IN GENERAL.—Except as may be appropriate to carry out this section, the terms and conditions of contracts with eligible fallback entities offering fallback prescription drug plans under this subsection shall be the same as the terms and conditions of contracts under this part for prescription drug plans.

“(B) PERIOD OF CONTRACT.—

“(i) IN GENERAL.—Subject to clause (ii), a contract approved for a fallback prescription drug plan for fallback service areas for a PDP region under this section shall be for a period of 3 years (except as may be renewed after a subsequent bidding process).

“(ii) LIMITATION.—A fallback prescription drug plan may be offered under a contract in an area for a year only if that area is a fallback service area for that year.

“(C) ENTITY NOT PERMITTED TO MARKET OR BRAND FALLBACK PRESCRIPTION DRUG PLANS.—An eligible fallback entity with a contract under this subsection may not engage in any marketing or branding of a fallback prescription drug plan.

“(h) ANNUAL REPORT ON USE OF LIMITED RISK PLANS AND FALLBACK PLANS.—The Secretary shall submit to Congress an annual report that describes instances in which limited risk plans and fallback prescription drug plans were offered under subsections (f) and (g). The Secretary shall include in such report such recommendations as may be appropriate to limit the need for the provision of such plans and to maximize the assumption of financial risk under section subsection (f).

“(i) NONINTERFERENCE.—In order to promote competition under this part and in carrying out this part, the Secretary—

“(1) may not interfere with the negotiations between drug manufacturers and pharmacies and PDP sponsors; and

“(2) may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.

“(j) COORDINATION OF BENEFITS.—A PDP sponsor offering a prescription drug plan shall permit State Pharmaceutical Assistance Programs and Rx plans under sections 1860D-23 and 1860D-24 to coordinate benefits with the plan and, in connection with such coordination with such a Program, not to impose fees that are unrelated to the cost of coordination.

“REQUIREMENTS FOR AND CONTRACTS WITH PRESCRIPTION DRUG
PLAN (PDP) SPONSORS

“SEC. 1860D-12. (a) GENERAL REQUIREMENTS.—Each PDP sponsor of a prescription drug plan shall meet the following requirements: 42 USC 1395w-112.

“(1) LICENSURE.—Subject to subsection (c), the sponsor is organized and licensed under State law as a risk-bearing entity eligible to offer health insurance or health benefits coverage in each State in which it offers a prescription drug plan.

“(2) ASSUMPTION OF FINANCIAL RISK FOR UNSUBSIDIZED COVERAGE.—

“(A) IN GENERAL.—Subject to subparagraph (B), to the extent that the entity is at risk the entity assumes financial risk on a prospective basis for benefits that it offers under a prescription drug plan and that is not covered under section 1860D-15(b).

“(B) REINSURANCE PERMITTED.—The plan sponsor may obtain insurance or make other arrangements for the cost of coverage provided to any enrollee to the extent that the sponsor is at risk for providing such coverage.

“(3) SOLVENCY FOR UNLICENSED SPONSORS.—In the case of a PDP sponsor that is not described in paragraph (1) and for which a waiver has been approved under subsection (c), such sponsor shall meet solvency standards established by the Secretary under subsection (d).

“(b) CONTRACT REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall not permit the enrollment under section 1860D-1 in a prescription drug plan offered by a PDP sponsor under this part, and the sponsor shall not be eligible for payments under section 1860D-14 or 1860D-15, unless the Secretary has entered into a contract under this subsection with the sponsor with respect to the offering of such plan. Such a contract with a sponsor may cover more than one prescription drug plan. Such contract shall provide that the sponsor agrees to comply with the applicable requirements and standards of this part and the terms and conditions of payment as provided for in this part.

“(2) LIMITATION ON ENTITIES OFFERING FALLBACK PRESCRIPTION DRUG PLANS.—The Secretary shall not enter into a contract with a PDP sponsor for the offering of a prescription drug plan (other than a fallback prescription drug plan) in a PDP region for a year if the sponsor—

“(A) submitted a bid under section 1860D-11(g) for such year (as the first year of a contract period under such section) to offer a fallback prescription drug plan in any PDP region;

“(B) offers a fallback prescription drug plan in any PDP region during the year; or

“(C) offered a fallback prescription drug plan in that PDP region during the previous year.

For purposes of this paragraph, an entity shall be treated as submitting a bid with respect to a prescription drug plan or offering a fallback prescription drug plan if the entity is acting as a subcontractor of a PDP sponsor that is offering such a plan. The previous sentence shall not apply to entities that are subcontractors of an MA organization except insofar as such organization is acting as a PDP sponsor with respect to a prescription drug plan.

Applicability.

“(3) INCORPORATION OF CERTAIN MEDICARE ADVANTAGE CONTRACT REQUIREMENTS.—Except as otherwise provided, the following provisions of section 1857 shall apply to contracts under this section in the same manner as they apply to contracts under section 1857(a):

“(A) MINIMUM ENROLLMENT.—Paragraphs (1) and (3) of section 1857(b), except that—

“(i) the Secretary may increase the minimum number of enrollees required under such paragraph (1) as the Secretary determines appropriate; and

“(ii) the requirement of such paragraph (1) shall be waived during the first contract year with respect to an organization in a region.

“(B) CONTRACT PERIOD AND EFFECTIVENESS.—Section 1857(c), except that in applying paragraph (4)(B) of such section any reference to payment amounts under section 1853 shall be deemed payment amounts under section 1860D-15.

“(C) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d).

“(D) ADDITIONAL CONTRACT TERMS.—Section 1857(e); except that section 1857(e)(2) shall apply as specified to PDP sponsors and payments under this part to an MA-PD plan shall be treated as expenditures made under part D.

“(E) INTERMEDIATE SANCTIONS.—Section 1857(g) (other than paragraph (1)(F) of such section), except that in applying such section the reference in section 1857(g)(1)(B) to section 1854 is deemed a reference to this part.

“(F) PROCEDURES FOR TERMINATION.—Section 1857(h).

“(c) WAIVER OF CERTAIN REQUIREMENTS TO EXPAND CHOICE.—

“(1) AUTHORIZING WAIVER.—

“(A) IN GENERAL.—In the case of an entity that seeks to offer a prescription drug plan in a State, the Secretary shall waive the requirement of subsection (a)(1) that the entity be licensed in that State if the Secretary determines, based on the application and other evidence presented to the Secretary, that any of the grounds for approval of the application described in paragraph (2) have been met.

“(B) APPLICATION OF REGIONAL PLAN WAIVER RULE.—In addition to the waiver available under subparagraph (A), the provisions of section 1858(d) shall apply to PDP sponsors under this part in a manner similar to the manner in which such provisions apply to MA organizations under part C, except that no application shall be required under paragraph (1)(B) of such section in the case of a State that does not provide a licensing process for such a sponsor.

“(2) GROUNDS FOR APPROVAL.—

“(A) IN GENERAL.—The grounds for approval under this paragraph are—

“(i) subject to subparagraph (B), the grounds for approval described in subparagraphs (B), (C), and (D) of section 1855(a)(2); and

“(ii) the application by a State of any grounds other than those required under Federal law.

“(B) SPECIAL RULES.—In applying subparagraph (A)(i)—

“(i) the ground of approval described in section 1855(a)(2)(B) is deemed to have been met if the State does not have a licensing process in effect with respect to the PDP sponsor; and

“(ii) for plan years beginning before January 1, 2008, if the State does have such a licensing process in effect, such ground for approval described in such section is deemed to have been met upon submission of an application described in such section.

“(3) APPLICATION OF WAIVER PROCEDURES.—With respect to an application for a waiver (or a waiver granted) under paragraph (1)(A) of this subsection, the provisions of subparagraphs (E), (F), and (G) of section 1855(a)(2) shall apply, except that clauses (i) and (ii) of such subparagraph (E) shall not apply in the case of a State that does not have a licensing process described in paragraph (2)(B)(i) in effect.

“(4) REFERENCES TO CERTAIN PROVISIONS.—In applying provisions of section 1855(a)(2) under paragraphs (2) and (3) of this subsection to prescription drug plans and PDP sponsors—

“(A) any reference to a waiver application under section 1855 shall be treated as a reference to a waiver application under paragraph (1)(A) of this subsection; and

“(B) any reference to solvency standards shall be treated as a reference to solvency standards established under subsection (d) of this section.

“(d) SOLVENCY STANDARDS FOR NON-LICENSED ENTITIES.—

“(1) ESTABLISHMENT AND PUBLICATION.—The Secretary, in consultation with the National Association of Insurance Commissioners, shall establish and publish, by not later than January 1, 2005, financial solvency and capital adequacy standards for entities described in paragraph (2).

Deadline.

“(2) COMPLIANCE WITH STANDARDS.—A PDP sponsor that is not licensed by a State under subsection (a)(1) and for which a waiver application has been approved under subsection (c) shall meet solvency and capital adequacy standards established under paragraph (1). The Secretary shall establish certification procedures for such sponsors with respect to such solvency standards in the manner described in section 1855(c)(2).

“(e) LICENSURE DOES NOT SUBSTITUTE FOR OR CONSTITUTE CERTIFICATION.—The fact that a PDP sponsor is licensed in accordance with subsection (a)(1) or has a waiver application approved under subsection (c) does not deem the sponsor to meet other requirements imposed under this part for a sponsor.

“(f) PERIODIC REVIEW AND REVISION OF STANDARDS.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary may periodically review the standards established under this

section and, based on such review, may revise such standards if the Secretary determines such revision to be appropriate.

“(2) PROHIBITION OF MIDYEAR IMPLEMENTATION OF SIGNIFICANT NEW REGULATORY REQUIREMENTS.—The Secretary may not implement, other than at the beginning of a calendar year, regulations under this section that impose new, significant regulatory requirements on a PDP sponsor or a prescription drug plan.

“(g) PROHIBITION OF STATE IMPOSITION OF PREMIUM TAXES; RELATION TO STATE LAWS.—The provisions of sections 1854(g) and 1856(b)(3) shall apply with respect to PDP sponsors and prescription drug plans under this part in the same manner as such sections apply to MA organizations and MA plans under part C.

“PREMIUMS; LATE ENROLLMENT PENALTY

42 USC
1395w-113.

“SEC. 1860D-13. (a) MONTHLY BENEFICIARY PREMIUM.—

“(1) COMPUTATION.—

“(A) IN GENERAL.—The monthly beneficiary premium for a prescription drug plan is the base beneficiary premium computed under paragraph (2) as adjusted under this paragraph.

“(B) ADJUSTMENT TO REFLECT DIFFERENCE BETWEEN BID AND NATIONAL AVERAGE BID.—

“(i) ABOVE AVERAGE BID.—If for a month the amount of the standardized bid amount (as defined in paragraph (5)) exceeds the amount of the adjusted national average monthly bid amount (as defined in clause (iii)), the base beneficiary premium for the month shall be increased by the amount of such excess.

“(ii) BELOW AVERAGE BID.—If for a month the amount of the adjusted national average monthly bid amount for the month exceeds the standardized bid amount, the base beneficiary premium for the month shall be decreased by the amount of such excess.

“(iii) ADJUSTED NATIONAL AVERAGE MONTHLY BID AMOUNT DEFINED.—For purposes of this subparagraph, the term ‘adjusted national average monthly bid amount’ means the national average monthly bid amount computed under paragraph (4), as adjusted under section 1860D-15(c)(2).

“(C) INCREASE FOR SUPPLEMENTAL PRESCRIPTION DRUG BENEFITS.—The base beneficiary premium shall be increased by the portion of the PDP approved bid that is attributable to supplemental prescription drug benefits.

“(D) INCREASE FOR LATE ENROLLMENT PENALTY.—The base beneficiary premium shall be increased by the amount of any late enrollment penalty under subsection (b).

“(E) DECREASE FOR LOW-INCOME ASSISTANCE.—The monthly beneficiary premium is subject to decrease in the case of a subsidy eligible individual under section 1860D-14.

“(F) UNIFORM PREMIUM.—Except as provided in subparagraphs (D) and (E), the monthly beneficiary premium for a prescription drug plan in a PDP region is the same for all part D eligible individuals enrolled in the plan.

“(2) BASE BENEFICIARY PREMIUM.—The base beneficiary premium under this paragraph for a prescription drug plan for a month is equal to the product—

“(A) the beneficiary premium percentage (as specified in paragraph (3)); and

“(B) the national average monthly bid amount (computed under paragraph (4)) for the month.

“(3) BENEFICIARY PREMIUM PERCENTAGE.—For purposes of this subsection, the beneficiary premium percentage for any year is the percentage equal to a fraction—

“(A) the numerator of which is 25.5 percent; and

“(B) the denominator of which is 100 percent minus a percentage equal to—

“(i) the total reinsurance payments which the Secretary estimates are payable under section 1860D–15(b) with respect to the coverage year; divided by

“(ii) the sum of—

“(I) the amount estimated under clause (i) for the year; and

“(II) the total payments which the Secretary estimates will be paid to prescription drug plans and MA–PD plans that are attributable to the standardized bid amount during the year, taking into account amounts paid by the Secretary and enrollees.

“(4) COMPUTATION OF NATIONAL AVERAGE MONTHLY BID AMOUNT.—

“(A) IN GENERAL.—For each year (beginning with 2006) the Secretary shall compute a national average monthly bid amount equal to the average of the standardized bid amounts (as defined in paragraph (5)) for each prescription drug plan and for each MA–PD plan described in section 1851(a)(2)(A)(i). Such average does not take into account the bids submitted for MSA plans, MA private fee-for-service plan, and specialized MA plans for special needs individuals, PACE programs under section 1894 (pursuant to section 1860D–21(f)), and under reasonable cost reimbursement contracts under section 1876(h) (pursuant to section 1860D–21(e)).

“(B) WEIGHTED AVERAGE.—

“(i) IN GENERAL.—The monthly national average monthly bid amount computed under subparagraph (A) for a year shall be a weighted average, with the weight for each plan being equal to the average number of part D eligible individuals enrolled in such plan in the reference month (as defined in section 1858(f)(4)).

“(ii) SPECIAL RULE FOR 2006.—For purposes of applying this paragraph for 2006, the Secretary shall establish procedures for determining the weighted average under clause (i) for 2005.

“(5) STANDARDIZED BID AMOUNT DEFINED.—For purposes of this subsection, the term ‘standardized bid amount’ means the following:

“(A) PRESCRIPTION DRUG PLANS.—

“(i) BASIC COVERAGE.—In the case of a prescription drug plan that provides basic prescription drug coverage, the PDP approved bid (as defined in paragraph (6)).

“(ii) SUPPLEMENTAL COVERAGE.—In the case of a prescription drug plan that provides supplemental prescription drug coverage, the portion of the PDP approved bid that is attributable to basic prescription drug coverage.

“(B) MA-PD PLANS.—In the case of an MA-PD plan, the portion of the accepted bid amount that is attributable to basic prescription drug coverage.

“(6) PDP APPROVED BID DEFINED.—For purposes of this part, the term ‘PDP approved bid’ means, with respect to a prescription drug plan, the bid amount approved for the plan under this part.

“(b) LATE ENROLLMENT PENALTY.—

“(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, in the case of a part D eligible individual described in paragraph (2) with respect to a continuous period of eligibility, there shall be an increase in the monthly beneficiary premium established under subsection (a) in an amount determined under paragraph (3).

“(2) INDIVIDUALS SUBJECT TO PENALTY.—A part D eligible individual described in this paragraph is, with respect to a continuous period of eligibility, an individual for whom there is a continuous period of 63 days or longer (all of which in such continuous period of eligibility) beginning on the day after the last date of the individual’s initial enrollment period under section 1860D-1(b)(2) and ending on the date of enrollment under a prescription drug plan or MA-PD plan during all of which the individual was not covered under any creditable prescription drug coverage.

“(3) AMOUNT OF PENALTY.—

“(A) IN GENERAL.—The amount determined under this paragraph for a part D eligible individual for a continuous period of eligibility is the greater of—

“(i) an amount that the Secretary determines is actuarially sound for each uncovered month (as defined in subparagraph (B)) in the same continuous period of eligibility; or

“(ii) 1 percent of the base beneficiary premium (computed under subsection (a)(2)) for each such uncovered month in such period.

“(B) UNCOVERED MONTH DEFINED.—For purposes of this subsection, the term ‘uncovered month’ means, with respect to a part D eligible individual, any month beginning after the end of the initial enrollment period under section 1860D-1(b)(2) unless the individual can demonstrate that the individual had creditable prescription drug coverage (as defined in paragraph (4)) for any portion of such month.

“(4) CREDITABLE PRESCRIPTION DRUG COVERAGE DEFINED.—For purposes of this part, the term ‘creditable prescription drug coverage’ means any of the following coverage, but only if the coverage meets the requirement of paragraph (5):

“(A) COVERAGE UNDER PRESCRIPTION DRUG PLAN OR MA-PD PLAN.—Coverage under a prescription drug plan or under an MA-PD plan.

“(B) MEDICAID.—Coverage under a medicaid plan under title XIX or under a waiver under section 1115.

“(C) GROUP HEALTH PLAN.—Coverage under a group health plan, including a health benefits plan under chapter 89 of title 5, United States Code (commonly known as the Federal employees health benefits program), and a qualified retiree prescription drug plan (as defined in section 1860D-22(a)(2)).

“(D) STATE PHARMACEUTICAL ASSISTANCE PROGRAM.—Coverage under a State pharmaceutical assistance program described in section 1860D-23(b)(1).

“(E) VETERANS’ COVERAGE OF PRESCRIPTION DRUGS.—Coverage for veterans, and survivors and dependents of veterans, under chapter 17 of title 38, United States Code.

“(F) PRESCRIPTION DRUG COVERAGE UNDER MEDIGAP POLICIES.—Coverage under a medicare supplemental policy under section 1882 that provides benefits for prescription drugs (whether or not such coverage conforms to the standards for packages of benefits under section 1882(p)(1)).

“(G) MILITARY COVERAGE (INCLUDING TRICARE).—Coverage under chapter 55 of title 10, United States Code.

“(H) OTHER COVERAGE.—Such other coverage as the Secretary determines appropriate.

“(5) ACTUARIAL EQUIVALENCE REQUIREMENT.—Coverage meets the requirement of this paragraph only if the coverage is determined (in a manner specified by the Secretary) to provide coverage of the cost of prescription drugs the actuarial value of which (as defined by the Secretary) to the individual equals or exceeds the actuarial value of standard prescription drug coverage (as determined under section 1860D-11(c)).

“(6) PROCEDURES TO DOCUMENT CREDITABLE PRESCRIPTION DRUG COVERAGE.—

“(A) IN GENERAL.—The Secretary shall establish procedures (including the form, manner, and time) for the documentation of creditable prescription drug coverage, including procedures to assist in determining whether coverage meets the requirement of paragraph (5).

“(B) DISCLOSURE BY ENTITIES OFFERING CREDITABLE PRESCRIPTION DRUG COVERAGE.—

“(i) IN GENERAL.—Each entity that offers prescription drug coverage of the type described in subparagraphs (B) through (H) of paragraph (4) shall provide for disclosure, in a form, manner, and time consistent with standards established by the Secretary, to the Secretary and part D eligible individuals of whether the coverage meets the requirement of paragraph (5) or whether such coverage is changed so it no longer meets such requirement.

“(ii) DISCLOSURE OF NON-CREDITABLE COVERAGE.—In the case of such coverage that does not meet such requirement, the disclosure to part D eligible individuals under this subparagraph shall include information regarding the fact that because such coverage does not meet such requirement there are limitations on

the periods in a year in which the individuals may enroll under a prescription drug plan or an MA-PD plan and that any such enrollment is subject to a late enrollment penalty under this subsection.

“(C) WAIVER OF REQUIREMENT.—In the case of a part D eligible individual who was enrolled in prescription drug coverage of the type described in subparagraphs (B) through (H) of paragraph (4) which is not creditable prescription drug coverage because it does not meet the requirement of paragraph (5), the individual may apply to the Secretary to have such coverage treated as creditable prescription drug coverage if the individual establishes that the individual was not adequately informed that such coverage did not meet such requirement.

“(7) CONTINUOUS PERIOD OF ELIGIBILITY.—

“(A) IN GENERAL.—Subject to subparagraph (B), for purposes of this subsection, the term ‘continuous period of eligibility’ means, with respect to a part D eligible individual, the period that begins with the first day on which the individual is eligible to enroll in a prescription drug plan under this part and ends with the individual’s death.

“(B) SEPARATE PERIOD.—Any period during all of which a part D eligible individual is entitled to hospital insurance benefits under part A and—

“(i) which terminated in or before the month preceding the month in which the individual attained age 65; or

“(ii) for which the basis for eligibility for such entitlement changed between section 226(b) and section 226(a), between 226(b) and section 226A, or between section 226A and section 226(a),

shall be a separate continuous period of eligibility with respect to the individual (and each such period which terminates shall be deemed not to have existed for purposes of subsequently applying this paragraph).

“(c) COLLECTION OF MONTHLY BENEFICIARY PREMIUMS.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), the provisions of section 1854(d) shall apply to PDP sponsors and premiums (and any late enrollment penalty) under this part in the same manner as they apply to MA organizations and beneficiary premiums under part C, except that any reference to a Trust Fund is deemed for this purpose a reference to the Medicare Prescription Drug Account.

“(2) CREDITING OF LATE ENROLLMENT PENALTY.—

“(A) PORTION ATTRIBUTABLE TO INCREASED ACTUARIAL COSTS.—With respect to late enrollment penalties imposed under subsection (b), the Secretary shall specify the portion of such a penalty that the Secretary estimates is attributable to increased actuarial costs assumed by the PDP sponsor or MA organization (and not taken into account through risk adjustment provided under section 1860D-15(c)(1) or through reinsurance payments under section 1860D-15(b)) as a result of such late enrollment.

“(B) COLLECTION THROUGH WITHHOLDING.—In the case of a late enrollment penalty that is collected from a part D eligible individual in the manner described in section 1854(d)(2)(A), the Secretary shall provide that only the

portion of such penalty estimated under subparagraph (A) shall be paid to the PDP sponsor or MA organization offering the part D plan in which the individual is enrolled.

“(C) COLLECTION BY PLAN.—In the case of a late enrollment penalty that is collected from a part D eligible individual in a manner other than the manner described in section 1854(d)(2)(A), the Secretary shall establish procedures for reducing payments otherwise made to the PDP sponsor or MA organization by an amount equal to the amount of such penalty less the portion of such penalty estimated under subparagraph (A).

“(3) FALLBACK PLANS.—In applying this subsection in the case of a fallback prescription drug plan, paragraph (2) shall not apply and the monthly beneficiary premium shall be collected in the manner specified in section 1854(d)(2)(A) (or such other manner as may be provided under section 1840 in the case of monthly premiums under section 1839).

“PREMIUM AND COST-SHARING SUBSIDIES FOR LOW-INCOME INDIVIDUALS

“SEC. 1860D–14. (a) INCOME-RELATED SUBSIDIES FOR INDIVIDUALS WITH INCOME UP TO 150 PERCENT OF POVERTY LINE.—

42 USC
1395w–114.

“(1) INDIVIDUALS WITH INCOME BELOW 135 PERCENT OF POVERTY LINE.—In the case of a subsidy eligible individual (as defined in paragraph (3)) who is determined to have income that is below 135 percent of the poverty line applicable to a family of the size involved and who meets the resources requirement described in paragraph (3)(D) or who is covered under this paragraph under paragraph (3)(B)(i), the individual is entitled under this section to the following:

“(A) FULL PREMIUM SUBSIDY.—An income-related premium subsidy equal to—

“(i) 100 percent of the amount described in subsection (b)(1), but not to exceed the premium amount specified in subsection (b)(2)(B); plus

“(ii) 80 percent of any late enrollment penalties imposed under section 1860D–13(b) for the first 60 months in which such penalties are imposed for that individual, and 100 percent of any such penalties for any subsequent month.

“(B) ELIMINATION OF DEDUCTIBLE.—A reduction in the annual deductible applicable under section 1860D–2(b)(1) to \$0.

“(C) CONTINUATION OF COVERAGE ABOVE THE INITIAL COVERAGE LIMIT.—The continuation of coverage from the initial coverage limit (under paragraph (3) of section 1860D–2(b)) for expenditures incurred through the total amount of expenditures at which benefits are available under paragraph (4) of such section, subject to the reduced cost-sharing described in subparagraph (D).

“(D) REDUCTION IN COST-SHARING BELOW OUT-OF-POCKET THRESHOLD.—

“(i) INSTITUTIONALIZED INDIVIDUALS.—In the case of an individual who is a full-benefit dual eligible individual and who is an institutionalized individual or

couple (as defined in section 1902(q)(1)(B)), the elimination of any beneficiary coinsurance described in section 1860D-2(b)(2) (for all amounts through the total amount of expenditures at which benefits are available under section 1860D-2(b)(4)).

“(ii) LOWEST INCOME DUAL ELIGIBLE INDIVIDUALS.—In the case of an individual not described in clause (i) who is a full-benefit dual eligible individual and whose income does not exceed 100 percent of the poverty line applicable to a family of the size involved, the substitution for the beneficiary coinsurance described in section 1860D-2(b)(2) (for all amounts through the total amount of expenditures at which benefits are available under section 1860D-2(b)(4)) of a copayment amount that does not exceed \$1 for a generic drug or a preferred drug that is a multiple source drug (as defined in section 1927(k)(7)(A)(i)) and \$3 for any other drug, or, if less, the copayment amount applicable to an individual under clause (iii).

“(iii) OTHER INDIVIDUALS.—In the case of an individual not described in clause (i) or (ii), the substitution for the beneficiary coinsurance described in section 1860D-2(b)(2) (for all amounts through the total amount of expenditures at which benefits are available under section 1860D-2(b)(4)) of a copayment amount that does not exceed the copayment amount specified under section 1860D-2(b)(4)(A)(i)(I) for the drug and year involved.

“(E) ELIMINATION OF COST-SHARING ABOVE ANNUAL OUT-OF-POCKET THRESHOLD.—The elimination of any cost-sharing imposed under section 1860D-2(b)(4)(A).

“(2) OTHER INDIVIDUALS WITH INCOME BELOW 150 PERCENT OF POVERTY LINE.—In the case of a subsidy eligible individual who is not described in paragraph (1), the individual is entitled under this section to the following:

“(A) SLIDING SCALE PREMIUM SUBSIDY.—An income-related premium subsidy determined on a linear sliding scale ranging from 100 percent of the amount described in paragraph (1)(A) for individuals with incomes at or below 135 percent of such level to 0 percent of such amount for individuals with incomes at 150 percent of such level.

“(B) REDUCTION OF DEDUCTIBLE.—A reduction in the annual deductible applicable under section 1860D-2(b)(1) to \$50.

“(C) CONTINUATION OF COVERAGE ABOVE THE INITIAL COVERAGE LIMIT.—The continuation of coverage from the initial coverage limit (under paragraph (3) of section 1860D-2(b)) for expenditures incurred through the total amount of expenditures at which benefits are available under paragraph (4) of such section, subject to the reduced coinsurance described in subparagraph (D).

“(D) REDUCTION IN COST-SHARING BELOW OUT-OF-POCKET THRESHOLD.—The substitution for the beneficiary coinsurance described in section 1860D-2(b)(2) (for all amounts above the deductible under subparagraph (B) through the total amount of expenditures at which benefits are available under section 1860D-2(b)(4)) of coinsurance

of ‘15 percent’ instead of coinsurance of ‘25 percent’ in section 1860D-2(b)(2).

“(E) REDUCTION OF COST-SHARING ABOVE ANNUAL OUT-OF-POCKET THRESHOLD.—Subject to subsection (c), the substitution for the cost-sharing imposed under section 1860D-2(b)(4)(A) of a copayment or coinsurance not to exceed the copayment or coinsurance amount specified under section 1860D-2(b)(4)(A)(i)(I) for the drug and year involved.

“(3) DETERMINATION OF ELIGIBILITY.—

“(A) SUBSIDY ELIGIBLE INDIVIDUAL DEFINED.—For purposes of this part, subject to subparagraph (F), the term ‘subsidy eligible individual’ means a part D eligible individual who—

“(i) is enrolled in a prescription drug plan or MA-PD plan;

“(ii) has income below 150 percent of the poverty line applicable to a family of the size involved; and

“(iii) meets the resources requirement described in subparagraph (D) or (E).

“(B) DETERMINATIONS.—

“(i) IN GENERAL.—The determination of whether a part D eligible individual residing in a State is a subsidy eligible individual and whether the individual is described in paragraph (1) shall be determined under the State plan under title XIX for the State under section 1935(a) or by the Commissioner of Social Security. There are authorized to be appropriated to the Social Security Administration such sums as may be necessary for the determination of eligibility under this subparagraph.

“(ii) EFFECTIVE PERIOD.—Determinations under this subparagraph shall be effective beginning with the month in which the individual applies for a determination that the individual is a subsidy eligible individual and shall remain in effect for a period specified by the Secretary, but not to exceed 1 year.

“(iii) REDETERMINATIONS AND APPEALS THROUGH MEDICAID.—Redeterminations and appeals, with respect to eligibility determinations under clause (i) made under a State plan under title XIX, shall be made in accordance with the frequency of, and manner in which, redeterminations and appeals of eligibility are made under such plan for purposes of medical assistance under such title.

“(iv) REDETERMINATIONS AND APPEALS THROUGH COMMISSIONER.—With respect to eligibility determinations under clause (i) made by the Commissioner of Social Security—

“(I) redeterminations shall be made at such time or times as may be provided by the Commissioner; and

“(II) the Commissioner shall establish procedures for appeals of such determinations that are similar to the procedures described in the third sentence of section 1631(c)(1)(A).

“(v) TREATMENT OF MEDICAID BENEFICIARIES.—Subject to subparagraph (F), the Secretary—

“(I) shall provide that part D eligible individuals who are full-benefit dual eligible individuals (as defined in section 1935(c)(6)) or who are recipients of supplemental security income benefits under title XVI shall be treated as subsidy eligible individuals described in paragraph (1); and

“(II) may provide that part D eligible individuals not described in subclause (I) who are determined for purposes of the State plan under title XIX to be eligible for medical assistance under clause (i), (iii), or (iv) of section 1902(a)(10)(E) are treated as being determined to be subsidy eligible individuals described in paragraph (1).

Insofar as the Secretary determines that the eligibility requirements under the State plan for medical assistance referred to in subclause (II) are substantially the same as the requirements for being treated as a subsidy eligible individual described in paragraph (1), the Secretary shall provide for the treatment described in such subclause.

“(C) INCOME DETERMINATIONS.—For purposes of applying this section—

“(i) in the case of a part D eligible individual who is not treated as a subsidy eligible individual under subparagraph (B)(v), income shall be determined in the manner described in section 1905(p)(1)(B), without regard to the application of section 1902(r)(2); and

“(ii) the term ‘poverty line’ has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

Nothing in clause (i) shall be construed to affect the application of section 1902(r)(2) for the determination of eligibility for medical assistance under title XIX.

“(D) RESOURCE STANDARD APPLIED TO FULL LOW-INCOME SUBSIDY TO BE BASED ON THREE TIMES SSI RESOURCE STANDARD.—The resources requirement of this subparagraph is that an individual’s resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed—

“(i) for 2006 three times the maximum amount of resources that an individual may have and obtain benefits under that program; and

“(ii) for a subsequent year the resource limitation established under this clause for the previous year increased by the annual percentage increase in the consumer price index (all items; U.S. city average) as of September of such previous year.

Any resource limitation established under clause (ii) that is not a multiple of \$10 shall be rounded to the nearest multiple of \$10.

“(E) ALTERNATIVE RESOURCE STANDARD.—

“(i) IN GENERAL.—The resources requirement of this subparagraph is that an individual’s resources (as determined under section 1613 for purposes of the

supplemental security income program) do not exceed—

“(I) for 2006, \$10,000 (or \$20,000 in the case of the combined value of the individual’s assets or resources and the assets or resources of the individual’s spouse); and

“(II) for a subsequent year the dollar amounts specified in this subclause (or subclause (I)) for the previous year increased by the annual percentage increase in the consumer price index (all items; U.S. city average) as of September of such previous year.

Any dollar amount established under subclause (II) that is not a multiple of \$10 shall be rounded to the nearest multiple of \$10.

“(ii) USE OF SIMPLIFIED APPLICATION FORM AND PROCESS.—The Secretary, jointly with the Commissioner of Social Security, shall—

“(I) develop a model, simplified application form and process consistent with clause (iii) for the determination and verification of a part D eligible individual’s assets or resources under this subparagraph; and

“(II) provide such form to States.

“(iii) DOCUMENTATION AND SAFEGUARDS.—Under such process—

“(I) the application form shall consist of an attestation under penalty of perjury regarding the level of assets or resources (or combined assets and resources in the case of a married part D eligible individual) and valuations of general classes of assets or resources;

“(II) such form shall be accompanied by copies of recent statements (if any) from financial institutions in support of the application; and

“(III) matters attested to in the application shall be subject to appropriate methods of verification.

“(iv) METHODOLOGY FLEXIBILITY.—The Secretary may permit a State in making eligibility determinations for premium and cost-sharing subsidies under this section to use the same asset or resource methodologies that are used with respect to eligibility for medical assistance for medicare cost-sharing described in section 1905(p) so long as the Secretary determines that the use of such methodologies will not result in any significant differences in the number of individuals determined to be subsidy eligible individuals.

“(F) TREATMENT OF TERRITORIAL RESIDENTS.—In the case of a part D eligible individual who is not a resident of the 50 States or the District of Columbia, the individual is not eligible to be a subsidy eligible individual under this section but may be eligible for financial assistance with prescription drug expenses under section 1935(e).

“(4) INDEXING DOLLAR AMOUNTS.—

“(A) COPAYMENT FOR LOWEST INCOME DUAL ELIGIBLE INDIVIDUALS.—The dollar amounts applied under paragraph (1)(D)(ii)—

“(i) for 2007 shall be the dollar amounts specified in such paragraph increased by the annual percentage increase in the consumer price index (all items; U.S. city average) as of September of such previous year; or

“(ii) for a subsequent year shall be the dollar amounts specified in this clause (or clause (i)) for the previous year increased by the annual percentage increase in the consumer price index (all items; U.S. city average) as of September of such previous year.

Any amount established under clause (i) or (ii), that is based on an increase of \$1 or \$3, that is not a multiple of 5 cents or 10 cents, respectively, shall be rounded to the nearest multiple of 5 cents or 10 cents, respectively.

“(B) REDUCED DEDUCTIBLE.—The dollar amount applied under paragraph (2)(B)—

“(i) for 2007 shall be the dollar amount specified in such paragraph increased by the annual percentage increase described in section 1860D–2(b)(6) for 2007; or

“(ii) for a subsequent year shall be the dollar amount specified in this clause (or clause (i)) for the previous year increased by the annual percentage increase described in section 1860D–2(b)(6) for the year involved.

Any amount established under clause (i) or (ii) that is not a multiple of \$1 shall be rounded to the nearest multiple of \$1.

“(b) PREMIUM SUBSIDY AMOUNT.—

“(1) IN GENERAL.—The premium subsidy amount described in this subsection for a subsidy eligible individual residing in a PDP region and enrolled in a prescription drug plan or MA–PD plan is the low-income benchmark premium amount (as defined in paragraph (2)) for the PDP region in which the individual resides or, if greater, the amount specified in paragraph (3).

“(2) LOW-INCOME BENCHMARK PREMIUM AMOUNT DEFINED.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘low-income benchmark premium amount’ means, with respect to a PDP region in which—

“(i) all prescription drug plans are offered by the same PDP sponsor, the weighted average of the amounts described in subparagraph (B)(i) for such plans; or

“(ii) there are prescription drug plans offered by more than one PDP sponsor, the weighted average of amounts described in subparagraph (B) for prescription drug plans and MA–PD plans described in section 1851(a)(2)(A)(i) offered in such region.

“(B) PREMIUM AMOUNTS DESCRIBED.—The premium amounts described in this subparagraph are, in the case of—

“(i) a prescription drug plan that is a basic prescription drug plan, the monthly beneficiary premium for such plan;

“(ii) a prescription drug plan that provides alternative prescription drug coverage the actuarial value of which is greater than that of standard prescription drug coverage, the portion of the monthly beneficiary premium that is attributable to basic prescription drug coverage; and

“(iii) an MA-PD plan, the portion of the MA monthly prescription drug beneficiary premium that is attributable to basic prescription drug benefits (described in section 1852(a)(6)(B)(ii)).

The premium amounts described in this subparagraph do not include any amounts attributable to late enrollment penalties under section 1860D-13(b).

“(3) ACCESS TO 0 PREMIUM PLAN.—In no case shall the premium subsidy amount under this subsection for a PDP region be less than the lowest monthly beneficiary premium for a prescription drug plan that offers basic prescription drug coverage in the region.

“(c) ADMINISTRATION OF SUBSIDY PROGRAM.—

“(1) IN GENERAL.—The Secretary shall provide a process whereby, in the case of a part D eligible individual who is determined to be a subsidy eligible individual and who is enrolled in a prescription drug plan or is enrolled in an MA-PD plan—

“(A) the Secretary provides for a notification of the PDP sponsor or the MA organization offering the plan involved that the individual is eligible for a subsidy and the amount of the subsidy under subsection (a);

“(B) the sponsor or organization involved reduces the premiums or cost-sharing otherwise imposed by the amount of the applicable subsidy and submits to the Secretary information on the amount of such reduction;

“(C) the Secretary periodically and on a timely basis reimburses the sponsor or organization for the amount of such reductions; and

“(D) the Secretary ensures the confidentiality of individually identifiable information.

In applying subparagraph (C), the Secretary shall compute reductions based upon imposition under subsections (a)(1)(D) and (a)(2)(E) of unreduced copayment amounts applied under such subsections.

“(2) USE OF CAPITATED FORM OF PAYMENT.—The reimbursement under this section with respect to cost-sharing subsidies may be computed on a capitated basis, taking into account the actuarial value of the subsidies and with appropriate adjustments to reflect differences in the risks actually involved.

“(d) RELATION TO MEDICAID PROGRAM.—For special provisions under the medicaid program relating to medicare prescription drug benefits, see section 1935.

“SUBSIDIES FOR PART D ELIGIBLE INDIVIDUALS FOR QUALIFIED
PRESCRIPTION DRUG COVERAGE

“SEC. 1860D-15. (a) SUBSIDY PAYMENT.—In order to reduce premium levels applicable to qualified prescription drug coverage

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for part D eligible individuals consistent with an overall subsidy level of 74.5 percent for basic prescription drug coverage, to reduce adverse selection among prescription drug plans and MA-PD plans, and to promote the participation of PDP sponsors under this part and MA organizations under part C, the Secretary shall provide for payment to a PDP sponsor that offers a prescription drug plan and an MA organization that offers an MA-PD plan of the following subsidies in accordance with this section:

“(1) DIRECT SUBSIDY.—A direct subsidy for each part D eligible individual enrolled in a prescription drug plan or MA-PD plan for a month equal to—

“(A) the amount of the plan’s standardized bid amount (as defined in section 1860D-13(a)(5)), adjusted under subsection (c)(1), reduced by

“(B) the base beneficiary premium (as computed under paragraph (2) of section 1860D-13(a) and as adjusted under paragraph (1)(B) of such section).

“(2) SUBSIDY THROUGH REINSURANCE.—The reinsurance payment amount (as defined in subsection (b)).

This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this section.

“(b) REINSURANCE PAYMENT AMOUNT.—

“(1) IN GENERAL.—The reinsurance payment amount under this subsection for a part D eligible individual enrolled in a prescription drug plan or MA-PD plan for a coverage year is an amount equal to 80 percent of the allowable reinsurance costs (as specified in paragraph (2)) attributable to that portion of gross covered prescription drug costs as specified in paragraph (3) incurred in the coverage year after such individual has incurred costs that exceed the annual out-of-pocket threshold specified in section 1860D-2(b)(4)(B).

“(2) ALLOWABLE REINSURANCE COSTS.—For purposes of this section, the term ‘allowable reinsurance costs’ means, with respect to gross covered prescription drug costs under a prescription drug plan offered by a PDP sponsor or an MA-PD plan offered by an MA organization, the part of such costs that are actually paid (net of discounts, chargebacks, and average percentage rebates) by the sponsor or organization or by (or on behalf of) an enrollee under the plan, but in no case more than the part of such costs that would have been paid under the plan if the prescription drug coverage under the plan were basic prescription drug coverage, or, in the case of a plan providing supplemental prescription drug coverage, if such coverage were standard prescription drug coverage.

“(3) GROSS COVERED PRESCRIPTION DRUG COSTS.—For purposes of this section, the term ‘gross covered prescription drug costs’ means, with respect to a part D eligible individual enrolled in a prescription drug plan or MA-PD plan during a coverage year, the costs incurred under the plan, not including administrative costs, but including costs directly related to the dispensing of covered part D drugs during the year and costs relating to the deductible. Such costs shall be determined whether they are paid by the individual or under the plan, regardless of whether the coverage under the plan exceeds basic prescription drug coverage.

“(4) COVERAGE YEAR DEFINED.—For purposes of this section, the term ‘coverage year’ means a calendar year in which covered part D drugs are dispensed if the claim for such drugs (and payment on such claim) is made not later than such period after the end of such year as the Secretary specifies.

“(c) ADJUSTMENTS RELATING TO BIDS.—

“(1) HEALTH STATUS RISK ADJUSTMENT.—

“(A) ESTABLISHMENT OF RISK ADJUSTORS.—The Secretary shall establish an appropriate methodology for adjusting the standardized bid amount under subsection (a)(1)(A) to take into account variation in costs for basic prescription drug coverage among prescription drug plans and MA–PD plans based on the differences in actuarial risk of different enrollees being served. Any such risk adjustment shall be designed in a manner so as not to result in a change in the aggregate amounts payable to such plans under subsection (a)(1) and through that portion of the monthly beneficiary prescription drug premiums described in subsection (a)(1)(B) and MA monthly prescription drug beneficiary premiums.

“(B) CONSIDERATIONS.—In establishing the methodology under subparagraph (A), the Secretary may take into account the similar methodologies used under section 1853(a)(3) to adjust payments to MA organizations for benefits under the original medicare fee-for-service program option.

“(C) DATA COLLECTION.—In order to carry out this paragraph, the Secretary shall require—

“(i) PDP sponsors to submit data regarding drug claims that can be linked at the individual level to part A and part B data and such other information as the Secretary determines necessary; and

“(ii) MA organizations that offer MA–PD plans to submit data regarding drug claims that can be linked at the individual level to other data that such organizations are required to submit to the Secretary and such other information as the Secretary determines necessary.

“(D) PUBLICATION.—At the time of publication of risk adjustment factors under section 1853(b)(1)(B)(i)(II), the Secretary shall publish the risk adjusters established under this paragraph for the succeeding year.

“(2) GEOGRAPHIC ADJUSTMENT.—

“(A) IN GENERAL.—Subject to subparagraph (B), for purposes of section 1860D–13(a)(1)(B)(iii), the Secretary shall establish an appropriate methodology for adjusting the national average monthly bid amount (computed under section 1860D–13(a)(4)) to take into account differences in prices for covered part D drugs among PDP regions.

“(B) DE MINIMIS RULE.—If the Secretary determines that the price variations described in subparagraph (A) among PDP regions are de minimis, the Secretary shall not provide for adjustment under this paragraph.

“(C) BUDGET NEUTRAL ADJUSTMENT.—Any adjustment under this paragraph shall be applied in a manner so as to not result in a change in the aggregate payments

made under this part that would have been made if the Secretary had not applied such adjustment.

“(d) PAYMENT METHODS.—

“(1) IN GENERAL.—Payments under this section shall be based on such a method as the Secretary determines. The Secretary may establish a payment method by which interim payments of amounts under this section are made during a year based on the Secretary’s best estimate of amounts that will be payable after obtaining all of the information.

“(2) REQUIREMENT FOR PROVISION OF INFORMATION.—

“(A) REQUIREMENT.—Payments under this section to a PDP sponsor or MA organization are conditioned upon the furnishing to the Secretary, in a form and manner specified by the Secretary, of such information as may be required to carry out this section.

“(B) RESTRICTION ON USE OF INFORMATION.—Information disclosed or obtained pursuant to subparagraph (A) may be used by officers, employees, and contractors of the Department of Health and Human Services only for the purposes of, and to the extent necessary in, carrying out this section.

“(3) SOURCE OF PAYMENTS.—Payments under this section shall be made from the Medicare Prescription Drug Account.

“(4) APPLICATION OF ENROLLEE ADJUSTMENT.—The provisions of section 1853(a)(2) shall apply to payments to PDP sponsors under this section in the same manner as they apply to payments to MA organizations under section 1853(a).

“(e) PORTION OF TOTAL PAYMENTS TO A SPONSOR OR ORGANIZATION SUBJECT TO RISK (APPLICATION OF RISK CORRIDORS).—

“(1) COMPUTATION OF ADJUSTED ALLOWABLE RISK CORRIDOR COSTS.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘adjusted allowable risk corridor costs’ means, for a plan for a coverage year (as defined in subsection (b)(4))—

“(i) the allowable risk corridor costs (as defined in subparagraph (B)) for the plan for the year, reduced by

“(ii) the sum of (I) the total reinsurance payments made under subsection (b) to the sponsor of the plan for the year, and (II) the total subsidy payments made under section 1860D-14 to the sponsor of the plan for the year.

“(B) ALLOWABLE RISK CORRIDOR COSTS.—For purposes of this subsection, the term ‘allowable risk corridor costs’ means, with respect to a prescription drug plan offered by a PDP sponsor or an MA-PD plan offered by an MA organization, the part of costs (not including administrative costs, but including costs directly related to the dispensing of covered part D drugs during the year) incurred by the sponsor or organization under the plan that are actually paid (net of discounts, chargebacks, and average percentage rebates) by the sponsor or organization under the plan, but in no case more than the part of such costs that would have been paid under the plan if the prescription drug coverage under the plan were basic prescription drug coverage, or, in the case of a plan providing supplemental prescription drug coverage, if such coverage were basic

prescription drug coverage taking into account the adjustment under section 1860D–11(c)(2). In computing allowable costs under this paragraph, the Secretary shall compute such costs based upon imposition under paragraphs (1)(D) and (2)(E) of section 1860D–14(a) of the maximum amount of copayments permitted under such paragraphs.

“(2) ADJUSTMENT OF PAYMENT.—

“(A) NO ADJUSTMENT IF ADJUSTED ALLOWABLE RISK CORRIDOR COSTS WITHIN RISK CORRIDOR.—If the adjusted allowable risk corridor costs (as defined in paragraph (1)) for the plan for the year are at least equal to the first threshold lower limit of the risk corridor (specified in paragraph (3)(A)(i)), but not greater than the first threshold upper limit of the risk corridor (specified in paragraph (3)(A)(iii)) for the plan for the year, then no payment adjustment shall be made under this subsection.

“(B) INCREASE IN PAYMENT IF ADJUSTED ALLOWABLE RISK CORRIDOR COSTS ABOVE UPPER LIMIT OF RISK CORRIDOR.—

“(i) COSTS BETWEEN FIRST AND SECOND THRESHOLD UPPER LIMITS.—If the adjusted allowable risk corridor costs for the plan for the year are greater than the first threshold upper limit, but not greater than the second threshold upper limit, of the risk corridor for the plan for the year, the Secretary shall increase the total of the payments made to the sponsor or organization offering the plan for the year under this section by an amount equal to 50 percent (or, for 2006 and 2007, 75 percent or 90 percent if the conditions described in clause (iii) are met for the year) of the difference between such adjusted allowable risk corridor costs and the first threshold upper limit of the risk corridor.

“(ii) COSTS ABOVE SECOND THRESHOLD UPPER LIMITS.—If the adjusted allowable risk corridor costs for the plan for the year are greater than the second threshold upper limit of the risk corridor for the plan for the year, the Secretary shall increase the total of the payments made to the sponsor or organization offering the plan for the year under this section by an amount equal to the sum of—

“(I) 50 percent (or, for 2006 and 2007, 75 percent or 90 percent if the conditions described in clause (iii) are met for the year) of the difference between the second threshold upper limit and the first threshold upper limit; and

“(II) 80 percent of the difference between such adjusted allowable risk corridor costs and the second threshold upper limit of the risk corridor.

“(iii) CONDITIONS FOR APPLICATION OF HIGHER PERCENTAGE FOR 2006 AND 2007.—The conditions described in this clause are met for 2006 or 2007 if the Secretary determines with respect to such year that—

“(I) at least 60 percent of prescription drug plans and MA–PD plans to which this subsection applies have adjusted allowable risk corridor costs

for the plan for the year that are more than the first threshold upper limit of the risk corridor for the plan for the year; and

“(II) such plans represent at least 60 percent of part D eligible individuals enrolled in any prescription drug plan or MA-PD plan.

“(C) REDUCTION IN PAYMENT IF ADJUSTED ALLOWABLE RISK CORRIDOR COSTS BELOW LOWER LIMIT OF RISK CORRIDOR.—

“(i) COSTS BETWEEN FIRST AND SECOND THRESHOLD LOWER LIMITS.—If the adjusted allowable risk corridor costs for the plan for the year are less than the first threshold lower limit, but not less than the second threshold lower limit, of the risk corridor for the plan for the year, the Secretary shall reduce the total of the payments made to the sponsor or organization offering the plan for the year under this section by an amount (or otherwise recover from the sponsor or organization an amount) equal to 50 percent (or, for 2006 and 2007, 75 percent) of the difference between the first threshold lower limit of the risk corridor and such adjusted allowable risk corridor costs.

“(ii) COSTS BELOW SECOND THRESHOLD LOWER LIMIT.—If the adjusted allowable risk corridor costs for the plan for the year are less the second threshold lower limit of the risk corridor for the plan for the year, the Secretary shall reduce the total of the payments made to the sponsor or organization offering the plan for the year under this section by an amount (or otherwise recover from the sponsor or organization an amount) equal to the sum of—

“(I) 50 percent (or, for 2006 and 2007, 75 percent) of the difference between the first threshold lower limit and the second threshold lower limit; and

“(II) 80 percent of the difference between the second threshold upper limit of the risk corridor and such adjusted allowable risk corridor costs.

“(3) ESTABLISHMENT OF RISK CORRIDORS.—

“(A) IN GENERAL.—For each plan year the Secretary shall establish a risk corridor for each prescription drug plan and each MA-PD plan. The risk corridor for a plan for a year shall be equal to a range as follows:

“(i) FIRST THRESHOLD LOWER LIMIT.—The first threshold lower limit of such corridor shall be equal to—

“(I) the target amount described in subparagraph (B) for the plan; minus

“(II) an amount equal to the first threshold risk percentage for the plan (as determined under subparagraph (C)(i)) of such target amount.

“(ii) SECOND THRESHOLD LOWER LIMIT.—The second threshold lower limit of such corridor shall be equal to—

“(I) the target amount described in subparagraph (B) for the plan; minus

“(II) an amount equal to the second threshold risk percentage for the plan (as determined under subparagraph (C)(ii)) of such target amount.

“(iii) FIRST THRESHOLD UPPER LIMIT.—The first threshold upper limit of such corridor shall be equal to the sum of—

“(I) such target amount; and

“(II) the amount described in clause (i)(II).

“(iv) SECOND THRESHOLD UPPER LIMIT.—The second threshold upper limit of such corridor shall be equal to the sum of—

“(I) such target amount; and

“(II) the amount described in clause (ii)(II).

“(B) TARGET AMOUNT DESCRIBED.—The target amount described in this paragraph is, with respect to a prescription drug plan or an MA–PD plan in a year, the total amount of payments paid to the PDP sponsor or MA–PD organization for the plan for the year, taking into account amounts paid by the Secretary and enrollees, based upon the standardized bid amount (as defined in section 1860D–13(a)(5) and as risk adjusted under subsection (c)(1)), reduced by the total amount of administrative expenses for the year assumed in such standardized bid.

“(C) FIRST AND SECOND THRESHOLD RISK PERCENTAGE DEFINED.—

“(i) FIRST THRESHOLD RISK PERCENTAGE.—Subject to clause (iii), for purposes of this section, the first threshold risk percentage is—

“(I) for 2006 and 2007, and 2.5 percent;

“(II) for 2008 through 2011, 5 percent; and

“(III) for 2012 and subsequent years, a percentage established by the Secretary, but in no case less than 5 percent.

“(ii) SECOND THRESHOLD RISK PERCENTAGE.—Subject to clause (iii), for purposes of this section, the second threshold risk percentage is—

“(I) for 2006 and 2007, 5 percent;

“(II) for 2008 through 2011, 10 percent; and

“(III) for 2012 and subsequent years, a percentage established by the Secretary that is greater than the percent established for the year under clause (i)(III), but in no case less than 10 percent.

“(iii) REDUCTION OF RISK PERCENTAGE TO ENSURE 2 PLANS IN AN AREA.—Pursuant to section 1860D–11(b)(2)(E)(ii), a PDP sponsor may submit a bid that requests a decrease in the applicable first or second threshold risk percentages or an increase in the percents applied under paragraph (2).

“(4) PLANS AT RISK FOR ENTIRE AMOUNT OF SUPPLEMENTAL PRESCRIPTION DRUG COVERAGE.—A PDP sponsor and MA organization that offers a plan that provides supplemental prescription drug benefits shall be at full financial risk for the provision of such supplemental benefits.

“(5) NO EFFECT ON MONTHLY PREMIUM.—No adjustment in payments made by reason of this subsection shall affect

the monthly beneficiary premium or the MA monthly prescription drug beneficiary premium.

“(f) DISCLOSURE OF INFORMATION.—

“(1) IN GENERAL.—Each contract under this part and under part C shall provide that—

“(A) the PDP sponsor offering a prescription drug plan or an MA organization offering an MA-PD plan shall provide the Secretary with such information as the Secretary determines is necessary to carry out this section; and

“(B) the Secretary shall have the right in accordance with section 1857(d)(2)(B) (as applied under section 1860D-12(b)(3)(C)) to inspect and audit any books and records of a PDP sponsor or MA organization that pertain to the information regarding costs provided to the Secretary under subparagraph (A).

“(2) RESTRICTION ON USE OF INFORMATION.—Information disclosed or obtained pursuant to the provisions of this section may be used by officers, employees, and contractors of the Department of Health and Human Services only for the purposes of, and to the extent necessary in, carrying out this section.

“(g) PAYMENT FOR FALLBACK PRESCRIPTION DRUG PLANS.—In lieu of the amounts otherwise payable under this section to a PDP sponsor offering a fallback prescription drug plan (as defined in section 1860D-3(c)(4)), the amount payable shall be the amounts determined under the contract for such plan pursuant to section 1860D-11(g)(5).

“MEDICARE PRESCRIPTION DRUG ACCOUNT IN THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND

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“SEC. 1860D-16. (a) ESTABLISHMENT AND OPERATION OF ACCOUNT.—

“(1) ESTABLISHMENT.—There is created within the Federal Supplementary Medical Insurance Trust Fund established by section 1841 an account to be known as the ‘Medicare Prescription Drug Account’ (in this section referred to as the ‘Account’).

“(2) FUNDING.—The Account shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), accrued interest on balances in the Account, and such amounts as may be deposited in, or appropriated to, such Account as provided in this part.

“(3) SEPARATE FROM REST OF TRUST FUND.—Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplementary Medical Insurance Trust Fund, but shall be invested, and such investments redeemed, in the same manner as all other funds and investments within such Trust Fund.

“(b) PAYMENTS FROM ACCOUNT.—

“(1) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts as the Secretary certifies are necessary to make payments to operate the program under this part, including—

“(A) payments under section 1860D-14 (relating to low-income subsidy payments);

“(B) payments under section 1860D-15 (relating to subsidy payments and payments for fallback plans);

“(C) payments to sponsors of qualified retiree prescription drug plans under section 1860D–22(a); and

“(D) payments with respect to administrative expenses under this part in accordance with section 201(g).

“(2) TRANSFERS TO MEDICAID ACCOUNT FOR INCREASED ADMINISTRATIVE COSTS.—The Managing Trustee shall transfer from time to time from the Account to the Grants to States for Medicaid account amounts the Secretary certifies are attributable to increases in payment resulting from the application of section 1935(b).

“(3) PAYMENTS OF PREMIUMS WITHHELD.—The Managing Trustee shall make payment to the PDP sponsor or MA organization involved of the premiums (and the portion of late enrollment penalties) that are collected in the manner described in section 1854(d)(2)(A) and that are payable under a prescription drug plan or MA–PD plan offered by such sponsor or organization.

“(4) TREATMENT IN RELATION TO PART B PREMIUM.—Amounts payable from the Account shall not be taken into account in computing actuarial rates or premium amounts under section 1839.

“(c) DEPOSITS INTO ACCOUNT.—

“(1) LOW-INCOME TRANSFER.—Amounts paid under section 1935(c) (and any amounts collected or offset under paragraph (1)(C) of such section) are deposited into the Account.

“(2) AMOUNTS WITHHELD.—Pursuant to sections 1860D–13(c) and 1854(d) (as applied under this part), amounts that are withheld (and allocated) to the Account are deposited into the Account.

“(3) APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Account, an amount equivalent to the amount of payments made from the Account under subsection (b) plus such amounts as the Managing Trustee certifies is necessary to maintain an appropriate contingency margin, reduced by the amounts deposited under paragraph (1) or subsection (a)(2).

“(4) INITIAL FUNDING AND RESERVE.—In order to assure prompt payment of benefits provided under this part and the administrative expenses thereunder during the early months of the program established by this part and to provide an initial contingency reserve, there are authorized to be appropriated to the Account, out of any moneys in the Treasury not otherwise appropriated, such amount as the Secretary certifies are required, but not to exceed 10 percent of the estimated total expenditures from such Account in 2006.

“(5) TRANSFER OF ANY REMAINING BALANCE FROM TRANSITIONAL ASSISTANCE ACCOUNT.—Any balance in the Transitional Assistance Account that is transferred under section 1860D–31(k)(5) shall be deposited into the Account.

“Subpart 3—Application to Medicare Advantage Program and Treatment of Employer-Sponsored Programs and Other Prescription Drug Plans

“APPLICATION TO MEDICARE ADVANTAGE PROGRAM AND RELATED MANAGED CARE PROGRAMS

42 USC
1395w-131.

“SEC. 1860D-21. (a) SPECIAL RULES RELATING TO OFFERING OF QUALIFIED PRESCRIPTION DRUG COVERAGE.—

“(1) IN GENERAL.—An MA organization on and after January 1, 2006—

“(A) may not offer an MA plan described in section 1851(a)(2)(A) in an area unless either that plan (or another MA plan offered by the organization in that same service area) includes required prescription drug coverage (as defined in paragraph (2)); and

“(B) may not offer prescription drug coverage (other than that required under parts A and B) to an enrollee—

“(i) under an MSA plan; or

“(ii) under another MA plan unless such drug coverage under such other plan provides qualified prescription drug coverage and unless the requirements of this section with respect to such coverage are met.

“(2) QUALIFYING COVERAGE.—For purposes of paragraph (1)(A), the term ‘required coverage’ means with respect to an MA-PD plan—

“(A) basic prescription drug coverage; or

“(B) qualified prescription drug coverage that provides supplemental prescription drug coverage, so long as there is no MA monthly supplemental beneficiary premium applied under the plan (due to the application of a credit against such premium of a rebate under section 1854(b)(1)(C)).

“(b) APPLICATION OF DEFAULT ENROLLMENT RULES.—

“(1) SEAMLESS CONTINUATION.—In applying section 1851(c)(3)(A)(ii), an individual who is enrolled in a health benefits plan shall not be considered to have been deemed to make an election into an MA-PD plan unless such health benefits plan provides any prescription drug coverage.

“(2) MA CONTINUATION.—In applying section 1851(c)(3)(B), an individual who is enrolled in an MA plan shall not be considered to have been deemed to make an election into an MA-PD plan unless—

“(A) for purposes of the election as of January 1, 2006, the MA plan provided as of December 31, 2005, any prescription drug coverage; or

“(B) for periods after January 1, 2006, such MA plan is an MA-PD plan.

“(3) DISCONTINUANCE OF MA-PD ELECTION DURING FIRST YEAR OF ELIGIBILITY.—In applying the second sentence of section 1851(e)(4) in the case of an individual who is electing to discontinue enrollment in an MA-PD plan, the individual shall be permitted to enroll in a prescription drug plan under part D at the time of the election of coverage under the original medicare fee-for-service program.

“(4) RULES REGARDING ENROLLEES IN MA PLANS NOT PROVIDING QUALIFIED PRESCRIPTION DRUG COVERAGE.—In the case

of an individual who is enrolled in an MA plan (other than an MSA plan) that does not provide qualified prescription drug coverage, if the organization offering such coverage discontinues the offering with respect to the individual of all MA plans that do not provide such coverage—

“(i) the individual is deemed to have elected the original medicare fee-for-service program option, unless the individual affirmatively elects to enroll in an MA–PD plan; and

“(ii) in the case of such a deemed election, the disenrollment shall be treated as an involuntary termination of the MA plan described in subparagraph (B)(ii) of section 1882(s)(3) for purposes of applying such section.

The information disclosed under section 1852(c)(1) for individuals who are enrolled in such an MA plan shall include information regarding such rules.

“(c) APPLICATION OF PART D RULES FOR PRESCRIPTION DRUG COVERAGE.—With respect to the offering of qualified prescription drug coverage by an MA organization under this part on and after January 1, 2006—

“(1) IN GENERAL.—Except as otherwise provided, the provisions of this part shall apply under part C with respect to prescription drug coverage provided under MA–PD plans in lieu of the other provisions of part C that would apply to such coverage under such plans.

“(2) WAIVER.—The Secretary shall waive the provisions referred to in paragraph (1) to the extent the Secretary determines that such provisions duplicate, or are in conflict with, provisions otherwise applicable to the organization or plan under part C or as may be necessary in order to improve coordination of this part with the benefits under this part.

“(3) TREATMENT OF MA OWNED AND OPERATED PHARMACIES.—The Secretary may waive the requirement of section 1860D–4(b)(1)(C) in the case of an MA–PD plan that provides access (other than mail order) to qualified prescription drug coverage through pharmacies owned and operated by the MA organization, if the Secretary determines that the organization’s pharmacy network is sufficient to provide comparable access for enrollees under the plan.

“(d) SPECIAL RULES FOR PRIVATE FEE-FOR-SERVICE PLANS THAT OFFER PRESCRIPTION DRUG COVERAGE.—With respect to an MA plan described in section 1851(a)(2)(C) that offers qualified prescription drug coverage, on and after January 1, 2006, the following rules apply:

“(1) REQUIREMENTS REGARDING NEGOTIATED PRICES.—Subsections (a)(1) and (d)(1) of section 1860D–2 and section 1860D–4(b)(2)(A) shall not be construed to require the plan to provide negotiated prices (described in subsection (d)(1)(B) of such section), but shall apply to the extent the plan does so.

“(2) MODIFICATION OF PHARMACY ACCESS STANDARD AND DISCLOSURE REQUIREMENT.—If the plan provides coverage for drugs purchased from all pharmacies, without charging additional cost-sharing, and without regard to whether they are participating pharmacies in a network or have entered into contracts or agreements with pharmacies to provide drugs to

enrollees covered by the plan, subsections (b)(1)(C) and (k) of section 1860D-4 shall not apply to the plan.

“(3) DRUG UTILIZATION MANAGEMENT PROGRAM AND MEDICATION THERAPY MANAGEMENT PROGRAM NOT REQUIRED.—The requirements of subparagraphs (A) and (C) of section 1860D-4(c)(1) shall not apply to the plan.

“(4) APPLICATION OF REINSURANCE.—The Secretary shall determine the amount of reinsurance payments under section 1860D-15(b) using a methodology that—

“(A) bases such amount on the Secretary’s estimate of the amount of such payments that would be payable if the plan were an MA-PD plan described in section 1851(a)(2)(A)(i) and the previous provisions of this subsection did not apply; and

“(B) takes into account the average reinsurance payments made under section 1860D-15(b) for populations of similar risk under MA-PD plans described in such section.

“(5) EXEMPTION FROM RISK CORRIDOR PROVISIONS.—The provisions of section 1860D-15(e) shall not apply.

“(6) EXEMPTION FROM NEGOTIATIONS.—Subsections (d) and (e)(2)(C) of section 1860D-11 shall not apply and the provisions of section 1854(a)(5)(B) prohibiting the review, approval, or disapproval of amounts described in such section shall apply to the proposed bid and terms and conditions described in section 1860D-11(d).

“(7) TREATMENT OF INCURRED COSTS WITHOUT REGARD TO FORMULARY.—The exclusion of costs incurred for covered part D drugs which are not included (or treated as being included) in a plan’s formulary under section 1860D-2(b)(4)(B)(i) shall not apply insofar as the plan does not utilize a formulary.

“(e) APPLICATION TO REASONABLE COST REIMBURSEMENT CONTRACTORS.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3) and rules established by the Secretary, in the case of an organization that is providing benefits under a reasonable cost reimbursement contract under section 1876(h) and that elects to provide qualified prescription drug coverage to a part D eligible individual who is enrolled under such a contract, the provisions of this part (and related provisions of part C) shall apply to the provision of such coverage to such enrollee in the same manner as such provisions apply to the provision of such coverage under an MA-PD local plan described in section 1851(a)(2)(A)(i) and coverage under such a contract that so provides qualified prescription drug coverage shall be deemed to be an MA-PD local plan.

“(2) LIMITATION ON ENROLLMENT.—In applying paragraph (1), the organization may not enroll part D eligible individuals who are not enrolled under the reasonable cost reimbursement contract involved.

“(3) BIDS NOT INCLUDED IN DETERMINING NATIONAL AVERAGE MONTHLY BID AMOUNT.—The bid of an organization offering prescription drug coverage under this subsection shall not be taken into account in computing the national average monthly bid amount and low-income benchmark premium amount under this part.

“(f) APPLICATION TO PACE.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3) and rules established by the Secretary, in the case of a PACE program under section 1894 that elects to provide qualified prescription drug coverage to a part D eligible individual who is enrolled under such program, the provisions of this part (and related provisions of part C) shall apply to the provision of such coverage to such enrollee in a manner that is similar to the manner in which such provisions apply to the provision of such coverage under an MA–PD local plan described in section 1851(a)(2)(A)(ii) and a PACE program that so provides such coverage may be deemed to be an MA–PD local plan.

“(2) LIMITATION ON ENROLLMENT.—In applying paragraph (1), the organization may not enroll part D eligible individuals who are not enrolled under the PACE program involved.

“(3) BIDS NOT INCLUDED IN DETERMINING STANDARDIZED BID AMOUNT.—The bid of an organization offering prescription drug coverage under this subsection is not be taken into account in computing any average benchmark bid amount and low-income benchmark premium amount under this part.

“SPECIAL RULES FOR EMPLOYER-SPONSORED PROGRAMS

“SEC. 1860D–22. (a) SUBSIDY PAYMENT.—

42 USC
1395w–132.

“(1) IN GENERAL.—The Secretary shall provide in accordance with this subsection for payment to the sponsor of a qualified retiree prescription drug plan (as defined in paragraph (2)) of a special subsidy payment equal to the amount specified in paragraph (3) for each qualified covered retiree under the plan (as defined in paragraph (4)). This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this section.

“(2) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN DEFINED.—For purposes of this subsection, the term ‘qualified retiree prescription drug plan’ means employment-based retiree health coverage (as defined in subsection (c)(1)) if, with respect to a part D eligible individual who is a participant or beneficiary under such coverage, the following requirements are met:

“(A) ATTESTATION OF ACTUARIAL EQUIVALENCE TO STANDARD COVERAGE.—The sponsor of the plan provides the Secretary, annually or at such other time as the Secretary may require, with an attestation that the actuarial value of prescription drug coverage under the plan (as determined using the processes and methods described in section 1860D–11(c)) is at least equal to the actuarial value of standard prescription drug coverage.

“(B) AUDITS.—The sponsor of the plan, or an administrator of the plan designated by the sponsor, shall maintain (and afford the Secretary access to) such records as the Secretary may require for purposes of audits and other oversight activities necessary to ensure the adequacy of prescription drug coverage and the accuracy of payments made under this section. The provisions of section 1860D–2(d)(3) shall apply to such information under this section (including such actuarial value and attestation) in a manner similar to the manner in which they apply to financial records of PDP sponsors and MA organizations.

“(C) PROVISION OF DISCLOSURE REGARDING PRESCRIPTION DRUG COVERAGE.—The sponsor of the plan shall provide for disclosure of information regarding prescription drug coverage in accordance with section 1860D-13(b)(6)(B).

“(3) EMPLOYER AND UNION SPECIAL SUBSIDY AMOUNTS.—

“(A) IN GENERAL.—For purposes of this subsection, the special subsidy payment amount under this paragraph for a qualifying covered retiree for a coverage year enrolled with the sponsor of a qualified retiree prescription drug plan is, for the portion of the retiree’s gross covered retiree plan-related prescription drug costs (as defined in subparagraph (C)(ii)) for such year that exceeds the cost threshold amount specified in subparagraph (B) and does not exceed the cost limit under such subparagraph, an amount equal to 28 percent of the allowable retiree costs (as defined in subparagraph (C)(i)) attributable to such gross covered prescription drug costs.

“(B) COST THRESHOLD AND COST LIMIT APPLICABLE.—

“(i) IN GENERAL.—Subject to clause (ii)—

“(I) the cost threshold under this subparagraph is equal to \$250 for plan years that end in 2006; and

“(II) the cost limit under this subparagraph is equal to \$5,000 for plan years that end in 2006.

“(ii) INDEXING.—The cost threshold and cost limit amounts specified in subclauses (I) and (II) of clause (i) for a plan year that ends after 2006 shall be adjusted in the same manner as the annual deductible and the annual out-of-pocket threshold, respectively, are annually adjusted under paragraphs (1) and (4)(B) of section 1860D-2(b).

“(C) DEFINITIONS.—For purposes of this paragraph:

“(i) ALLOWABLE RETIREE COSTS.—The term ‘allowable retiree costs’ means, with respect to gross covered prescription drug costs under a qualified retiree prescription drug plan by a plan sponsor, the part of such costs that are actually paid (net of discounts, chargebacks, and average percentage rebates) by the sponsor or by or on behalf of a qualifying covered retiree under the plan.

“(ii) GROSS COVERED RETIREE PLAN-RELATED PRESCRIPTION DRUG COSTS.—For purposes of this section, the term ‘gross covered retiree plan-related prescription drug costs’ means, with respect to a qualifying covered retiree enrolled in a qualified retiree prescription drug plan during a coverage year, the costs incurred under the plan, not including administrative costs, but including costs directly related to the dispensing of covered part D drugs during the year. Such costs shall be determined whether they are paid by the retiree or under the plan.

“(iii) COVERAGE YEAR.—The term ‘coverage year’ has the meaning given such term in section 1860D-15(b)(4).

“(4) QUALIFYING COVERED RETIREE DEFINED.—For purposes of this subsection, the term ‘qualifying covered retiree’ means a part D eligible individual who is not enrolled in a prescription

drug plan or an MA-PD plan but is covered under a qualified retiree prescription drug plan.

“(5) PAYMENT METHODS, INCLUDING PROVISION OF NECESSARY INFORMATION.—The provisions of section 1860D-15(d) (including paragraph (2), relating to requirement for provision of information) shall apply to payments under this subsection in a manner similar to the manner in which they apply to payment under section 1860D-15(b).

“(6) CONSTRUCTION.—Nothing in this subsection shall be construed as—

“(A) precluding a part D eligible individual who is covered under employment-based retiree health coverage from enrolling in a prescription drug plan or in an MA-PD plan;

“(B) precluding such employment-based retiree health coverage or an employer or other person from paying all or any portion of any premium required for coverage under a prescription drug plan or MA-PD plan on behalf of such an individual;

“(C) preventing such employment-based retiree health coverage from providing coverage—

“(i) that is better than standard prescription drug coverage to retirees who are covered under a qualified retiree prescription drug plan; or

“(ii) that is supplemental to the benefits provided under a prescription drug plan or an MA-PD plan, including benefits to retirees who are not covered under a qualified retiree prescription drug plan but who are enrolled in such a prescription drug plan or MA-PD plan; or

“(D) preventing employers to provide for flexibility in benefit design and pharmacy access provisions, without regard to the requirements for basic prescription drug coverage, so long as the actuarial equivalence requirement of paragraph (2)(A) is met.

“(b) APPLICATION OF MA WAIVER AUTHORITY.—The provisions of section 1857(i) shall apply with respect to prescription drug plans in relation to employment-based retiree health coverage in a manner similar to the manner in which they apply to an MA plan in relation to employers, including authorizing the establishment of separate premium amounts for enrollees in a prescription drug plan by reason of such coverage and limitations on enrollment to part D eligible individuals enrolled under such coverage.

“(c) DEFINITIONS.—For purposes of this section:

“(1) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term ‘employment-based retiree health coverage’ means health insurance or other coverage of health care costs (whether provided by voluntary insurance coverage or pursuant to statutory or contractual obligation) for part D eligible individuals (or for such individuals and their spouses and dependents) under a group health plan based on their status as retired participants in such plan.

“(2) SPONSOR.—The term ‘sponsor’ means a plan sponsor, as defined in section 3(16)(B) of the Employee Retirement Income Security Act of 1974, in relation to a group health plan, except that, in the case of a plan maintained jointly by one employer and an employee organization and with respect

to which the employer is the primary source of financing, such term means such employer.

“(3) GROUP HEALTH PLAN.—The term ‘group health plan’ includes such a plan as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 and also includes the following:

“(A) FEDERAL AND STATE GOVERNMENTAL PLANS.—Such a plan established or maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing, including a health benefits plan offered under chapter 89 of title 5, United States Code.

“(B) COLLECTIVELY BARGAINED PLANS.—Such a plan established or maintained under or pursuant to one or more collective bargaining agreements.

“(C) CHURCH PLANS.—Such a plan established and maintained for its employees (or their beneficiaries) by a church or by a convention or association of churches which is exempt from tax under section 501 of the Internal Revenue Code of 1986.

“STATE PHARMACEUTICAL ASSISTANCE PROGRAMS

42 USC
1395w-133.

“SEC. 1860D-23. (a) REQUIREMENTS FOR BENEFIT COORDINATION.—

“(1) IN GENERAL.—Before July 1, 2005, the Secretary shall establish consistent with this section requirements for prescription drug plans to ensure the effective coordination between a part D plan (as defined in paragraph (5)) and a State Pharmaceutical Assistance Program (as defined in subsection (b)) with respect to—

“(A) payment of premiums and coverage; and

“(B) payment for supplemental prescription drug benefits,
for part D eligible individuals enrolled under both types of plans.

“(2) COORDINATION ELEMENTS.—The requirements under paragraph (1) shall include requirements relating to coordination of each of the following:

“(A) Enrollment file sharing.

“(B) The processing of claims, including electronic processing.

“(C) Claims payment.

“(D) Claims reconciliation reports.

“(E) Application of the protection against high out-of-pocket expenditures under section 1860D-2(b)(4).

“(F) Other administrative processes specified by the Secretary.

Such requirements shall be consistent with applicable law to safeguard the privacy of any individually identifiable beneficiary information.

“(3) USE OF LUMP SUM PER CAPITA METHOD.—Such requirements shall include a method for the application by a part D plan of specified funding amounts from a State Pharmaceutical Assistance Program for enrolled individuals for supplemental prescription drug benefits.

“(4) CONSULTATION.—In establishing requirements under this subsection, the Secretary shall consult with State Pharmaceutical Assistance Programs, MA organizations, States, pharmaceutical benefit managers, employers, representatives of part D eligible individuals, the data processing experts, pharmacists, pharmaceutical manufacturers, and other experts.

“(5) PART D PLAN DEFINED.—For purposes of this section and section 1860D-24, the term ‘part D plan’ means a prescription drug plan and an MA-PD plan.

“(b) STATE PHARMACEUTICAL ASSISTANCE PROGRAM.—For purposes of this part, the term ‘State Pharmaceutical Assistance Program’ means a State program—

“(1) which provides financial assistance for the purchase or provision of supplemental prescription drug coverage or benefits on behalf of part D eligible individuals;

“(2) which, in determining eligibility and the amount of assistance to part D eligible individuals under the Program, provides assistance to such individuals in all part D plans and does not discriminate based upon the part D plan in which the individual is enrolled; and

“(3) which satisfies the requirements of subsections (a) and (c).

“(c) RELATION TO OTHER PROVISIONS.—

“(1) MEDICARE AS PRIMARY PAYOR.—The requirements of this section shall not change or affect the primary payor status of a part D plan.

“(2) USE OF A SINGLE CARD.—A card that is issued under section 1860D-4(b)(2)(A) for use under a part D plan may also be used in connection with coverage of benefits provided under a State Pharmaceutical Assistance Program and, in such case, may contain an emblem or symbol indicating such connection.

“(3) OTHER PROVISIONS.—The provisions of section 1860D-24(c) shall apply to the requirements under this section.

“(4) SPECIAL TREATMENT UNDER OUT-OF-POCKET RULE.—In applying section 1860D-2(b)(4)(C)(ii), expenses incurred under a State Pharmaceutical Assistance Program may be counted toward the annual out-of-pocket threshold.

“(5) CONSTRUCTION.—Nothing in this section shall be construed as requiring a State Pharmaceutical Assistance Program to coordinate or provide financial assistance with respect to any part D plan.

“(d) FACILITATION OF TRANSITION AND COORDINATION WITH STATE PHARMACEUTICAL ASSISTANCE PROGRAMS.—

“(1) TRANSITIONAL GRANT PROGRAM.—The Secretary shall provide payments to State Pharmaceutical Assistance Programs with an application approved under this subsection.

“(2) USE OF FUNDS.—Payments under this section may be used by a Program for any of the following:

“(A) Educating part D eligible individuals enrolled in the Program about the prescription drug coverage available through part D plans under this part.

“(B) Providing technical assistance, phone support, and counseling for such enrollees to facilitate selection and enrollment in such plans.

“(C) Other activities designed to promote the effective coordination of enrollment, coverage, and payment between such Program and such plans.

“(3) ALLOCATION OF FUNDS.—Of the amount appropriated to carry out this subsection for a fiscal year, the Secretary shall allocate payments among Programs that have applications approved under paragraph (4) for such fiscal year in proportion to the number of enrollees enrolled in each such Program as of October 1, 2003.

“(4) APPLICATION.—No payments may be made under this subsection except pursuant to an application that is submitted and approved in a time, manner, and form specified by the Secretary.

“(5) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated for each of fiscal years 2005 and 2006, \$62,500,000 to carry out this subsection.

“COORDINATION REQUIREMENTS FOR PLANS PROVIDING PRESCRIPTION
DRUG COVERAGE

42 USC
1395w–134.

“SEC. 1860D–24. (a) APPLICATION OF BENEFIT COORDINATION
REQUIREMENTS TO ADDITIONAL PLANS.—

“(1) IN GENERAL.—The Secretary shall apply the coordination requirements established under section 1860D–23(a) to Rx plans described in subsection (b) in the same manner as such requirements apply to a State Pharmaceutical Assistance Program.

“(2) APPLICATION TO TREATMENT OF CERTAIN OUT-OF-POCKET EXPENDITURES.—To the extent specified by the Secretary, the requirements referred to in paragraph (1) shall apply to procedures established under section 1860D–2(b)(4)(D).

“(3) USER FEES.—

“(A) IN GENERAL.—The Secretary may impose user fees for the transmittal of information necessary for benefit coordination under section 1860D–2(b)(4)(D) in a manner similar to the manner in which user fees are imposed under section 1842(h)(3)(B), except that the Secretary may retain a portion of such fees to defray the Secretary’s costs in carrying out procedures under section 1860D–2(b)(4)(D).

“(B) APPLICATION.—A user fee may not be imposed under subparagraph (A) with respect to a State Pharmaceutical Assistance Program.

“(b) RX PLAN.—An Rx plan described in this subsection is any of the following:

“(1) MEDICAID PROGRAMS.—A State plan under title XIX, including such a plan operating under a waiver under section 1115, if it meets the requirements of section 1860D–23(b)(2).

“(2) GROUP HEALTH PLANS.—An employer group health plan.

“(3) FEHBP.—The Federal employees health benefits plan under chapter 89 of title 5, United States Code.

“(4) MILITARY COVERAGE (INCLUDING TRICARE).—Coverage under chapter 55 of title 10, United States Code.

“(5) OTHER PRESCRIPTION DRUG COVERAGE.—Such other health benefit plans or programs that provide coverage or financial assistance for the purchase or provision of prescription

drug coverage on behalf of part D eligible individuals as the Secretary may specify.

“(c) RELATION TO OTHER PROVISIONS.—

“(1) USE OF COST MANAGEMENT TOOLS.—The requirements of this section shall not impair or prevent a PDP sponsor or MA organization from applying cost management tools (including differential payments) under all methods of operation.

“(2) NO AFFECT ON TREATMENT OF CERTAIN OUT-OF-POCKET EXPENDITURES.—The requirements of this section shall not affect the application of the procedures established under section 1860D–2(b)(4)(D).

“Subpart 4—Medicare Prescription Drug Discount Card and Transitional Assistance Program

“MEDICARE PRESCRIPTION DRUG DISCOUNT CARD AND TRANSITIONAL ASSISTANCE PROGRAM

“SEC. 1860D–31. (a) ESTABLISHMENT OF PROGRAM.—

42 USC
1395w–141.

“(1) IN GENERAL.—The Secretary shall establish a program under this section—

“(A) to endorse prescription drug discount card programs that meet the requirements of this section in order to provide access to prescription drug discounts through prescription drug card sponsors for discount card eligible individuals throughout the United States; and

“(B) to provide for transitional assistance for transitional assistance eligible individuals enrolled in such endorsed programs.

“(2) PERIOD OF OPERATION.—

“(A) IMPLEMENTATION DEADLINE.—The Secretary shall implement the program under this section so that discount cards and transitional assistance are first available by not later than 6 months after the date of the enactment of this section.

“(B) EXPEDITING IMPLEMENTATION.—The Secretary shall promulgate regulations to carry out the program under this section which may be effective and final immediately on an interim basis as of the date of publication of the interim final regulation. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comments on such regulation after the date of publication. The Secretary may change or revise such regulation after completion of the period of public comment.

Regulations.

“(C) TERMINATION AND TRANSITION.—

“(i) IN GENERAL.—Subject to clause (ii)—

“(I) the program under this section shall not apply to covered discount card drugs dispensed after December 31, 2005; and

“(II) transitional assistance shall be available after such date to the extent the assistance relates to drugs dispensed on or before such date.

“(ii) TRANSITION.—In the case of an individual who is enrolled in an endorsed discount card program as

of December 31, 2005, during the individual's transition period (if any) under clause (iii), in accordance with transition rules specified by the Secretary—

“(I) such endorsed program may continue to apply to covered discount card drugs dispensed to the individual under the program during such transition period;

“(II) no annual enrollment fee shall be applicable during the transition period;

“(III) during such period the individual may not change the endorsed program plan in which the individual is enrolled; and

“(IV) the balance of any transitional assistance remaining on January 1, 2006, shall remain available for drugs dispensed during the individual's transition period.

“(iii) TRANSITION PERIOD.—The transition period under this clause for an individual is the period beginning on January 1, 2006, and ending in the case of an individual who—

“(I) is enrolled in a prescription drug plan or an MA–PD plan before the last date of the initial enrollment period under section 1860D–1(b)(2)(A), on the effective date of the individual's coverage under such part; or

“(II) is not so enrolled, on the last day of such initial period.

“(3) VOLUNTARY NATURE OF PROGRAM.—Nothing in this section shall be construed as requiring a discount card eligible individual to enroll in an endorsed discount card program under this section.

“(4) GLOSSARY AND DEFINITIONS OF TERMS.—For purposes of this section:

“(A) COVERED DISCOUNT CARD DRUG.—The term ‘covered discount card drug’ has the meaning given the term ‘covered part D drug’ in section 1860D–2(e).

“(B) DISCOUNT CARD ELIGIBLE INDIVIDUAL.—The term ‘discount card eligible individual’ is defined in subsection (b)(1)(A).

“(C) ENDORSED DISCOUNT CARD PROGRAM; ENDORSED PROGRAM.—The terms ‘endorsed discount card program’ and ‘endorsed program’ mean a prescription drug discount card program that is endorsed (and for which the sponsor has a contract with the Secretary) under this section.

“(D) NEGOTIATED PRICE.—Negotiated prices are described in subsection (e)(1)(A)(ii).

“(E) PRESCRIPTION DRUG CARD SPONSOR; SPONSOR.—The terms ‘prescription drug card sponsor’ and ‘sponsor’ are defined in subsection (h)(1)(A).

“(F) STATE.—The term ‘State’ has the meaning given such term for purposes of title XIX.

“(G) TRANSITIONAL ASSISTANCE ELIGIBLE INDIVIDUAL.—The term ‘transitional assistance eligible individual’ is defined in subsection (b)(2).

“(b) ELIGIBILITY FOR DISCOUNT CARD AND FOR TRANSITIONAL ASSISTANCE.—For purposes of this section:

“(1) DISCOUNT CARD ELIGIBLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘discount card eligible individual’ means an individual who—

“(i) is entitled to benefits, or enrolled, under part A or enrolled under part B; and

“(ii) subject to paragraph (4), is not an individual described in subparagraph (B).

“(B) INDIVIDUAL DESCRIBED.—An individual described in this subparagraph is an individual described in subparagraph (A)(i) who is enrolled under title XIX (or under a waiver under section 1115 of the requirements of such title) and is entitled to any medical assistance for outpatient prescribed drugs described in section 1905(a)(12).

“(2) TRANSITIONAL ASSISTANCE ELIGIBLE INDIVIDUAL.—

“(A) IN GENERAL.—Subject to subparagraph (B), the term ‘transitional assistance eligible individual’ means a discount card eligible individual who resides in one of the 50 States or the District of Columbia and whose income (as determined under subsection (f)(1)(B)) is not more than 135 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. 9902(2), including any revision required by such section) applicable to the family size involved (as determined under subsection (f)(1)(B)).

“(B) EXCLUSION OF INDIVIDUALS WITH CERTAIN PRESCRIPTION DRUG COVERAGE.—Such term does not include an individual who has coverage of, or assistance for, covered discount card drugs under any of the following:

“(i) A group health plan or health insurance coverage (as such terms are defined in section 2791 of the Public Health Service Act), other than coverage under a plan under part C and other than coverage consisting only of excepted benefits (as defined in such section).

“(ii) Chapter 55 of title 10, United States Code (relating to medical and dental care for members of the uniformed services).

“(iii) A plan under chapter 89 of title 5, United States Code (relating to the Federal employees’ health benefits program).

“(3) SPECIAL TRANSITIONAL ASSISTANCE ELIGIBLE INDIVIDUAL.—The term ‘special transitional assistance eligible individual’ means a transitional assistance eligible individual whose income (as determined under subsection (f)(1)(B)) is not more than 100 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. 9902(2), including any revision required by such section) applicable to the family size involved (as determined under subsection (f)(1)(B)).

“(4) TREATMENT OF MEDICAID MEDICALLY NEEDY.—For purposes of this section, the Secretary shall provide for appropriate rules for the treatment of medically needy individuals described in section 1902(a)(10)(C) as discount card eligible individuals and as transitional assistance eligible individuals.

“(c) ENROLLMENT AND ENROLLMENT FEES.—

“(1) ENROLLMENT PROCESS.—The Secretary shall establish a process through which a discount card eligible individual

is enrolled and disenrolled in an endorsed discount card program under this section consistent with the following:

“(A) CONTINUOUS OPEN ENROLLMENT.—Subject to the succeeding provisions of this paragraph and subsection (h)(9), a discount card eligible individual who is not enrolled in an endorsed discount card program and is residing in a State may enroll in any such endorsed program—

“(i) that serves residents of the State; and

“(ii) at any time beginning on the initial enrollment date, specified by the Secretary, and before January 1, 2006.

“(B) USE OF STANDARD ENROLLMENT FORM.—An enrollment in an endorsed program shall only be effected through completion of a standard enrollment form specified by the Secretary. Each sponsor of an endorsed program shall transmit to the Secretary (in a form and manner specified by the Secretary) information on individuals who complete such enrollment forms and, to the extent provided under subsection (f), information regarding certification as a transitional assistance eligible individual.

“(C) ENROLLMENT ONLY IN ONE PROGRAM.—

“(i) IN GENERAL.—Subject to clauses (ii) and (iii), a discount card eligible individual may be enrolled in only one endorsed discount card program under this section.

“(ii) CHANGE IN ENDORSED PROGRAM PERMITTED FOR 2005.—The Secretary shall establish a process, similar to (and coordinated with) the process for annual, coordinated elections under section 1851(e)(3) during 2004, under which an individual enrolled in an endorsed discount card program may change the endorsed program in which the individual is enrolled for 2005.

“(iii) ADDITIONAL EXCEPTIONS.—The Secretary shall permit an individual to change the endorsed discount card program in which the individual is enrolled in the case of an individual who changes residence to be outside the service area of such program and in such other exceptional cases as the Secretary may provide (taking into account the circumstances for special election periods under section 1851(e)(4)). Under the previous sentence, the Secretary may consider a change in residential setting (such as placement in a nursing facility) or enrollment in or disenrollment from a plan under part C through which the individual was enrolled in an endorsed program to be an exceptional circumstance.

“(D) DISENROLLMENT.—

“(i) VOLUNTARY.—An individual may voluntarily disenroll from an endorsed discount card program at any time. In the case of such a voluntary disenrollment, the individual may not enroll in another endorsed program, except under such exceptional circumstances as the Secretary may recognize under subparagraph (C)(iii) or during the annual coordinated enrollment period provided under subparagraph (C)(ii).

“(ii) INVOLUNTARY.—An individual who is enrolled in an endorsed discount card program and not a transitional assistance eligible individual may be disenrolled by the sponsor of the program if the individual fails to pay any annual enrollment fee required under the program.

“(E) APPLICATION TO CERTAIN ENROLLEES.—In the case of a discount card eligible individual who is enrolled in a plan described in section 1851(a)(2)(A) or under a reasonable cost reimbursement contract under section 1876(h) that is offered by an organization that also is a prescription discount card sponsor that offers an endorsed discount card program under which the individual may be enrolled and that has made an election to apply the special rules under subsection (h)(9)(B) for such an endorsed program, the individual may only enroll in such an endorsed discount card program offered by that sponsor.

“(2) ENROLLMENT FEES.—

“(A) IN GENERAL.—Subject to the succeeding provisions of this paragraph, a prescription drug card sponsor may charge an annual enrollment fee for each discount card eligible individual enrolled in an endorsed discount card program offered by such sponsor. The annual enrollment fee for either 2004 or 2005 shall not be prorated for portions of a year. There shall be no annual enrollment fee for a year after 2005.

“(B) AMOUNT.—No annual enrollment fee charged under subparagraph (A) may exceed \$30.

“(C) UNIFORM ENROLLMENT FEE.—A prescription drug card sponsor shall ensure that the annual enrollment fee (if any) for an endorsed discount card program is the same for all discount card eligible individuals enrolled in the program and residing in the State.

“(D) COLLECTION.—The annual enrollment fee (if any) charged for enrollment in an endorsed program shall be collected by the sponsor of the program.

“(E) PAYMENT OF FEE FOR TRANSITIONAL ASSISTANCE ELIGIBLE INDIVIDUALS.—Under subsection (g)(1)(A), the annual enrollment fee (if any) otherwise charged under this paragraph with respect to a transitional assistance eligible individual shall be paid by the Secretary on behalf of such individual.

“(F) OPTIONAL PAYMENT OF FEE BY STATE.—

“(i) IN GENERAL.—The Secretary shall establish an arrangement under which a State may provide for payment of some or all of the enrollment fee for some or all enrollees who are not transitional assistance eligible individuals in the State, as specified by the State under the arrangement. Insofar as such a payment arrangement is made with respect to an enrollee, the amount of the enrollment fee shall be paid directly by the State to the sponsor.

“(ii) NO FEDERAL MATCHING AVAILABLE UNDER MEDICAID OR SCHIP.—Expenditures made by a State for enrollment fees described in clause (i) shall not be treated as State expenditures for purposes of Federal matching payments under title XIX or XXI.

“(G) RULES IN CASE OF CHANGES IN PROGRAM ENROLLMENT DURING A YEAR.—The Secretary shall provide special rules in the case of payment of an annual enrollment fee for a discount card eligible individual who changes the endorsed program in which the individual is enrolled during a year.

“(3) ISSUANCE OF DISCOUNT CARD.—Each prescription drug card sponsor of an endorsed discount card program shall issue, in a standard format specified by the Secretary, to each discount card eligible individual enrolled in such program a card that establishes proof of enrollment and that can be used in a coordinated manner to identify the sponsor, program, and individual for purposes of the program under this section.

“(4) PERIOD OF ACCESS.—In the case of a discount card eligible individual who enrolls in an endorsed program, access to negotiated prices and transitional assistance, if any, under such endorsed program shall take effect on such date as the Secretary shall specify.

“(d) PROVISION OF INFORMATION ON ENROLLMENT AND PROGRAM FEATURES.—

“(1) SECRETARIAL RESPONSIBILITIES.—

“(A) IN GENERAL.—The Secretary shall provide for activities under this subsection to broadly disseminate information to discount card eligible individuals (and prospective eligible individuals) regarding—

“(i) enrollment in endorsed discount card programs; and

“(ii) the features of the program under this section, including the availability of transitional assistance.

“(B) PROMOTION OF INFORMED CHOICE.—In order to promote informed choice among endorsed prescription drug discount card programs, the Secretary shall provide for the dissemination of information which—

“(i) compares the annual enrollment fee and other features of such programs, which may include comparative prices for covered discount card drugs; and

“(ii) includes educational materials on the variability of discounts on prices of covered discount card drugs under an endorsed program.

The dissemination of information under clause (i) shall, to the extent practicable, be coordinated with the dissemination of educational information on other medicare options.

“(C) SPECIAL RULE FOR INITIAL ENROLLMENT DATE UNDER THE PROGRAM.—To the extent practicable, the Secretary shall ensure, through the activities described in subparagraphs (A) and (B), that discount card eligible individuals are provided with such information at least 30 days prior to the initial enrollment date specified under subsection (c)(1)(A)(ii).

“(D) USE OF MEDICARE TOLL-FREE NUMBER.—The Secretary shall provide through the toll-free telephone number 1-800-MEDICARE for the receipt and response to inquiries and complaints concerning the program under this section and endorsed programs.

“(2) PRESCRIPTION DRUG CARD SPONSOR RESPONSIBILITIES.—

“(A) IN GENERAL.—Each prescription drug card sponsor that offers an endorsed discount card program shall make available to discount card eligible individuals (through the Internet and otherwise) information that the Secretary identifies as being necessary to promote informed choice among endorsed discount card programs by such individuals, including information on enrollment fees and negotiated prices for covered discount card drugs charged to such individuals.

“(B) RESPONSE TO ENROLLEE QUESTIONS.—Each sponsor offering an endorsed discount card program shall have a mechanism (including a toll-free telephone number) for providing upon request specific information (such as negotiated prices and the amount of transitional assistance remaining available through the program) to discount card eligible individuals enrolled in the program. The sponsor shall inform transitional assistance eligible individuals enrolled in the program of the availability of such toll-free telephone number to provide information on the amount of available transitional assistance.

“(C) INFORMATION ON BALANCE OF TRANSITIONAL ASSISTANCE AVAILABLE AT POINT-OF-SALE.—Each sponsor offering an endorsed discount card program shall have a mechanism so that information on the amount of transitional assistance remaining under subsection (g)(1)(B) is available (electronically or by telephone) at the point-of-sale of covered discount card drugs.

“(3) PUBLIC DISCLOSURE OF PHARMACEUTICAL PRICES FOR EQUIVALENT DRUGS.—

“(A) IN GENERAL.—A prescription drug card sponsor offering an endorsed discount card program shall provide that each pharmacy that dispenses a covered discount card drug shall inform a discount card eligible individual enrolled in the program of any differential between the price of the drug to the enrollee and the price of the lowest priced generic covered discount card drug under the program that is therapeutically equivalent and bio-equivalent and available at such pharmacy.

“(B) TIMING OF NOTICE.—

“(i) IN GENERAL.—Subject to clause (ii), the information under subparagraph (A) shall be provided at the time of purchase of the drug involved, or, in the case of dispensing by mail order, at the time of delivery of such drug.

“(ii) WAIVER.—The Secretary may waive clause (i) in such circumstances as the Secretary may specify.

“(e) DISCOUNT CARD FEATURES.—

“(1) SAVINGS TO ENROLLEES THROUGH NEGOTIATED PRICES.—

“(A) ACCESS TO NEGOTIATED PRICES.—

“(i) IN GENERAL.—Each prescription drug card sponsor that offers an endorsed discount card program shall provide each discount card eligible individual enrolled in the program with access to negotiated prices.

“(ii) NEGOTIATED PRICES.—For purposes of this section, negotiated prices shall take into account negotiated price concessions, such as discounts, direct or indirect subsidies, rebates, and direct or indirect remunerations, for covered discount card drugs, and include any dispensing fees for such drugs.

“(B) ENSURING PHARMACY ACCESS.—Each prescription drug card sponsor offering an endorsed discount card program shall secure the participation in its network of a sufficient number of pharmacies that dispense (other than solely by mail order) drugs directly to enrollees to ensure convenient access to covered discount card drugs at negotiated prices (consistent with rules established by the Secretary). The Secretary shall establish convenient access rules under this clause that are no less favorable to enrollees than the standards for convenient access to pharmacies included in the statement of work of solicitation (#MDA906–03–R–0002) of the Department of Defense under the TRICARE Retail Pharmacy (TRRx) as of March 13, 2003.

“(C) PROHIBITION ON CHARGES FOR REQUIRED SERVICES.—

“(i) IN GENERAL.—Subject to clause (ii), a prescription drug card sponsor (and any pharmacy contracting with such sponsor for the provision of covered discount card drugs to individuals enrolled in such sponsor’s endorsed discount card program) may not charge an enrollee any amount for any items and services required to be provided by the sponsor under this section.

“(ii) CONSTRUCTION.—Nothing in clause (i) shall be construed to prevent—

“(I) the sponsor from charging the annual enrollment fee (except in the case of a transitional assistance eligible individual); and

“(II) the pharmacy dispensing the covered discount card drug, from imposing a charge (consistent with the negotiated price) for the covered discount card drug dispensed, reduced by the amount of any transitional assistance made available.

“(D) INAPPLICABILITY OF MEDICAID BEST PRICE RULES.—The prices negotiated from drug manufacturers for covered discount card drugs under an endorsed discount card program under this section shall (notwithstanding any other provision of law) not be taken into account for the purposes of establishing the best price under section 1927(c)(1)(C).

“(2) REDUCTION OF MEDICATION ERRORS AND ADVERSE DRUG INTERACTIONS.—Each endorsed discount card program shall implement a system to reduce the likelihood of medication errors and adverse drug interactions and to improve medication use.

“(f) ELIGIBILITY PROCEDURES FOR ENDORSED PROGRAMS AND TRANSITIONAL ASSISTANCE.—

“(1) DETERMINATIONS.—

“(A) PROCEDURES.—The determination of whether an individual is a discount card eligible individual or a transitional assistance eligible individual or a special transitional assistance eligible individual (as defined in subsection (b)) shall be determined under procedures specified by the Secretary consistent with this subsection.

“(B) INCOME AND FAMILY SIZE DETERMINATIONS.—For purposes of this section, the Secretary shall define the terms ‘income’ and ‘family size’ and shall specify the methods and period for which they are determined. If under such methods income or family size is determined based on the income or family size for prior periods of time, the Secretary shall permit (whether through a process of reconsideration or otherwise) an individual whose income or family size has changed to elect to have eligibility for transitional assistance determined based on income or family size for a more recent period.

“(2) USE OF SELF-CERTIFICATION FOR TRANSITIONAL ASSISTANCE.—

“(A) IN GENERAL.—Under the procedures specified under paragraph (1)(A) an individual who wishes to be treated as a transitional assistance eligible individual or a special transitional assistance eligible individual under this section (or another qualified person on such individual’s behalf) shall certify on the enrollment form under subsection (c)(1)(B) (or similar form specified by the Secretary), through a simplified means specified by the Secretary and under penalty of perjury or similar sanction for false statements, as to the amount of the individual’s income, family size, and individual’s prescription drug coverage (if any) insofar as they relate to eligibility to be a transitional assistance eligible individual or a special transitional assistance eligible individual. Such certification shall be deemed as consent to verification of respective eligibility under paragraph (3). A certification under this paragraph may be provided before, on, or after the time of enrollment under an endorsed program.

“(B) TREATMENT OF SELF-CERTIFICATION.—The Secretary shall treat a certification under subparagraph (A) that is verified under paragraph (3) as a determination that the individual involved is a transitional assistance eligible individual or special transitional assistance eligible individual (as the case may be) for the entire period of the enrollment of the individual in any endorsed program.

“(3) VERIFICATION.—

“(A) IN GENERAL.—The Secretary shall establish methods (which may include the use of sampling and the use of information described in subparagraph (B)) to verify eligibility for individuals who seek to enroll in an endorsed program and for individuals who provide a certification under paragraph (2).

“(B) INFORMATION DESCRIBED.—The information described in this subparagraph is as follows:

“(i) MEDICAID-RELATED INFORMATION.—Information on eligibility under title XIX and provided to the Secretary under arrangements between the Secretary

and States in order to verify the eligibility of individuals who seek to enroll in an endorsed program and of individuals who provide certification under paragraph (2).

“(ii) SOCIAL SECURITY INFORMATION.—Financial information made available to the Secretary under arrangements between the Secretary and the Commissioner of Social Security in order to verify the eligibility of individuals who provide such certification.

“(iii) INFORMATION FROM SECRETARY OF THE TREASURY.—Financial information made available to the Secretary under section 6103(l)(19) of the Internal Revenue Code of 1986 in order to verify the eligibility of individuals who provide such certification.

“(C) VERIFICATION IN CASES OF MEDICAID ENROLLEES.—

“(i) IN GENERAL.—Nothing in this section shall be construed as preventing the Secretary from finding that a discount card eligible individual meets the income requirements under subsection (b)(2)(A) if the individual is within a category of discount card eligible individuals who are enrolled under title XIX (such as qualified medicare beneficiaries (QMBs), specified low-income medicare beneficiaries (SLMBs), and certain qualified individuals (QI-1s)).

“(ii) AVAILABILITY OF INFORMATION FOR VERIFICATION PURPOSES.—As a condition of provision of Federal financial participation to a State that is one of the 50 States or the District of Columbia under title XIX, for purposes of carrying out this section, the State shall provide the information it submits to the Secretary relating to such title in a manner specified by the Secretary that permits the Secretary to identify individuals who are described in subsection (b)(1)(B) or are transitional assistance eligible individuals or special transitional assistance eligible individuals.

“(4) RECONSIDERATION.—

“(A) IN GENERAL.—The Secretary shall establish a process under which a discount card eligible individual, who is determined through the certification and verification methods under paragraphs (2) and (3) not to be a transitional assistance eligible individual or a special transitional assistance eligible individual, may request a reconsideration of the determination.

“(B) CONTRACT AUTHORITY.—The Secretary may enter into a contract to perform the reconsiderations requested under subparagraph (A).

“(C) COMMUNICATION OF RESULTS.—Under the process under subparagraph (A) the results of such reconsideration shall be communicated to the individual and the prescription drug card sponsor involved.

“(g) TRANSITIONAL ASSISTANCE.—

“(1) PROVISION OF TRANSITIONAL ASSISTANCE.—An individual who is a transitional assistance eligible individual (as determined under this section) and who is enrolled with an endorsed program is entitled—

“(A) to have payment made of any annual enrollment fee charged under subsection (c)(2) for enrollment under the program; and

“(B) to have payment made, up to the amount specified in paragraph (2), under such endorsed program of 90 percent (or 95 percent in the case of a special transitional assistance eligible individual) of the costs incurred for covered discount card drugs obtained through the program taking into account the negotiated price (if any) for the drug under the program.

“(2) LIMITATION ON DOLLAR AMOUNT.—

“(A) IN GENERAL.—Subject to subparagraph (B), the amount specified in this paragraph for a transitional assistance eligible individual—

“(i) for costs incurred during 2004, is \$600; or

“(ii) for costs incurred during 2005, is—

“(I) \$600, plus

“(II) except as provided in subparagraph (E), the amount by which the amount available under this paragraph for 2004 for that individual exceeds the amount of payment made under paragraph (1)(B) for that individual for costs incurred during 2004.

“(B) PRORATION.—

“(i) IN GENERAL.—In the case of an individual not described in clause (ii) with respect to a year, the Secretary may prorate the amount specified in subparagraph (A) for the balance of the year involved in a manner specified by the Secretary.

“(ii) INDIVIDUAL DESCRIBED.—An individual described in this clause is a transitional assistance eligible individual who—

“(I) with respect to 2004, enrolls in an endorsed program, and provides a certification under subsection (f)(2), before the initial implementation date of the program under this section; and

“(II) with respect to 2005, is enrolled in an endorsed program, and has provided such a certification, before February 1, 2005.

“(C) ACCOUNTING FOR AVAILABLE BALANCES IN CASES OF CHANGES IN PROGRAM ENROLLMENT.—In the case of a transitional assistance eligible individual who changes the endorsed discount card program in which the individual is enrolled under this section, the Secretary shall provide a process under which the Secretary provides to the sponsor of the endorsed program in which the individual enrolls information concerning the balance of amounts available on behalf of the individual under this paragraph.

“(D) LIMITATION ON USE OF FUNDS.—Pursuant to subsection (a)(2)(C), no assistance shall be provided under paragraph (1)(B) with respect to covered discount card drugs dispensed after December 31, 2005.

“(E) NO ROLLOVER PERMITTED IN CASE OF VOLUNTARY DISENROLLMENT.—Except in such exceptional cases as the Secretary may provide, in the case of a transitional assistance eligible individual who voluntarily disenrolls from

an endorsed plan, the provisions of subclause (II) of subparagraph (A)(ii) shall not apply.

“(3) PAYMENT.—The Secretary shall provide a method for the reimbursement of prescription drug card sponsors for assistance provided under this subsection.

“(4) COVERAGE OF COINSURANCE.—

“(A) WAIVER PERMITTED BY PHARMACY.—Nothing in this section shall be construed as precluding a pharmacy from reducing or waiving the application of coinsurance imposed under paragraph (1)(B) in accordance with section 1128B(b)(3)(G).

“(B) OPTIONAL PAYMENT OF COINSURANCE BY STATE.—

“(i) IN GENERAL.—The Secretary shall establish an arrangement under which a State may provide for payment of some or all of the coinsurance under paragraph (1)(B) for some or all enrollees in the State, as specified by the State under the arrangement. Insofar as such a payment arrangement is made with respect to an enrollee, the amount of the coinsurance shall be paid directly by the State to the pharmacy involved.

“(ii) NO FEDERAL MATCHING AVAILABLE UNDER MEDICAID OR SCHIP.—Expenditures made by a State for coinsurance described in clause (i) shall not be treated as State expenditures for purposes of Federal matching payments under title XIX or XXI.

“(iii) NOT TREATED AS MEDICARE COST-SHARING.—Coinsurance described in paragraph (1)(B) shall not be treated as coinsurance under this title for purposes of section 1905(p)(3)(B).

“(C) TREATMENT OF COINSURANCE.—The amount of any coinsurance imposed under paragraph (1)(B), whether paid or waived under this paragraph, shall not be taken into account in applying the limitation in dollar amount under paragraph (2).

“(5) ENSURING ACCESS TO TRANSITIONAL ASSISTANCE FOR QUALIFIED RESIDENTS OF LONG-TERM CARE FACILITIES AND AMERICAN INDIANS.—

“(A) RESIDENTS OF LONG-TERM CARE FACILITIES.—The Secretary shall establish procedures and may waive requirements of this section as necessary to negotiate arrangements with sponsors to provide arrangements with pharmacies that support long-term care facilities in order to ensure access to transitional assistance for transitional assistance eligible individuals who reside in long-term care facilities.

“(B) AMERICAN INDIANS.—The Secretary shall establish procedures and may waive requirements of this section to ensure that, for purposes of providing transitional assistance, pharmacies operated by the Indian Health Service, Indian tribes and tribal organizations, and urban Indian organizations (as defined in section 4 of the Indian Health Care Improvement Act) have the opportunity to participate in the pharmacy networks of at least two endorsed programs in each of the 50 States and the District of Columbia where such a pharmacy operates.

“(6) NO IMPACT ON BENEFITS UNDER OTHER PROGRAMS.—The availability of negotiated prices or transitional assistance under this section shall not be treated as benefits or otherwise taken into account in determining an individual’s eligibility for, or the amount of benefits under, any other Federal program.

“(7) DISREGARD FOR PURPOSES OF PART C.—Nonuniformity of benefits resulting from the implementation of this section (including the provision or nonprovision of transitional assistance and the payment or waiver of any enrollment fee under this section) shall not be taken into account in applying section 1854(f).

“(h) QUALIFICATION OF PRESCRIPTION DRUG CARD SPONSORS AND ENDORSEMENT OF DISCOUNT CARD PROGRAMS; BENEFICIARY PROTECTIONS.—

“(1) PRESCRIPTION DRUG CARD SPONSOR AND QUALIFICATIONS.—

“(A) PRESCRIPTION DRUG CARD SPONSOR AND SPONSOR DEFINED.—For purposes of this section, the terms ‘prescription drug card sponsor’ and ‘sponsor’ mean any nongovernmental entity that the Secretary determines to be appropriate to offer an endorsed discount card program under this section, which may include—

“(i) a pharmaceutical benefit management company;

“(ii) a wholesale or retail pharmacy delivery system;

“(iii) an insurer (including an insurer that offers medicare supplemental policies under section 1882);

“(iv) an organization offering a plan under part C; or

“(v) any combination of the entities described in clauses (i) through (iv).

“(B) ADMINISTRATIVE QUALIFICATIONS.—Each endorsed discount card program shall be operated directly, or through arrangements with an affiliated organization (or organizations), by one or more entities that have demonstrated experience and expertise in operating such a program or a similar program and that meets such business stability and integrity requirements as the Secretary may specify.

“(C) ACCOUNTING FOR TRANSITIONAL ASSISTANCE.—The sponsor of an endorsed discount card program shall have arrangements satisfactory to the Secretary to account for the assistance provided under subsection (g) on behalf of transitional assistance eligible individuals.

“(2) APPLICATIONS FOR PROGRAM ENDORSEMENT.—

“(A) SUBMISSION.—Each prescription drug card sponsor that seeks endorsement of a prescription drug discount card program under this section shall submit to the Secretary, at such time and in such manner as the Secretary may specify, an application containing such information as the Secretary may require.

“(B) APPROVAL; COMPLIANCE WITH APPLICABLE REQUIREMENTS.—The Secretary shall review the application submitted under subparagraph (A) and shall determine whether to endorse the prescription drug discount card

program. The Secretary may not endorse such a program unless—

“(i) the program and prescription drug card sponsor offering the program comply with the applicable requirements under this section; and

“(ii) the sponsor has entered into a contract with the Secretary to carry out such requirements.

“(C) TERMINATION OF ENDORSEMENT AND CONTRACTS.—

An endorsement of an endorsed program and a contract under subparagraph (B) shall be for the duration of the program under this section (including any transition applicable under subsection (a)(2)(C)(ii)), except that the Secretary may, with notice and for cause (as defined by the Secretary), terminate such endorsement and contract.

“(D) ENSURING CHOICE OF PROGRAMS.—

“(i) IN GENERAL.—The Secretary shall ensure that there is available to each discount card eligible individual a choice of at least 2 endorsed programs (each offered by a different sponsor).

“(ii) LIMITATION ON NUMBER.—The Secretary may limit (but not below 2) the number of sponsors in a State that are awarded contracts under this paragraph.

“(3) SERVICE AREA ENCOMPASSING ENTIRE STATES.—Except as provided in paragraph (9), if a prescription drug card sponsor that offers an endorsed program enrolls in the program individuals residing in any part of a State, the sponsor must permit any discount card eligible individual residing in any portion of the State to enroll in the program.

“(4) SAVINGS TO MEDICARE BENEFICIARIES.—Each prescription drug card sponsor that offers an endorsed discount card program shall pass on to discount card eligible individuals enrolled in the program negotiated prices on covered discount card drugs, including discounts negotiated with pharmacies and manufacturers, to the extent disclosed under subsection (i)(1).

“(5) GRIEVANCE MECHANISM.—Each prescription drug card sponsor shall provide meaningful procedures for hearing and resolving grievances between the sponsor (including any entity or individual through which the sponsor carries out the endorsed discount card program) and enrollees in endorsed discount card programs of the sponsor under this section in a manner similar to that required under section 1852(f).

“(6) CONFIDENTIALITY OF ENROLLEE RECORDS.—

“(A) IN GENERAL.—For purposes of the program under this section, the operations of an endorsed program are covered functions and a prescription drug card sponsor is a covered entity for purposes of applying part C of title XI and all regulatory provisions promulgated thereunder, including regulations (relating to privacy) adopted pursuant to the authority of the Secretary under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note).

“(B) WAIVER AUTHORITY.—In order to promote participation of sponsors in the program under this section, the Secretary may waive such relevant portions of regulations relating to privacy referred to in subparagraph (A), for

such appropriate, limited period of time, as the Secretary specifies.

“(7) LIMITATION ON PROVISION AND MARKETING OF PRODUCTS AND SERVICES.—The sponsor of an endorsed discount card program—

“(A) may provide under the program—

“(i) a product or service only if the product or service is directly related to a covered discount card drug; or

“(ii) a discount price for nonprescription drugs; and

“(B) may, to the extent otherwise permitted under paragraph (6) (relating to application of HIPAA requirements), market a product or service under the program only if the product or service is directly related to—

“(i) a covered discount card drug; or

“(ii) a drug described in subparagraph (A)(ii) and the marketing consists of information on the discounted price made available for the drug involved.

“(8) ADDITIONAL PROTECTIONS.—Each endorsed discount card program shall meet such additional requirements as the Secretary identifies to protect and promote the interest of discount card eligible individuals, including requirements that ensure that discount card eligible individuals enrolled in endorsed discount card programs are not charged more than the lower of the price based on negotiated prices or the usual and customary price.

“(9) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—

“(A) IN GENERAL.—In the case of an organization that is offering a plan under part C or enrollment under a reasonable cost reimbursement contract under section 1876(h) that is seeking to be a prescription drug card sponsor under this section, the organization may elect to apply the special rules under subparagraph (B) with respect to enrollees in any plan described in section 1851(a)(2)(A) that it offers or under such contract and an endorsed discount card program it offers, but only if it limits enrollment under such program to individuals enrolled in such plan or under such contract.

“(B) SPECIAL RULES.—The special rules under this subparagraph are as follows:

“(i) LIMITATION ON ENROLLMENT.—The sponsor limits enrollment under this section under the endorsed discount card program to discount card eligible individuals who are enrolled in the part C plan involved or under the reasonable cost reimbursement contract involved and is not required nor permitted to enroll other individuals under such program.

“(ii) PHARMACY ACCESS.—Pharmacy access requirements under subsection (e)(1)(B) are deemed to be met if the access is made available through a pharmacy network (and not only through mail order) and the network used by the sponsor is approved by the Secretary.

“(iii) SPONSOR REQUIREMENTS.—The Secretary may waive the application of such requirements for a sponsor as the Secretary determines to be duplicative

or to conflict with a requirement of the organization under part C or section 1876 (as the case may be) or to be necessary in order to improve coordination of this section with the benefits under such part or section.

“(i) DISCLOSURE AND OVERSIGHT.—

“(1) DISCLOSURE.—Each prescription drug card sponsor offering an endorsed discount card program shall disclose to the Secretary (in a manner specified by the Secretary) information relating to program performance, use of prescription drugs by discount card eligible individuals enrolled in the program, the extent to which negotiated price concessions described in subsection (e)(1)(A)(ii) made available to the entity by a manufacturer are passed through to enrollees through pharmacies or otherwise, and such other information as the Secretary may specify. The provisions of section 1927(b)(3)(D) shall apply to drug pricing data reported under the previous sentence (other than data in aggregate form).

“(2) OVERSIGHT; AUDIT AND INSPECTION AUTHORITY.—The Secretary shall provide appropriate oversight to ensure compliance of endorsed discount card programs and their sponsors with the requirements of this section. The Secretary shall have the right to audit and inspect any books and records of a prescription discount card sponsor (and of any affiliated organization referred to in subsection (h)(1)(B)) that pertain to the endorsed discount card program under this section, including amounts payable to the sponsor under this section.

“(3) SANCTIONS FOR ABUSIVE PRACTICES.—The Secretary may implement intermediate sanctions or may revoke the endorsement of a program offered by a sponsor under this section if the Secretary determines that the sponsor or the program no longer meets the applicable requirements of this section or that the sponsor has engaged in false or misleading marketing practices. The Secretary may impose a civil money penalty in an amount not to exceed \$10,000 for conduct that a party knows or should know is a violation of this section. The provisions of section 1128A (other than subsections (a) and (b) and the second sentence of subsection (f)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).

“(j) TREATMENT OF TERRITORIES.—

“(1) IN GENERAL.—The Secretary may waive any provision of this section (including subsection (h)(2)(D)) in the case of a resident of a State (other than the 50 States and the District of Columbia) insofar as the Secretary determines it is necessary to secure access to negotiated prices for discount card eligible individuals (or, at the option of the Secretary, individuals described in subsection (b)(1)(A)(i)).

“(2) TRANSITIONAL ASSISTANCE.—

“(A) IN GENERAL.—In the case of a State, other than the 50 States and the District of Columbia, if the State establishes a plan described in subparagraph (B) (for providing transitional assistance with respect to the provision of prescription drugs to some or all individuals residing in the State who are described in subparagraph (B)(i)), the Secretary shall pay to the State for the entire period

of the operation of this section an amount equal to the amount allotted to the State under subparagraph (C).

“(B) PLAN.—The plan described in this subparagraph is a plan that—

“(i) provides transitional assistance with respect to the provision of covered discount card drugs to some or all individuals who are entitled to benefits under part A or enrolled under part B, who reside in the State, and who have income below 135 percent of the poverty line; and

“(ii) assures that amounts received by the State under this paragraph are used only for such assistance.

“(C) ALLOTMENT LIMIT.—The amount described in this subparagraph for a State is equal to \$35,000,000 multiplied by the ratio (as estimated by the Secretary) of—

“(i) the number of individuals who are entitled to benefits under part A or enrolled under part B and who reside in the State (as determined by the Secretary as of July 1, 2003), to

“(ii) the sum of such numbers for all States to which this paragraph applies.

“(D) CONTINUED AVAILABILITY OF FUNDS.—Amounts made available to a State under this paragraph which are not used under this paragraph shall be added to the amount available to that State for purposes of carrying out section 1935(e).

“(k) FUNDING.—

“(1) ESTABLISHMENT OF TRANSITIONAL ASSISTANCE ACCOUNT.—

“(A) IN GENERAL.—There is created within the Federal Supplementary Medical Insurance Trust Fund established by section 1841 an account to be known as the ‘Transitional Assistance Account’ (in this subsection referred to as the ‘Account’).

“(B) FUNDS.—The Account shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), accrued interest on balances in the Account, and such amounts as may be deposited in, or appropriated to, the Account as provided in this subsection.

“(C) SEPARATE FROM REST OF TRUST FUND.—Funds provided under this subsection to the Account shall be kept separate from all other funds within the Federal Supplementary Medical Insurance Trust Fund, but shall be invested, and such investments redeemed, in the same manner as all other funds and investments within such Trust Fund.

Investments.

“(2) PAYMENTS FROM ACCOUNT.—

“(A) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts as the Secretary certifies are necessary to make payments for transitional assistance provided under subsections (g) and (j)(2).

“(B) TREATMENT IN RELATION TO PART B PREMIUM.—Amounts payable from the Account shall not be taken into account in computing actuarial rates or premium amounts under section 1839.

Appropriation
authorization.

“(3) APPROPRIATIONS TO COVER BENEFITS.—There are appropriated to the Account in a fiscal year, out of any moneys in the Treasury not otherwise appropriated, an amount equal to the payments made from the Account in the year.

“(4) FOR ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out the Secretary’s responsibilities under this section.

“(5) TRANSFER OF ANY REMAINING BALANCE TO MEDICARE PRESCRIPTION DRUG ACCOUNT.—Any balance remaining in the Account after the Secretary determines that funds in the Account are no longer necessary to carry out the program under this section shall be transferred and deposited into the Medicare Prescription Drug Account under section 1860D-16.

“(6) CONSTRUCTION.—Nothing in this section shall be construed as authorizing the Secretary to provide for payment (other than payment of an enrollment fee on behalf of a transitional assistance eligible individual under subsection (g)(1)(A)) to a sponsor for administrative expenses incurred by the sponsor in carrying out this section (including in administering the transitional assistance provisions of subsections (f) and (g)).

“Subpart 5—Definitions and Miscellaneous Provisions

“DEFINITIONS; TREATMENT OF REFERENCES TO PROVISIONS IN PART C

42 USC
1395w-151.

“SEC. 1860D-41. (a) DEFINITIONS.—For purposes of this part:

“(1) BASIC PRESCRIPTION DRUG COVERAGE.—The term ‘basic prescription drug coverage’ is defined in section 1860D-2(a)(3).

“(2) COVERED PART D DRUG.—The term ‘covered part D drug’ is defined in section 1860D-2(e).

“(3) CREDITABLE PRESCRIPTION DRUG COVERAGE.—The term ‘creditable prescription drug coverage’ has the meaning given such term in section 1860D-13(b)(4).

“(4) PART D ELIGIBLE INDIVIDUAL.—The term ‘part D eligible individual’ has the meaning given such term in section 1860D-1(a)(4)(A).

“(5) FALLBACK PRESCRIPTION DRUG PLAN.—The term ‘fallback prescription drug plan’ has the meaning given such term in section 1860D-11(g)(4).

“(6) INITIAL COVERAGE LIMIT.—The term ‘initial coverage limit’ means such limit as established under section 1860D-2(b)(3), or, in the case of coverage that is not standard prescription drug coverage, the comparable limit (if any) established under the coverage.

“(7) INSURANCE RISK.—The term ‘insurance risk’ means, with respect to a participating pharmacy, risk of the type commonly assumed only by insurers licensed by a State and does not include payment variations designed to reflect performance-based measures of activities within the control of the pharmacy, such as formulary compliance and generic drug substitution.

“(8) MA PLAN.—The term ‘MA plan’ has the meaning given such term in section 1860D-1(a)(4)(B).

“(9) MA-PD PLAN.—The term ‘MA-PD plan’ has the meaning given such term in section 1860D-1(a)(4)(C).

“(10) MEDICARE PRESCRIPTION DRUG ACCOUNT.—The term ‘Medicare Prescription Drug Account’ means the Account created under section 1860D-16(a).

“(11) PDP APPROVED BID.—The term ‘PDP approved bid’ has the meaning given such term in section 1860D-13(a)(6).

“(12) PDP REGION.—The term ‘PDP region’ means such a region as provided under section 1860D-11(a)(2).

“(13) PDP SPONSOR.—The term ‘PDP sponsor’ means a nongovernmental entity that is certified under this part as meeting the requirements and standards of this part for such a sponsor.

“(14) PRESCRIPTION DRUG PLAN.—The term ‘prescription drug plan’ means prescription drug coverage that is offered—

“(A) under a policy, contract, or plan that has been approved under section 1860D-11(e); and

“(B) by a PDP sponsor pursuant to, and in accordance with, a contract between the Secretary and the sponsor under section 1860D-12(b).

“(15) QUALIFIED PRESCRIPTION DRUG COVERAGE.—The term ‘qualified prescription drug coverage’ is defined in section 1860D-2(a)(1).

“(16) STANDARD PRESCRIPTION DRUG COVERAGE.—The term ‘standard prescription drug coverage’ is defined in section 1860D-2(b).

“(17) STATE PHARMACEUTICAL ASSISTANCE PROGRAM.—The term ‘State Pharmaceutical Assistance Program’ has the meaning given such term in section 1860D-23(b).

“(18) SUBSIDY ELIGIBLE INDIVIDUAL.—The term ‘subsidy eligible individual’ has the meaning given such term in section 1860D-14(a)(3)(A).

“(b) APPLICATION OF PART C PROVISIONS UNDER THIS PART.—For purposes of applying provisions of part C under this part with respect to a prescription drug plan and a PDP sponsor, unless otherwise provided in this part such provisions shall be applied as if—

“(1) any reference to an MA plan included a reference to a prescription drug plan;

“(2) any reference to an MA organization or a provider-sponsored organization included a reference to a PDP sponsor;

“(3) any reference to a contract under section 1857 included a reference to a contract under section 1860D-12(b);

“(4) any reference to part C included a reference to this part; and

“(5) any reference to an election period under section 1851 were a reference to an enrollment period under section 1860D-1.

“MISCELLANEOUS PROVISIONS

“SEC. 1860D-42. (a) ACCESS TO COVERAGE IN TERRITORIES.—The Secretary may waive such requirements of this part, including section 1860D-3(a)(1), insofar as the Secretary determines it is necessary to secure access to qualified prescription drug coverage for part D eligible individuals residing in a State (other than the 50 States and the District of Columbia).

“(b) APPLICATION OF DEMONSTRATION AUTHORITY.—The provisions of section 402 of the Social Security Amendments of 1967 (Public Law 90-248) shall apply with respect to this part and

42 USC
1395w-152.

part C in the same manner it applies with respect to parts A and B, except that any reference with respect to a Trust Fund in relation to an experiment or demonstration project relating to prescription drug coverage under this part shall be deemed a reference to the Medicare Prescription Drug Account within the Federal Supplementary Medical Insurance Trust Fund.”.

42 USC
1395w-101 note.

(b) SUBMISSION OF LEGISLATIVE PROPOSAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this title and title II.

Reports.
42 USC
1395w-101 note.

(c) STUDY ON TRANSITIONING PART B PRESCRIPTION DRUG COVERAGE.—Not later than January 1, 2005, the Secretary shall submit a report to Congress that makes recommendations regarding methods for providing benefits under subpart 1 of part D of title XVIII of the Social Security Act for outpatient prescription drugs for which benefits are provided under part B of such title.

42 USC
1395w-101 note.

(d) REPORT ON PROGRESS IN IMPLEMENTATION OF PRESCRIPTION DRUG BENEFIT.—Not later than March 1, 2005, the Secretary shall submit a report to Congress on the progress that has been made in implementing the prescription drug benefit under this title. The Secretary shall include in the report specific steps that have been taken, and that need to be taken, to ensure a timely start of the program on January 1, 2006. The report shall include recommendations regarding an appropriate transition from the program under section 1860D-31 of the Social Security Act to prescription drug benefits under subpart 1 of part D of title XVIII of such Act.

(e) ADDITIONAL CONFORMING CHANGES.—

42 USC 1395x
note, 426,
1395i-4; 45 USC
231f.

(1) CONFORMING REFERENCES TO PREVIOUS PART D.—Any reference in law (in effect before the date of the enactment of this Act) to part D of title XVIII of the Social Security Act is deemed a reference to part E of such title (as in effect after such date).

(2) CONFORMING AMENDMENT PERMITTING WAIVER OF COST-SHARING.—Section 1128B(b)(3) (42 U.S.C. 1320a-7b(b)(3)) is amended—

(A) by striking “and” at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(G) the waiver or reduction by pharmacies (including pharmacies of the Indian Health Service, Indian tribes, tribal organizations, and urban Indian organizations) of any cost-sharing imposed under part D of title XVIII, if the conditions described in clauses (i) through (iii) of section 1128A(i)(6)(A) are met with respect to the waiver or reduction (except that, in the case of such a waiver or reduction on behalf of a subsidy eligible individual (as defined in section 1860D-14(a)(3)), section 1128A(i)(6)(A) shall be applied without regard to clauses (ii) and (iii) of that section).”.

(3) MEDICARE PRESCRIPTION DRUG ACCOUNT.—

(A) Section 201(g) (42 U.S.C. 401(g)) is amended—

(i) in paragraph (1)(B)(i)(V), by inserting “(and, of such portion, the portion of such costs which should

have been borne by the Medicare Prescription Drug Account in such Trust Fund)” after “Trust Fund”; and

(ii) in paragraph (1)(B)(ii)(III), by inserting “(and, of such portion, the portion of such costs which should have been borne by the Medicare Prescription Drug Account in such Trust Fund)” after “Trust Fund”.

(B) Section 201(i)(1) (42 U.S.C. 401(i)(1)) is amended by inserting “(and for the Medicare Prescription Drug Account and the Transitional Assistance Account in such Trust Fund)” after “Federal Supplementary Medical Insurance Trust Fund”.

(C) Section 1841 (42 U.S.C. 1395t) is amended—

(i) in the last sentence of subsection (a)—

(I) by striking “and” before “such amounts”; and

(II) by inserting before the period the following: “, and such amounts as may be deposited in, or appropriated to, the Medicare Prescription Drug Account established by section 1860D–16”;

(ii) in subsection (g), by adding at the end the following: “The payments provided for under part D, other than under section 1860D–31(k)(2), shall be made from the Medicare Prescription Drug Account in the Trust Fund.”;

(iii) in subsection (h), by inserting “or pursuant to section 1860D–13(c)(1) or 1854(d)(2)(A) (in which case payments shall be made in appropriate part from the Medicare Prescription Drug Account in the Trust Fund)” after “1840(d)”; and

(iv) in subsection (i), by inserting after “and section 1842(g)” the following: “and pursuant to sections 1860D–13(c)(1) and 1854(d)(2)(A) (in which case payments shall be made in appropriate part from the Medicare Prescription Drug Account in the Trust Fund)”.

(D) Section 1853(f) (42 U.S.C. 1395w–23(f)) is amended—

(i) in the heading by striking “TRUST FUND” and inserting “TRUST FUNDS”; and

(ii) by inserting after the first sentence the following: “Payments to MA organizations for statutory drug benefits provided under this title are made from the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund.”.

(4) APPLICATION OF CONFIDENTIALITY FOR DRUG PRICING DATA.—Section 1927(b)(3)(D) (42 U.S.C. 1396r–8(b)(3)(D)) is amended by adding after and below clause (iii) the following:

“The previous sentence shall also apply to information disclosed under section 1860D–2(d)(2) or 1860D–4(c)(2)(E).”.

(5) CLARIFICATION OF TREATMENT OF PART A ENROLLEES.—Section 1818(a) (42 U.S.C. 1395i–2(a)) is amended by adding at the end the following: “Except as otherwise provided, any reference to an individual entitled to benefits under this part includes an individual entitled to benefits under this part pursuant to an enrollment under this section or section 1818A.”.

(6) DISCLOSURE.—Section 6103(l)(7)(D)(ii) of the Internal Revenue Code of 1986 is amended by inserting “or subsidies

provided under section 1860D-14 of such Act” after “Social Security Act”.

(7) EXTENSION OF STUDY AUTHORITY.—Section 1875(b) (42 U.S.C. 1395ll(b)) is amended by striking “the insurance programs under parts A and B” and inserting “this title”.

(8) CONFORMING AMENDMENTS RELATING TO FACILITATION OF ELECTRONIC PRESCRIBING.—

(A) Section 1128B(b)(3)(C) (42 U.S.C. 1320a-7b(b)(3)(C)) is amended by inserting “or in regulations under section 1860D-3(e)(6)” after “1987”.

(B) Section 1877(b) (42 U.S.C. 1395nn(b)) is amended by adding at the end the following new paragraph:

“(5) ELECTRONIC PRESCRIBING.—An exception established by regulation under section 1860D-3(e)(6).”.

(9) OTHER CHANGES.—Section 1927(g)(1)(B)(i) (42 U.S.C. 1396r-8(g)(1)(B)(i)) is amended—

(A) by adding “and” at the end of subclause (II); and
(B) by striking subclause (IV).

SEC. 102. MEDICARE ADVANTAGE CONFORMING AMENDMENTS.

(a) CONFORMING AMENDMENTS TO ENROLLMENT PROCESS.—

(1) EXTENDING OPEN ENROLLMENT PERIODS.—Section 1851(e) (42 U.S.C. 1395w-21(e)) is amended—

(A) in paragraph (2), by striking “2004” and “2005” and inserting “2005” and “2006” each place it appears; and

(B) in paragraph (4), by striking “2005” and inserting “2006” each place it appears.

(2) ESTABLISHMENT OF SPECIAL ANNUAL, COORDINATED ELECTION PERIOD FOR 6 MONTHS BEGINNING NOVEMBER 15, 2005.—Section 1851(e)(3)(B) (42 U.S.C. 1395w-21(e)(3)(B)) is amended to read as follows:

“(B) ANNUAL, COORDINATED ELECTION PERIOD.—For purposes of this section, the term ‘annual, coordinated election period’ means—

“(i) with respect to a year before 2002, the month of November before such year;

“(ii) with respect to 2002, 2003, 2004, and 2005, the period beginning on November 15 and ending on December 31 of the year before such year;

“(iii) with respect to 2006, the period beginning on November 15, 2005, and ending on May 15, 2006; and

“(iv) with respect to 2007 and succeeding years, the period beginning on November 15 and ending on December 31 of the year before such year.”.

(3) SPECIAL INFORMATION CAMPAIGN.—Section 1851(e)(3) (42 U.S.C. 1395w-21(e)(3)) is amended—

(A) in subparagraph (C), by inserting “and during the period described in subparagraph (B)(iii)” after “(beginning with 1999)”; and

(B) in subparagraph (D)—

(i) in the heading by striking “CAMPAIGN IN 1998” and inserting “CAMPAIGNS”; and

(ii) by adding at the end the following: “During the period described in subparagraph (B)(iii), the Secretary shall provide for an educational and publicity

campaign to inform MA eligible individuals about the availability of MA plans (including MA–PD plans) offered in different areas and the election process provided under this section.”.

(4) COORDINATING INITIAL ENROLLMENT PERIODS.—Section 1851(e)(1) (42 U.S.C. 1395w–21(e)(1)) is amended by adding at the end the following new sentence: “If any portion of an individual’s initial enrollment period under part B occurs after the end of the annual, coordinated election period described in paragraph (3)(B)(iii), the initial enrollment period under this part shall further extend through the end of the individual’s initial enrollment period under part B.”.

(5) COORDINATION OF EFFECTIVENESS OF ELECTIONS DURING ANNUAL COORDINATED ELECTION PERIOD FOR 2006.—Section 1851(f)(3) (42 U.S.C. 1395w–21(f)(3)) is amended by inserting “, other than the period described in clause (iii) of such subsection” after “subsection (e)(3)(B)”.

(6) LIMITATION ON ONE-CHANGE RULE TO SAME TYPE OF PLAN.—Section 1851(e)(2) (42 U.S.C. 1395w–21(e)(2)) is amended—

(A) in subparagraph (B)(i), by inserting “, subparagraph (C)(iii),” after “clause (ii)”;

(B) in subparagraph (C)(i), by striking “clause (ii)” and inserting “clauses (ii) and (iii)”;

(C) by adding at the end of subparagraph (C) the following new clause:

“(iii) LIMITATION ON EXERCISE OF RIGHT WITH RESPECT TO PRESCRIPTION DRUG COVERAGE.—Effective for plan years beginning on or after January 1, 2006, in applying clause (i) (and clause (i) of subparagraph (B)) in the case of an individual who—

“(I) is enrolled in an MA plan that does provide qualified prescription drug coverage, the individual may exercise the right under such clause only with respect to coverage under the original fee-for-service plan or coverage under another MA plan that does not provide such coverage and may not exercise such right to obtain coverage under an MA–PD plan or under a prescription drug plan under part D; or

“(II) is enrolled in an MA–PD plan, the individual may exercise the right under such clause only with respect to coverage under another MA–PD plan (and not an MA plan that does not provide qualified prescription drug coverage) or under the original fee-for-service plan and coverage under a prescription drug plan under part D.”.

(b) PROMOTION OF E-PRESCRIBING BY MA PLANS.—Section 1852(j) (42 U.S.C. 1395w–22(j)) is amended by adding at the end the following new paragraph:

“(7) PROMOTION OF E-PRESCRIBING BY MA PLANS.—

“(A) IN GENERAL.—An MA–PD plan may provide for a separate payment or otherwise provide for a differential payment for a participating physician that prescribes covered part D drugs in accordance with an electronic prescription drug program that meets standards established under section 1860D–4(e).

“(B) CONSIDERATIONS.—Such payment may take into consideration the costs of the physician in implementing such a program and may also be increased for those participating physicians who significantly increase—

“(i) formulary compliance;

“(ii) lower cost, therapeutically equivalent alternatives;

“(iii) reductions in adverse drug interactions; and

“(iv) efficiencies in filing prescriptions through reduced administrative costs.

“(C) STRUCTURE.—Additional or increased payments under this subsection may be structured in the same manner as medication therapy management fees are structured under section 1860D-4(c)(2)(E).”.

(c) OTHER CONFORMING AMENDMENTS.—

(1) Section 1851(a)(1) (42 U.S.C. 1395w-21(a)(1)) is amended—

(A) by inserting “(other than qualified prescription drug benefits)” after “benefits”;

(B) by striking the period at the end of subparagraph (B) and inserting a comma; and

(C) by adding after and below subparagraph (B) the following:

“and may elect qualified prescription drug coverage in accordance with section 1860D-1.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply on and after January 1, 2006.

42 USC
1395w-21 note.

SEC. 103. MEDICAID AMENDMENTS.

(a) DETERMINATIONS OF ELIGIBILITY FOR LOW-INCOME SUBSIDIES.—

(1) REQUIREMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(A) by striking “and” at the end of paragraph (64);

(B) by striking the period at the end of paragraph (65) and inserting “; and”; and

(C) by inserting after paragraph (65) the following new paragraph:

“(66) provide for making eligibility determinations under section 1935(a).”.

(2) NEW SECTION.—Title XIX is further amended—

(A) by redesignating section 1935 as section 1936; and

(B) by inserting after section 1934 the following new section:

42 USC 1396v.

“SPECIAL PROVISIONS RELATING TO MEDICARE PRESCRIPTION DRUG BENEFIT

42 USC 1396u-5.

“SEC. 1935. (a) REQUIREMENTS RELATING TO MEDICARE PRESCRIPTION DRUG LOW-INCOME SUBSIDIES AND MEDICARE TRANSITIONAL PRESCRIPTION DRUG ASSISTANCE.—As a condition of its State plan under this title under section 1902(a)(66) and receipt of any Federal financial assistance under section 1903(a), a State shall do the following:

“(1) INFORMATION FOR TRANSITIONAL PRESCRIPTION DRUG ASSISTANCE VERIFICATION.—The State shall provide the Secretary with information to carry out section 1860D-31(f)(3)(B)(i).

“(2) ELIGIBILITY DETERMINATIONS FOR LOW-INCOME SUBSIDIES.—The State shall—

“(A) make determinations of eligibility for premium and cost-sharing subsidies under and in accordance with section 1860D-14;

“(B) inform the Secretary of such determinations in cases in which such eligibility is established; and

“(C) otherwise provide the Secretary with such information as may be required to carry out part D, other than subpart 4, of title XVIII (including section 1860D-14).

“(3) SCREENING FOR ELIGIBILITY, AND ENROLLMENT OF, BENEFICIARIES FOR MEDICARE COST-SHARING.—As part of making an eligibility determination required under paragraph (2) for an individual, the State shall make a determination of the individual’s eligibility for medical assistance for any medicare cost-sharing described in section 1905(p)(3) and, if the individual is eligible for any such medicare cost-sharing, offer enrollment to the individual under the State plan (or under a waiver of such plan).

“(b) REGULAR FEDERAL SUBSIDY OF ADMINISTRATIVE COSTS.—The amounts expended by a State in carrying out subsection (a) are expenditures reimbursable under the appropriate paragraph of section 1903(a).”.

(b) PHASED-IN FEDERAL ASSUMPTION OF MEDICAID RESPONSIBILITY FOR PREMIUM AND COST-SHARING SUBSIDIES FOR DUALY ELIGIBLE INDIVIDUALS.—Section 1935, as inserted by subsection (a)(2), is amended by adding at the end the following new subsection:

“(c) FEDERAL ASSUMPTION OF MEDICAID PRESCRIPTION DRUG COSTS FOR DUALY ELIGIBLE INDIVIDUALS.—

“(1) PHASED-DOWN STATE CONTRIBUTION.—

“(A) IN GENERAL.—Each of the 50 States and the District of Columbia for each month beginning with January 2006 shall provide for payment under this subsection to the Secretary of the product of—

“(i) the amount computed under paragraph (2)(A) for the State and month;

“(ii) the total number of full-benefit dual eligible individuals (as defined in paragraph (6)) for such State and month; and

“(iii) the factor for the month specified in paragraph (5).

“(B) FORM AND MANNER OF PAYMENT.—Payment under subparagraph (A) shall be made in a manner specified by the Secretary that is similar to the manner in which State payments are made under an agreement entered into under section 1843, except that all such payments shall be deposited into the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund.

“(C) COMPLIANCE.—If a State fails to pay to the Secretary an amount required under subparagraph (A), interest shall accrue on such amount at the rate provided under section 1903(d)(5). The amount so owed and applicable interest shall be immediately offset against amounts otherwise payable to the State under section

1903(a), in accordance with the Federal Claims Collection Act of 1996 and applicable regulations.

“(D) DATA MATCH.—The Secretary shall perform such periodic data matches as may be necessary to identify and compute the number of full-benefit dual eligible individuals for purposes of computing the amount under subparagraph (A).

“(2) AMOUNT.—

“(A) IN GENERAL.—The amount computed under this paragraph for a State described in paragraph (1) and for a month in a year is equal to—

“(i) $\frac{1}{12}$ of the product of—

“(I) the base year State medicaid per capita expenditures for covered part D drugs for full-benefit dual eligible individuals (as computed under paragraph (3)); and

“(II) a proportion equal to 100 percent minus the Federal medical assistance percentage (as defined in section 1905(b)) applicable to the State for the fiscal year in which the month occurs; and

“(ii) increased for each year (beginning with 2004 up to and including the year involved) by the applicable growth factor specified in paragraph (4) for that year.

“(B) NOTICE.—The Secretary shall notify each State described in paragraph (1) not later than October 15 before the beginning of each year (beginning with 2006) of the amount computed under subparagraph (A) for the State for that year.

“(3) BASE YEAR STATE MEDICAID PER CAPITA EXPENDITURES FOR COVERED PART D DRUGS FOR FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS.—

“(A) IN GENERAL.—For purposes of paragraph (2)(A), the ‘base year State medicaid per capita expenditures for covered part D drugs for full-benefit dual eligible individuals’ for a State is equal to the weighted average (as weighted under subparagraph (C)) of—

“(i) the gross per capita medicaid expenditures for prescription drugs for 2003, determined under subparagraph (B); and

“(ii) the estimated actuarial value of prescription drug benefits provided under a capitated managed care plan per full-benefit dual eligible individual for 2003, as determined using such data as the Secretary determines appropriate.

“(B) GROSS PER CAPITA MEDICAID EXPENDITURES FOR PRESCRIPTION DRUGS.—

“(i) IN GENERAL.—The gross per capita medicaid expenditures for prescription drugs for 2003 under this subparagraph is equal to the expenditures, including dispensing fees, for the State under this title during 2003 for covered outpatient drugs, determined per full-benefit-dual-eligible-individual for such individuals not receiving medical assistance for such drugs through a medicaid managed care plan.

“(ii) DETERMINATION.—In determining the amount under clause (i), the Secretary shall—

“(I) use data from the Medicaid Statistical Information System (MSIS) and other available data;

“(II) exclude expenditures attributable to covered outpatient prescription drugs that are not covered part D drugs (as defined in section 1860D–2(e)); and

“(III) reduce such expenditures by the product of such portion and the adjustment factor (described in clause (iii)).

“(iii) ADJUSTMENT FACTOR.—The adjustment factor described in this clause for a State is equal to the ratio for the State for 2003 of—

“(I) aggregate payments under agreements under section 1927; to

“(II) the gross expenditures under this title for covered outpatient drugs referred to in clause (i).

Such factor shall be determined based on information reported by the State in the medicaid financial management reports (form CMS–64) for the 4 quarters of calendar year 2003 and such other data as the Secretary may require.

“(C) WEIGHTED AVERAGE.—The weighted average under subparagraph (A) shall be determined taking into account—

“(i) with respect to subparagraph (A)(i), the average number of full-benefit dual eligible individuals in 2003 who are not described in clause (ii); and

“(ii) with respect to subparagraph (A)(ii), the average number of full-benefit dual eligible individuals in such year who received in 2003 medical assistance for covered outpatient drugs through a medicaid managed care plan.

“(4) APPLICABLE GROWTH FACTOR.—The applicable growth factor under this paragraph for—

“(A) each of 2004, 2005, and 2006, is the average annual percent change (to that year from the previous year) of the per capita amount of prescription drug expenditures (as determined based on the most recent National Health Expenditure projections for the years involved); and

“(B) a succeeding year, is the annual percentage increase specified in section 1860D–2(b)(6) for the year.

“(5) FACTOR.—The factor under this paragraph for a month—

“(A) in 2006 is 90 percent;

“(B) in 2007 is $88\frac{1}{3}$ percent;

“(C) in 2008 is $86\frac{2}{3}$ percent;

“(D) in 2009 is 85 percent;

“(E) in 2010 is $83\frac{1}{3}$ percent;

“(F) in 2011 is $81\frac{2}{3}$ percent;

“(G) in 2012 is 80 percent;

“(H) in 2013 is $78\frac{1}{3}$ percent;

“(I) in 2014 is $76\frac{2}{3}$ percent; or

“(J) after December 2014, is 75 percent.

“(6) FULL-BENEFIT DUAL ELIGIBLE INDIVIDUAL DEFINED.—

“(A) IN GENERAL.—For purposes of this section, the term ‘full-benefit dual eligible individual’ means for a State for a month an individual who—

“(i) has coverage for the month for covered part D drugs under a prescription drug plan under part D of title XVIII, or under an MA-PD plan under part C of such title; and

“(ii) is determined eligible by the State for medical assistance for full benefits under this title for such month under section 1902(a)(10)(A) or 1902(a)(10)(C), by reason of section 1902(f), or under any other category of eligibility for medical assistance for full benefits under this title, as determined by the Secretary.

“(B) TREATMENT OF MEDICALLY NEEDY AND OTHER INDIVIDUALS REQUIRED TO SPEND DOWN.—In applying subparagraph (A) in the case of an individual determined to be eligible by the State for medical assistance under section 1902(a)(10)(C) or by reason of section 1902(f), the individual shall be treated as meeting the requirement of subparagraph (A)(ii) for any month if such medical assistance is provided for in any part of the month.”

(c) MEDICAID COORDINATION WITH MEDICARE PRESCRIPTION DRUG BENEFITS.—Section 1935, as so inserted and amended, is further amended by adding at the end the following new subsection:

“(d) COORDINATION OF PRESCRIPTION DRUG BENEFITS.—

“(1) MEDICARE AS PRIMARY PAYOR.—In the case of a part D eligible individual (as defined in section 1860D-1(a)(3)(A)) who is described in subsection (c)(6)(A)(ii), notwithstanding any other provision of this title, medical assistance is not available under this title for such drugs (or for any cost-sharing respecting such drugs), and the rules under this title relating to the provision of medical assistance for such drugs shall not apply. The provision of benefits with respect to such drugs shall not be considered as the provision of care or services under the plan under this title. No payment may be made under section 1903(a) for prescribed drugs for which medical assistance is not available pursuant to this paragraph.

“(2) COVERAGE OF CERTAIN EXCLUDABLE DRUGS.—In the case of medical assistance under this title with respect to a covered outpatient drug (other than a covered part D drug) furnished to an individual who is enrolled in a prescription drug plan under part D of title XVIII or an MA-PD plan under part C of such title, the State may elect to provide such medical assistance in the manner otherwise provided in the case of individuals who are not full-benefit dual eligible individuals or through an arrangement with such plan.”

(d) TREATMENT OF TERRITORIES.—

(1) IN GENERAL.—Section 1935, as so inserted and amended, is further amended—

(A) in subsection (a) in the matter preceding paragraph (1), by inserting “subject to subsection (e)” after “section 1903(a)”;

(B) in subsection (c)(1), by inserting “subject to subsection (e)” after “1903(a)(1)”;

(C) by adding at the end the following new subsection: “(e) TREATMENT OF TERRITORIES.—

“(1) IN GENERAL.—In the case of a State, other than the 50 States and the District of Columbia—

“(A) the previous provisions of this section shall not apply to residents of such State; and

“(B) if the State establishes and submits to the Secretary a plan described in paragraph (2) (for providing medical assistance with respect to the provision of prescription drugs to part D eligible individuals), the amount otherwise determined under section 1108(f) (as increased under section 1108(g)) for the State shall be increased by the amount for the fiscal period specified in paragraph (3).

“(2) PLAN.—The Secretary shall determine that a plan is described in this paragraph if the plan—

“(A) provides medical assistance with respect to the provision of covered part D drugs (as defined in section 1860D–2(e)) to low-income part D eligible individuals;

“(B) provides assurances that additional amounts received by the State that are attributable to the operation of this subsection shall be used only for such assistance and related administrative expenses and that no more than 10 percent of the amount specified in paragraph (3)(A) for the State for any fiscal period shall be used for such administrative expenses; and

“(C) meets such other criteria as the Secretary may establish.

“(3) INCREASED AMOUNT.—

“(A) IN GENERAL.—The amount specified in this paragraph for a State for a year is equal to the product of—

“(i) the aggregate amount specified in subparagraph (B); and

“(ii) the ratio (as estimated by the Secretary) of—

“(I) the number of individuals who are entitled to benefits under part A or enrolled under part B and who reside in the State (as determined by the Secretary based on the most recent available data before the beginning of the year); to

“(II) the sum of such numbers for all States that submit a plan described in paragraph (2).

“(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—

“(i) the last 3 quarters of fiscal year 2006, is equal to \$28,125,000;

“(ii) fiscal year 2007, is equal to \$37,500,000; or

“(iii) a subsequent year, is equal to the aggregate amount specified in this subparagraph for the previous year increased by annual percentage increase specified in section 1860D–2(b)(6) for the year involved.

“(4) REPORT.—The Secretary shall submit to Congress a report on the application of this subsection and may include in the report such recommendations as the Secretary deems appropriate.”.

(2) CONFORMING AMENDMENT.—Section 1108(f) (42 U.S.C. 1308(f)) is amended by inserting “and section 1935(e)(1)(B)” after “Subject to subsection (g)”.

(e) AMENDMENT TO BEST PRICE.—

(1) IN GENERAL.—Section 1927(c)(1)(C)(i) (42 U.S.C. 1396r–8(c)(1)(C)(i)) is amended—

- (A) by striking “and” at the end of subclause (III);
- (B) by striking the period at the end of subclause (IV) and inserting a semicolon; and

(C) by adding at the end the following new subclauses:

“(V) the prices negotiated from drug manufacturers for covered discount card drugs under an endorsed discount card program under section 1860D–31; and

“(VI) any prices charged which are negotiated by a prescription drug plan under part D of title XVIII, by an MA–PD plan under part C of such title with respect to covered part D drugs or by a qualified retiree prescription drug plan (as defined in section 1860D–22(a)(2)) with respect to such drugs on behalf of individuals entitled to benefits under part A or enrolled under part B of such title.”.

Effective date.
42 USC 1396r–8
note.

(2) IN GENERAL.—Section 1927(c)(1)(C)(i)(VI) of the Social Security Act, as added by paragraph (1), shall apply to prices charged for drugs dispensed on or after January 1, 2006.

(f) EXTENSION OF MEDICARE COST-SHARING FOR PART B PREMIUM FOR QUALIFYING INDIVIDUALS THROUGH SEPTEMBER 2004.—

(1) IN GENERAL.—Section 1902(a)(10)(E)(iv) (42 U.S.C. 1396a(a)(10)(E)(iv)), as amended by section 401(a) of Public Law 108–89, is amended by striking “ending with March 2004” and inserting “ending with September 2004”.

(2) TOTAL AMOUNT AVAILABLE FOR ALLOCATION.—Section 1933(g) (42 U.S.C. 1396u–3(g)), as added by section 401(c) of Public Law 108–89, is amended—

(A) in the matter preceding paragraph (1), by striking “March 31, 2004” and inserting “September 30, 2004”; and

(B) in paragraph (2), by striking “\$100,000,000” and inserting “\$300,000,000”.

42 USC 1396a
note.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar quarters beginning on or after April 1, 2004.

(g) OUTREACH BY THE COMMISSIONER OF SOCIAL SECURITY.—Section 1144 (42 U.S.C. 1320b–14) is amended—

(1) in the section heading, by inserting “AND SUBSIDIES FOR LOW-INCOME INDIVIDUALS UNDER TITLE XVIII” after “COST-SHARING”;

(2) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting “for the transitional assistance under section 1860D–31(f), or for premium and cost-sharing subsidies under section 1860D–14” before the semicolon; and

(ii) in subparagraph (B), by inserting “, program, and subsidies” after “medical assistance”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting “, the transitional assistance under section 1860D–31(f), or premium and cost-sharing subsidies under section 1860D–14” after “assistance”; and

(ii) in subparagraph (A), by striking “such eligibility” and inserting “eligibility for medicare cost-sharing under the medicaid program”; and

(3) in subsection (b)—

(A) in paragraph (1)(A), by inserting “, for transitional assistance under section 1860D–31(f), or for premium and cost-sharing subsidies for low-income individuals under section 1860D–14” after “1933”; and

(B) in paragraph (2), by inserting “, program, and subsidies” after “medical assistance”.

SEC. 104. MEDIGAP AMENDMENTS.

(a) RULES RELATING TO MEDIGAP POLICIES THAT PROVIDE PRESCRIPTION DRUG COVERAGE.—

(1) IN GENERAL.—Section 1882 (42 U.S.C. 1395ss) is amended by adding at the end the following new subsection:

“(v) RULES RELATING TO MEDIGAP POLICIES THAT PROVIDE PRESCRIPTION DRUG COVERAGE.—

“(1) PROHIBITION ON SALE, ISSUANCE, AND RENEWAL OF NEW POLICIES THAT PROVIDE PRESCRIPTION DRUG COVERAGE.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, on or after January 1, 2006, a medigap Rx policy (as defined in paragraph (6)(A)) may not be sold, issued, or renewed under this section—

“(i) to an individual who is a part D enrollee (as defined in paragraph (6)(B)); or

“(ii) except as provided in subparagraph (B), to an individual who is not a part D enrollee.

“(B) CONTINUATION PERMITTED FOR NON-PART D ENROLLEES.—Subparagraph (A)(ii) shall not apply to the renewal of a medigap Rx policy that was issued before January 1, 2006.

“(C) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing the offering on and after January 1, 2006, of ‘H’, ‘I’, and ‘J’ policies described in paragraph (2)(D)(i) if the benefit packages are modified in accordance with paragraph (2)(C).

“(2) ELIMINATION OF DUPLICATIVE COVERAGE UPON PART D ENROLLMENT.—

“(A) IN GENERAL.—In the case of an individual who is covered under a medigap Rx policy and enrolls under a part D plan—

“(i) before the end of the initial part D enrollment period, the individual may—

“(I) enroll in a medicare supplemental policy without prescription drug coverage under paragraph (3); or

“(II) continue the policy in effect subject to the modification described in subparagraph (C)(i); or

“(ii) after the end of such period, the individual may continue the policy in effect subject to such modification.

“(B) NOTICE REQUIRED TO BE PROVIDED TO CURRENT POLICYHOLDERS WITH MEDIGAP RX POLICY.—No medicare supplemental policy of an issuer shall be deemed to meet the standards in subsection (c) unless the issuer provides written notice (in accordance with standards of the Secretary established in consultation with the National Association of Insurance Commissioners) during the 60-

day period immediately preceding the initial part D enrollment period, to each individual who is a policyholder or certificate holder of a medigap Rx policy (at the most recent available address of that individual) of the following:

“(i) If the individual enrolls in a plan under part D during the initial enrollment period under section 1860D-1(b)(2)(A), the individual has the option of—

“(I) continuing enrollment in the individual’s current plan, but the plan’s coverage of prescription drugs will be modified under subparagraph (C)(i); or

“(II) enrolling in another medicare supplemental policy pursuant to paragraph (3).

“(ii) If the individual does not enroll in a plan under part D during such period, the individual may continue enrollment in the individual’s current plan without change, but—

“(I) the individual will not be guaranteed the option of enrollment in another medicare supplemental policy pursuant to paragraph (3); and

“(II) if the current plan does not provide creditable prescription drug coverage (as defined in section 1860D-13(b)(4)), notice of such fact and that there are limitations on the periods in a year in which the individual may enroll under a part D plan and any such enrollment is subject to a late enrollment penalty.

“(iii) Such other information as the Secretary may specify (in consultation with the National Association of Insurance Commissioners), including the potential impact of such election on premiums for medicare supplemental policies.

“(C) MODIFICATION.—

“(i) IN GENERAL.—The policy modification described in this subparagraph is the elimination of prescription coverage for expenses of prescription drugs incurred after the effective date of the individual’s coverage under a part D plan and the appropriate adjustment of premiums to reflect such elimination of coverage.

“(ii) CONTINUATION OF RENEWABILITY AND APPLICATION OF MODIFICATION.—No medicare supplemental policy of an issuer shall be deemed to meet the standards in subsection (c) unless the issuer—

“(I) continues renewability of medigap Rx policies that it has issued, subject to subclause (II); and

“(II) applies the policy modification described in clause (i) in the cases described in clauses (i)(II) and (ii) of subparagraph (A).

“(D) REFERENCES TO RX POLICIES.—

“(i) H, I, AND J POLICIES.—Any reference to a benefit package classified as ‘H’, ‘I’, or ‘J’ (including the benefit package classified as ‘J’ with a high deductible feature, as described in subsection (p)(11)) under the standards established under subsection (p)(2) shall be construed as including a reference to such a package as modified under subparagraph (C) and such packages

as modified shall not be counted as a separate benefit package under such subsection.

“(ii) APPLICATION IN WAIVERED STATES.—Except for the modification provided under subparagraph (C), the waivers previously in effect under subsection (p)(2) shall continue in effect.

“(3) AVAILABILITY OF SUBSTITUTE POLICIES WITH GUARANTEED ISSUE.—

“(A) IN GENERAL.—The issuer of a medicare supplemental policy—

“(i) may not deny or condition the issuance or effectiveness of a medicare supplemental policy that has a benefit package classified as ‘A’, ‘B’, ‘C’, or ‘F’ (including the benefit package classified as ‘F’ with a high deductible feature, as described in subsection (p)(11)), under the standards established under subsection (p)(2), or a benefit package described in subparagraph (A) or (B) of subsection (w)(2) and that is offered and is available for issuance to new enrollees by such issuer;

“(ii) may not discriminate in the pricing of such policy, because of health status, claims experience, receipt of health care, or medical condition; and

“(iii) may not impose an exclusion of benefits based on a pre-existing condition under such policy, in the case of an individual described in subparagraph (B) who seeks to enroll under the policy not later than 63 days after the effective date of the individual’s coverage under a part D plan.

“(B) INDIVIDUAL COVERED.—An individual described in this subparagraph with respect to the issuer of a medicare supplemental policy is an individual who—

“(i) enrolls in a part D plan during the initial part D enrollment period;

“(ii) at the time of such enrollment was enrolled in a medigap Rx policy issued by such issuer; and

“(iii) terminates enrollment in such policy and submits evidence of such termination along with the application for the policy under subparagraph (A).

“(C) SPECIAL RULE FOR WAIVERED STATES.—For purposes of applying this paragraph in the case of a State that provides for offering of benefit packages other than under the classification referred to in subparagraph (A)(i), the references to benefit packages in such subparagraph are deemed references to comparable benefit packages offered in such State.

“(4) ENFORCEMENT.—

“(A) PENALTIES FOR DUPLICATION.—The penalties described in subsection (d)(3)(A)(ii) shall apply with respect to a violation of paragraph (1)(A).

“(B) GUARANTEED ISSUE.—The provisions of paragraph (4) of subsection (s) shall apply with respect to the requirements of paragraph (3) in the same manner as they apply to the requirements of such subsection.

“(5) CONSTRUCTION.—Any provision in this section or in a medicare supplemental policy relating to guaranteed renewability of coverage shall be deemed to have been met with

respect to a part D enrollee through the continuation of the policy subject to modification under paragraph (2)(C) or the offering of a substitute policy under paragraph (3). The previous sentence shall not be construed to affect the guaranteed renewability of such a modified or substitute policy.

“(6) DEFINITIONS.—For purposes of this subsection:

“(A) MEDIGAP RX POLICY.—The term ‘medigap Rx policy’ means a medicare supplemental policy—

“(i) which has a benefit package classified as ‘H’, ‘T’, or ‘J’ (including the benefit package classified as ‘J’ with a high deductible feature, as described in subsection (p)(11)) under the standards established under subsection (p)(2), without regard to this subsection; and

“(ii) to which such standards do not apply (or to which such standards have been waived under subsection (p)(6)) but which provides benefits for prescription drugs.

Such term does not include a policy with a benefit package as classified under clause (i) which has been modified under paragraph (2)(C)(i).

“(B) PART D ENROLLEE.—The term ‘part D enrollee’ means an individual who is enrolled in a part D plan.

“(C) PART D PLAN.—The term ‘part D plan’ means a prescription drug plan or an MA-PD plan (as defined for purposes of part D).

“(D) INITIAL PART D ENROLLMENT PERIOD.—The term ‘initial part D enrollment period’ means the initial enrollment period described in section 1860D-1(b)(2)(A).”.

(2) CONFORMING CURRENT GUARANTEED ISSUE PROVISIONS.—

(A) EXTENDING GUARANTEED ISSUE POLICY FOR INDIVIDUALS ENROLLED IN MEDIGAP RX POLICIES WHO TRY MEDICARE ADVANTAGE.—Subsection (s)(3)(C)(ii) of such section is amended—

(i) by striking “(ii) Only” and inserting “(ii)(I) Subject to subclause (II), only”; and

(ii) by adding at the end the following new subclause:

“(II) If the medicare supplemental policy referred to in subparagraph (B)(v) was a medigap Rx policy (as defined in subsection (v)(6)(A)), a medicare supplemental policy described in this subparagraph is such policy in which the individual was most recently enrolled as modified under subsection (v)(2)(C)(i) or, at the election of the individual, a policy referred to in subsection (v)(3)(A)(i).”.

(B) CONFORMING AMENDMENT.—Section 1882(s)(3)(C)(iii) is amended by inserting “and subject to subsection (v)(1)” after “subparagraph (B)(vi)”.

(b) DEVELOPMENT OF NEW STANDARDS FOR MEDIGAP POLICIES.—

(1) IN GENERAL.—Section 1882 (42 U.S.C. 1395ss) is further amended by adding at the end the following new subsection:

“(w) DEVELOPMENT OF NEW STANDARDS FOR MEDICARE SUPPLEMENTAL POLICIES.—

“(1) IN GENERAL.—The Secretary shall request the National Association of Insurance Commissioners to review and revise the standards for benefit packages under subsection (p)(1), taking into account the changes in benefits resulting from

enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and to otherwise update standards to reflect other changes in law included in such Act. Such revision shall incorporate the inclusion of the 2 benefit packages described in paragraph (2). Such revisions shall be made consistent with the rules applicable under subsection (p)(1)(E) with the reference to the ‘1991 NAIC Model Regulation’ deemed a reference to the NAIC Model Regulation as published in the Federal Register on December 4, 1998, and as subsequently updated by the National Association of Insurance Commissioners to reflect previous changes in law (and subsection (v)) and the reference to ‘date of enactment of this subsection’ deemed a reference to the date of enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. To the extent practicable, such revision shall provide for the implementation of revised standards for benefit packages as of January 1, 2006.

“(2) NEW BENEFIT PACKAGES.—The benefit packages described in this paragraph are the following (notwithstanding any other provision of this section relating to a core benefit package):

“(A) FIRST NEW BENEFIT PACKAGE.—A benefit package consisting of the following:

“(i) Subject to clause (ii), coverage of 50 percent of the cost-sharing otherwise applicable under parts A and B, except there shall be no coverage of the part B deductible and coverage of 100 percent of any cost-sharing otherwise applicable for preventive benefits.

“(ii) Coverage for all hospital inpatient coinsurance and 365 extra lifetime days of coverage of inpatient hospital services (as in the current core benefit package).

“(iii) A limitation on annual out-of-pocket expenditures under parts A and B to \$4,000 in 2006 (or, in a subsequent year, to such limitation for the previous year increased by an appropriate inflation adjustment specified by the Secretary).

“(B) SECOND NEW BENEFIT PACKAGE.—A benefit package consisting of the benefit package described in subparagraph (A), except as follows:

“(i) Substitute ‘75 percent’ for ‘50 percent’ in clause (i) of such subparagraph.

“(ii) Substitute ‘\$2,000’ for ‘\$4,000’ in clause (iii) of such subparagraph.”

(2) CONFORMING AMENDMENTS.—Section 1882 (42 U.S.C. 1395ss) is amended—

(A) in subsection (g)(1), by inserting “a prescription drug plan under part D or” after “but does not include”; and

(B) in subsection (o)(1), by striking “subsection (p)” and inserting “subsections (p), (v), and (w)”.

(c) RULE OF CONSTRUCTION.—

(1) IN GENERAL.—Nothing in this Act shall be construed to require an issuer of a medicare supplemental policy under section 1882 of the Social Security Act (42 U.S.C. 1395rr) to participate as a PDP sponsor under part D of title XVIII of

42 USC 1395ss
note.

such Act, as added by section 101, as a condition for issuing such policy.

(2) PROHIBITION ON STATE REQUIREMENT.—A State may not require an issuer of a medicare supplemental policy under section 1882 of the Social Security Act (42 U.S.C. 1395rr) to participate as a PDP sponsor under such part D as a condition for issuing such policy.

SEC. 105. ADDITIONAL PROVISIONS RELATING TO MEDICARE PRESCRIPTION DRUG DISCOUNT CARD AND TRANSITIONAL ASSISTANCE PROGRAM.

(a) EXCLUSION OF COSTS FROM DETERMINATION OF PART B MONTHLY PREMIUM.—Section 1839(g) (42 U.S.C. 1395r(g)) is amended—

(1) by striking “attributable to the application of section” and inserting “attributable to—

“(1) the application of section”;

(2) by striking the period and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(2) the medicare prescription drug discount card and transitional assistance program under section 1860D-31.”

(b) APPLICATION OF CONFIDENTIALITY FOR DRUG PRICING DATA.—The last sentence of section 1927(b)(3)(D) (42 U.S.C. 1396r-8(b)(3)(D)), as added by section 101(e)(4), is amended by inserting “and drug pricing data reported under the first sentence of section 1860D-31(i)(1)” after “section 1860D-4(c)(2)(E)”.

(c) RULES FOR IMPLEMENTATION.—The following rules shall apply to the medicare prescription drug discount card and transitional assistance program under section 1860D-31 of the Social Security Act, as added by section 101(a):

(1) In promulgating regulations pursuant to subsection (a)(2)(B) of such section 1860D-31—

(A) section 1871(a)(3) of the Social Security Act (42 U.S.C. 1395hh(a)(3)), as added by section 902(a)(1), shall not apply;

(B) chapter 35 of title 44, United States Code, shall not apply; and

(C) sections 553(d) and 801(a)(3)(A) of title 5, United States Code, shall not apply.

(2) Section 1857(c)(5) of the Social Security Act (42 U.S.C. 1395w-27(c)(5)) shall apply with respect to section 1860D-31 of such Act, as added by section 101(a), in the same manner as it applies to part C of title XVIII of such Act.

(3) The administration of such program shall be made without regard to chapter 35 of title 44, United States Code.

(4)(A) There shall be no judicial review of a determination not to endorse, or enter into a contract, with a prescription drug card sponsor under section 1860D-31 of the Social Security Act.

(B) In the case of any order issued to enjoin any provision of section 1860D-31 of the Social Security Act (or of any provision of this section), such order shall not affect any other provision of such section (or of this section) and all such provisions shall be treated as severable.

(d) CONFORMING AMENDMENTS TO FEDERAL SMI TRUST FUND FOR TRANSITIONAL ASSISTANCE ACCOUNT.—Section 1841 (42 U.S.C. 1395t), as amended by section 101(e)(3)(C), is amended—

Applicability.
42 USC
1395w-141 note.

Applicability.

(1) in the last sentence of subsection (a), by inserting after “section 1860D-16” the following: “or the Transitional Assistance Account established by section 1860D-31(k)(1)”; and

(2) in subsection (g), by adding at the end the following: “The payments provided for under section 1860D-31(k)(2) shall be made from the Transitional Assistance Account in the Trust Fund.”.

(e) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF PROVIDING TRANSITIONAL ASSISTANCE UNDER MEDICARE DISCOUNT CARD PROGRAM.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

26 USC 6103.

“(19) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF PROVIDING TRANSITIONAL ASSISTANCE UNDER MEDICARE DISCOUNT CARD PROGRAM.—

“(A) IN GENERAL.—The Secretary, upon written request from the Secretary of Health and Human Services pursuant to carrying out section 1860D-31 of the Social Security Act, shall disclose to officers, employees, and contractors of the Department of Health and Human Services with respect to a taxpayer for the applicable year—

“(i)(I) whether the adjusted gross income, as modified in accordance with specifications of the Secretary of Health and Human Services for purposes of carrying out such section, of such taxpayer and, if applicable, such taxpayer’s spouse, for the applicable year, exceeds the amounts specified by the Secretary of Health and Human Services in order to apply the 100 and 135 percent of the poverty lines under such section, (II) whether the return was a joint return, and (III) the applicable year, or

“(ii) if applicable, the fact that there is no return filed for such taxpayer for the applicable year.

“(B) DEFINITION OF APPLICABLE YEAR.—For the purposes of this subsection, the term ‘applicable year’ means the most recent taxable year for which information is available in the Internal Revenue Service’s taxpayer data information systems, or, if there is no return filed for such taxpayer for such year, the prior taxable year.

“(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of determining eligibility for and administering transitional assistance under section 1860D-31 of the Social Security Act.”.

(2) CONFIDENTIALITY.—Paragraph (3) of section 6103(a) of such Code is amended by striking “or (16)” and inserting “(16), or (19)”.

(3) PROCEDURES AND RECORDKEEPING RELATED TO DISCLOSURES.—Subsection (p)(4) of section 6103 of such Code is amended by striking “(l)(16) or (17)” each place it appears and inserting “(l)(16), (17), or (19)”.

(4) UNAUTHORIZED DISCLOSURE OR INSPECTION.—Paragraph (2) of section 7213(a) of such Code is amended by striking “or (16)” and inserting “(16), or (19)”.

26 USC 7213.

42 USC
1395w-101 note.

SEC. 106. STATE PHARMACEUTICAL ASSISTANCE TRANSITION COMMISSION.

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—There is established, as of the first day of the third month beginning after the date of the enactment of this Act, a State Pharmaceutical Assistance Transition Commission (in this section referred to as the “Commission”) to develop a proposal for addressing the unique transitional issues facing State pharmaceutical assistance programs, and program participants, due to the implementation of the voluntary prescription drug benefit program under part D of title XVIII of the Social Security Act, as added by section 101.

(2) **DEFINITIONS.**—For purposes of this section:

(A) **STATE PHARMACEUTICAL ASSISTANCE PROGRAM DEFINED.**—The term “State pharmaceutical assistance program” means a program (other than the medicaid program) operated by a State (or under contract with a State) that provides as of the date of the enactment of this Act financial assistance to medicare beneficiaries for the purchase of prescription drugs.

(B) **PROGRAM PARTICIPANT.**—The term “program participant” means a low-income medicare beneficiary who is a participant in a State pharmaceutical assistance program.

(b) **COMPOSITION.**—The Commission shall include the following:

(1) A representative of each Governor of each State that the Secretary identifies as operating on a statewide basis a State pharmaceutical assistance program that provides for eligibility and benefits that are comparable or more generous than the low-income assistance eligibility and benefits offered under section 1860D-14 of the Social Security Act.

(2) Representatives from other States that the Secretary identifies have in operation other State pharmaceutical assistance programs, as appointed by the Secretary.

(3) Representatives of organizations that have an inherent interest in program participants or the program itself, as appointed by the Secretary but not to exceed the number of representatives under paragraphs (1) and (2).

(4) Representatives of Medicare Advantage organizations, pharmaceutical benefit managers, and other private health insurance plans, as appointed by the Secretary.

(5) The Secretary (or the Secretary’s designee) and such other members as the Secretary may specify.

The Secretary shall designate a member to serve as Chair of the Commission and the Commission shall meet at the call of the Chair.

(c) **DEVELOPMENT OF PROPOSAL.**—The Commission shall develop the proposal described in subsection (a) in a manner consistent with the following principles:

(1) Protection of the interests of program participants in a manner that is the least disruptive to such participants and that includes a single point of contact for enrollment and processing of benefits.

(2) Protection of the financial and flexibility interests of States so that States are not financially worse off as a result of the enactment of this title.

(3) Principles of medicare modernization under this Act.

(d) **REPORT.**—By not later than January 1, 2005, the Commission shall submit to the President and Congress a report that contains a detailed proposal (including specific legislative or administrative recommendations, if any) and such other recommendations as the Commission deems appropriate. Deadline.

(e) **SUPPORT.**—The Secretary shall provide the Commission with the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(f) **TERMINATION.**—The Commission shall terminate 30 days after the date of submission of the report under subsection (d).

SEC. 107. STUDIES AND REPORTS.

(a) **STUDY REGARDING REGIONAL VARIATIONS IN PRESCRIPTION DRUG SPENDING.**— 42 USC
1395w–111 note.

(1) **IN GENERAL.**—The Secretary shall conduct a study that examines variations in per capita spending for covered part D drugs under part D of title XVIII of the Social Security Act among PDP regions and, with respect to such spending, the amount of such variation that is attributable to—

(A) price variations (described in section 1860D–15(c)(2) of such Act); and

(B) differences in per capita utilization that is not taken into account in the health status risk adjustment provided under section 1860D–15(c)(1) of such Act.

(2) **REPORT AND RECOMMENDATIONS.**—Not later than January 1, 2009, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include— Deadline.

(A) information regarding the extent of geographic variation described in paragraph (1)(B);

(B) an analysis of the impact on direct subsidies under section 1860D–15(a)(1) of the Social Security Act in different PDP regions if such subsidies were adjusted to take into account the variation described in subparagraph (A); and

(C) recommendations regarding the appropriateness of applying an additional geographic adjustment factor under section 1860D–15(c)(2) that reflects some or all of the variation described in subparagraph (A).

(b) **REVIEW AND REPORT ON CURRENT STANDARDS OF PRACTICE FOR PHARMACY SERVICES PROVIDED TO PATIENTS IN NURSING FACILITIES.**— 42 USC 1395i–3
note.

(1) **REVIEW.**—

(A) **IN GENERAL.**—Not later than 12 months after the date of the enactment of this Act, the Secretary shall conduct a thorough review of the current standards of practice for pharmacy services provided to patients in nursing facilities. Deadline.

(B) **SPECIFIC MATTERS REVIEWED.**—In conducting the review under subparagraph (A), the Secretary shall—

(i) assess the current standards of practice, clinical services, and other service requirements generally used for pharmacy services in long-term care settings; and

(ii) evaluate the impact of those standards with respect to patient safety, reduction of medication errors and quality of care.

(2) **REPORT.**—

Deadline.

(A) IN GENERAL.—Not later than the date that is 18 months after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under paragraph (1)(A).

(B) CONTENTS.—The report submitted under subparagraph (A) shall contain—

(i) a description of the plans of the Secretary to implement the provisions of this Act in a manner consistent with applicable State and Federal laws designed to protect the safety and quality of care of nursing facility patients; and

(ii) recommendations regarding necessary actions and appropriate reimbursement to ensure the provision of prescription drugs to medicare beneficiaries residing in nursing facilities in a manner consistent with existing patient safety and quality of care standards under applicable State and Federal laws.

42 USC 299 note.
Contracts.

(c) IOM STUDY ON DRUG SAFETY AND QUALITY.—

(1) IN GENERAL.—The Secretary shall enter into a contract with the Institutes of Medicine of the National Academies of Science (such Institutes referred to in this subsection as the “IOM”) to carry out a comprehensive study (in this subsection referred to as the “study”) of drug safety and quality issues in order to provide a blueprint for system-wide change.

(2) OBJECTIVES.—

(A) The study shall develop a full understanding of drug safety and quality issues through an evidence-based review of literature, case studies, and analysis. This review will consider the nature and causes of medication errors, their impact on patients, the differences in causation, impact, and prevention across multiple dimensions of health care delivery—including patient populations, care settings, clinicians, and institutional cultures.

(B) The study shall attempt to develop credible estimates of the incidence, severity, costs of medication errors that can be useful in prioritizing resources for national quality improvement efforts and influencing national health care policy.

(C) The study shall evaluate alternative approaches to reducing medication errors in terms of their efficacy, cost-effectiveness, appropriateness in different settings and circumstances, feasibility, institutional barriers to implementation, associated risks, and the quality of evidence supporting the approach.

(D) The study shall provide guidance to consumers, providers, payers, and other key stakeholders on high-priority strategies to achieve both short-term and long-term drug safety goals, to elucidate the goals and expected results of such initiatives and support the business case for them, and to identify critical success factors and key levers for achieving success.

(E) The study shall assess the opportunities and key impediments to broad nationwide implementation of medication error reductions, and to provide guidance to policymakers and government agencies (including the Food and Drug Administration, the Centers for Medicare & Medicaid

Services, and the National Institutes of Health) in promoting a national agenda for medication error reduction.

(F) The study shall develop an applied research agenda to evaluate the health and cost impacts of alternative interventions, and to assess collaborative public and private strategies for implementing the research agenda through AHRQ and other government agencies.

(3) CONDUCT OF STUDY.—

(A) EXPERT COMMITTEE.—In conducting the study, the IOM shall convene a committee of leading experts and key stakeholders in pharmaceutical management and drug safety, including clinicians, health services researchers, pharmacists, system administrators, payer representatives, and others.

(B) COMPLETION.—The study shall be completed within an 18-month period.

(4) REPORT.—A report on the study shall be submitted to Congress upon the completion of the study.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary.

(d) STUDY OF MULTI-YEAR CONTRACTS.—

42 USC
1395w–27 note.

(1) IN GENERAL.—The Secretary shall provide for a study on the feasibility and advisability of providing for contracting with PDP sponsors and MA organizations under parts C and D of title XVIII on a multi-year basis.

(2) REPORT.—Not later than January 1, 2007, the Secretary shall submit to Congress a report on the study under paragraph (1). The report shall include such recommendations as the Secretary deems appropriate.

Deadline.

(e) GAO STUDY REGARDING IMPACT OF ASSETS TEST FOR SUBSIDY ELIGIBLE INDIVIDUALS.—

42 USC
1395w–114 note.

(1) STUDY.—The Comptroller General of the United States shall conduct a study to determine the extent to which drug utilization and access to covered part D drugs under part D of title XVIII of the Social Security Act by subsidy eligible individuals differs from such utilization and access for individuals who would qualify as such subsidy eligible individuals but for the application of section 1860D–14(a)(3)(A)(iii) of such Act.

(2) REPORT.—Not later than September 30, 2007, the Comptroller General shall submit a report to Congress on the study conducted under paragraph (1) that includes such recommendations for legislation as the Comptroller General determines are appropriate.

Deadline.

(f) STUDY ON MAKING PRESCRIPTION PHARMACEUTICAL INFORMATION ACCESSIBLE FOR BLIND AND VISUALLY-IMPAIRED INDIVIDUALS.—

21 USC 352 note.

(1) STUDY.—

(A) IN GENERAL.—The Secretary shall undertake a study of how to make prescription pharmaceutical information, including drug labels and usage instructions, accessible to blind and visually-impaired individuals.

(B) STUDY TO INCLUDE EXISTING AND EMERGING TECHNOLOGIES.—The study under subparagraph (A) shall include a review of existing and emerging technologies, including assistive technology, that makes essential

information on the content and prescribed use of pharmaceutical medicines available in a usable format for blind and visually-impaired individuals.

(2) REPORT.—

Deadline.

(A) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study required under paragraph (1).

(B) CONTENTS OF REPORT.—The report required under paragraph (1) shall include recommendations for the implementation of usable formats for making prescription pharmaceutical information available to blind and visually-impaired individuals and an estimate of the costs associated with the implementation of each format.

42 USC
1395w–104 note.

SEC. 108. GRANTS TO PHYSICIANS TO IMPLEMENT ELECTRONIC PRESCRIPTION DRUG PROGRAMS.

(a) IN GENERAL.—The Secretary is authorized to make grants to physicians for the purpose of assisting such physicians to implement electronic prescription drug programs that comply with the standards promulgated or modified under section 1860D–4(e) of the Social Security Act, as inserted by section 101(a).

(b) AWARDING OF GRANTS.—

(1) APPLICATION.—No grant may be made under this section except pursuant to a grant application that is submitted and approved in a time, manner, and form specified by the Secretary.

(2) CONSIDERATIONS AND PREFERENCES.—In awarding grants under this section, the Secretary shall—

(A) give special consideration to physicians who serve a disproportionate number of medicare patients; and

(B) give preference to physicians who serve a rural or underserved area.

(3) LIMITATION ON GRANTS.—Only 1 grant may be awarded under this section with respect to any physician or group practice of physicians.

(c) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Grants under this section shall be made under such terms and conditions as the Secretary specifies consistent with this section.

(2) USE OF GRANT FUNDS.—Funds provided under grants under this section may be used for any of the following:

(A) For purchasing, leasing, and installing computer software and hardware, including handheld computer technologies.

(B) Making upgrades and other improvements to existing computer software and hardware to enable e-prescribing.

(C) Providing education and training to eligible physician staff on the use of technology to implement the electronic transmission of prescription and patient information.

(3) PROVISION OF INFORMATION.—As a condition for the awarding of a grant under this section, an applicant shall provide to the Secretary such information as the Secretary may require in order to—

(A) evaluate the project for which the grant is made; and

(B) ensure that funding provided under the grant is expended only for the purposes for which it is made.

(4) AUDIT.—The Secretary shall conduct appropriate audits of grants under this section.

(5) MATCHING REQUIREMENT.—The applicant for a grant under this section shall agree, with respect to the costs to be incurred by the applicant in implementing an electronic prescription drug program, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than 50 percent of such costs. Non-Federal contributions under the previous sentence may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such contributions.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$50,000,000 for fiscal year 2007 and such sums as may be necessary for each of fiscal years 2008 and 2009.

SEC. 109. EXPANDING THE WORK OF MEDICARE QUALITY IMPROVEMENT ORGANIZATIONS TO INCLUDE PARTS C AND D.

(a) APPLICATION TO MEDICARE MANAGED CARE AND PRESCRIPTION DRUG COVERAGE.—Section 1154(a)(1) (42 U.S.C. 1320c–3(a)(1)) is amended by inserting “, to Medicare Advantage organizations pursuant to contracts under part C, and to prescription drug sponsors pursuant to contracts under part D” after “under section 1876”.

(b) PRESCRIPTION DRUG THERAPY QUALITY IMPROVEMENT.—Section 1154(a) (42 U.S.C. 1320c–3(a)) is amended by adding at the end the following new paragraph:

“(17) The organization shall execute its responsibilities under subparagraphs (A) and (B) of paragraph (1) by offering to providers, practitioners, Medicare Advantage organizations offering Medicare Advantage plans under part C, and prescription drug sponsors offering prescription drug plans under part D quality improvement assistance pertaining to prescription drug therapy. For purposes of this part and title XVIII, the functions described in this paragraph shall be treated as a review function.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply on and after January 1, 2004.

(d) IOM STUDY OF QIOS.—

(1) IN GENERAL.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to conduct an evaluation of the program under part B of title XI of the Social Security Act. The study shall include a review of the following:

(A) An overview of the program under such part.

(B) The duties of organizations with contracts with the Secretary under such part.

(C) The extent to which quality improvement organizations improve the quality of care for medicare beneficiaries.

(D) The extent to which other entities could perform such quality improvement functions as well as, or better than, quality improvement organizations.

42 USC 1320c–3
note.

42 USC 1320c
note.

(E) The effectiveness of reviews and other actions conducted by such organizations in carrying out those duties.

(F) The source and amount of funding for such organizations.

(G) The conduct of oversight of such organizations.

Deadline.

(2) **REPORT TO CONGRESS.**—Not later than June 1, 2006, the Secretary shall submit to Congress a report on the results of the study described in paragraph (1), including any recommendations for legislation.

(3) **INCREASED COMPETITION.**—If the Secretary finds based on the study conducted under paragraph (1) that other entities could improve quality in the medicare program as well as, or better than, the current quality improvement organizations, then the Secretary shall provide for such increased competition through the addition of new types of entities which may perform quality improvement functions.

42 USC
1395w–101 note.

SEC. 110. CONFLICT OF INTEREST STUDY.

(a) **STUDY.**—The Federal Trade Commission shall conduct a study of differences in payment amounts for pharmacy services provided to enrollees in group health plans that utilize pharmacy benefit managers. Such study shall include the following:

(1) An assessment of the differences in costs incurred by such enrollees and plans for prescription drugs dispensed by mail-order pharmacies owned by pharmaceutical benefit managers compared to mail-order pharmacies not owned by pharmaceutical benefit managers, and community pharmacies.

(2) Whether such plans are acting in a manner that maximizes competition and results in lower prescription drug prices for enrollees.

Deadline.

(b) **REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress a report on the study conducted under subsection (a). Such report shall include recommendations regarding any need for legislation to ensure the fiscal integrity of the voluntary prescription drug benefit program under part D of title XVIII, as added by section 101, that may be appropriated as the result of such study.

(c) **EXEMPTION FROM PAPERWORK REDUCTION ACT.**—Chapter 35 of title 44, United States Code, shall not apply to the collection of information under subsection (a).

42 USC
1395w–132 note.

SEC. 111. STUDY ON EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.

(a) **STUDY.**—The Comptroller General of the United States shall conduct an initial and final study under this subsection to examine trends in employment-based retiree health coverage (as defined in 1860D–22(c)(1) of the Social Security Act, as added by section 101), including coverage under the Federal Employees Health Benefits Program (FEHBP), and the options and incentives available under this Act which may have an effect on the voluntary provision of such coverage.

(b) **CONTENT OF INITIAL STUDY.**—The initial study under this section shall consider the following:

(1) Trends in employment-based retiree health coverage prior to the date of the enactment of this Act.

(2) The opinions of sponsors of employment-based retiree health coverage concerning which of the options available under this Act they are most likely to utilize for the provision of

health coverage to their medicare-eligible retirees, including an assessment of the administrative burdens associated with the available options.

(3) The likelihood of sponsors of employment-based retiree health coverage to maintain or adjust their levels of retiree health benefits beyond coordination with medicare, including for prescription drug coverage, provided to medicare-eligible retirees after the date of the enactment of this Act.

(4) The factors that sponsors of employment-based retiree health coverage expect to consider in making decisions about any changes they may make in the health coverage provided to medicare-eligible retirees.

(5) Whether the prescription drug plan options available, or the health plan options available under the Medicare Advantage program, are likely to cause employers and other entities that did not provide health coverage to retirees prior to the date of the enactment of this Act to provide supplemental coverage or contributions toward premium expenses for medicare-eligible retirees who may enroll in such options in the future.

(c) CONTENTS OF FINAL STUDY.—The final study under this section shall consider the following:

(1) Changes in the trends in employment-based retiree health coverage since the completion of the initial study by the Comptroller General.

(2) Factors contributing to any changes in coverage levels.

(3) The number and characteristics of sponsors of employment-based retiree health coverage who receive the special subsidy payments under section 1860D-22 of the Social Security Act, as added by section 101, for the provision of prescription drug coverage to their medicare-eligible retirees that is the same or greater actuarial value as the prescription drug coverage available to other medicare beneficiaries without employment-based retiree health coverage.

(4) The extent to which sponsors of employment-based retiree health coverage provide supplemental health coverage or contribute to the premiums for medicare-eligible retirees who enroll in a prescription drug plan or an MA-PD plan.

(5) Other coverage options, including tax-preferred retirement or health savings accounts, consumer-directed health plans, or other vehicles that sponsors of employment-based retiree health coverage believe would assist retirees with their future health care needs and their willingness to sponsor such alternative plan designs.

(6) The extent to which employers or other entities that did not provide employment-based retiree health coverage prior to the date of the enactment of this Act provided some form of coverage or financial assistance for retiree health care needs after the date of the enactment of this Act.

(7) Recommendations by employers, benefits experts, academics, and others on ways that the voluntary provision of employment-based retiree health coverage may be improved and expanded.

(d) REPORTS.—The Comptroller General shall submit a report to Congress on— Deadlines.

(1) the initial study under subsection (b) not later than 1 year after the date of the enactment of this Act; and

(2) the final study under subsection (c) not later than January 1, 2007.

(e) CONSULTATION.—The Comptroller General shall consult with sponsors of employment-based retiree health coverage, benefits experts, human resources professionals, employee benefits consultants, and academics with experience in health benefits and survey research in the development and design of the initial and final studies under this section.

TITLE II—MEDICARE ADVANTAGE

Subtitle A—Implementation of Medicare Advantage Program

42 USC
1395w–21 note.

SEC. 201. IMPLEMENTATION OF MEDICARE ADVANTAGE PROGRAM.

(a) IN GENERAL.—There is hereby established the Medicare Advantage program. The Medicare Advantage program shall consist of the program under part C of title XVIII of the Social Security Act (as amended by this Act).

(b) REFERENCES.—Subject to subsection (c), any reference to the program under part C of title XVIII of the Social Security Act shall be deemed a reference to the Medicare Advantage program and, with respect to such part, any reference to “Medicare+Choice” is deemed a reference to “Medicare Advantage” and “MA”.

Effective date.

(c) TRANSITION.—In order to provide for an orderly transition and avoid beneficiary and provider confusion, the Secretary shall provide for an appropriate transition in the use of the terms “Medicare+Choice” and “Medicare Advantage” (or “MA”) in reference to the program under part C of title XVIII of the Social Security Act. Such transition shall be fully completed for all materials for plan years beginning not later than January 1, 2006. Before the completion of such transition, any reference to “Medicare Advantage” or “MA” shall be deemed to include a reference to “Medicare+Choice”.

Subtitle B—Immediate Improvements

SEC. 211. IMMEDIATE IMPROVEMENTS.

(a) EQUALIZING PAYMENTS WITH FEE-FOR-SERVICE.—

(1) IN GENERAL.—Section 1853(c)(1) (42 U.S.C. 1395w–23(c)(1)) is amended by adding at the end the following:

“(D) 100 PERCENT OF FEE-FOR-SERVICE COSTS.—

“(i) IN GENERAL.—For each year specified in clause (ii), the adjusted average per capita cost for the year involved, determined under section 1876(a)(4) and adjusted as appropriate for the purpose of risk adjustment, for the MA payment area for individuals who are not enrolled in an MA plan under this part for the year, but adjusted to exclude costs attributable to payments under section 1886(h).

“(ii) PERIODIC REBASING.—The provisions of clause (i) shall apply for 2004 and for subsequent years as the Secretary shall specify (but not less than once every 3 years).

“(iii) INCLUSION OF COSTS OF VA AND DOD MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the adjusted average per capita cost under clause (i) for a year, such cost shall be adjusted to include the Secretary’s estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.”.

(2) CONFORMING AMENDMENT.—Such section is further amended, in the matter before subparagraph (A), by striking “or (C)” and inserting “(C), or (D)”.

(b) CHANGE IN BUDGET NEUTRALITY FOR BLEND.—Section 1853(c) (42 U.S.C. 1395w–23(c)) is amended—

(1) in paragraph (1)(A), by inserting “(for a year other than 2004)” after “multiplied”; and

(2) in paragraph (5), by inserting “(other than 2004)” after “for each year”.

(c) INCREASING MINIMUM PERCENTAGE INCREASE TO NATIONAL GROWTH RATE.—

(1) IN GENERAL.—Section 1853(c)(1) (42 U.S.C. 1395w–23(c)(1)) is amended—

(A) in subparagraph (A), by striking “The sum” and inserting “For a year before 2005, the sum”;

(B) in subparagraph (B)(iv), by striking “and each succeeding year” and inserting “, 2003, and 2004”;

(C) in subparagraph (C)(iv), by striking “and each succeeding year” and inserting “and 2003”; and

(D) by adding at the end of subparagraph (C) the following new clause:

“(v) For 2004 and each succeeding year, the greater of—

“(I) 102 percent of the annual MA capitation rate under this paragraph for the area for the previous year; or

“(II) the annual MA capitation rate under this paragraph for the area for the previous year increased by the national per capita MA growth percentage, described in paragraph (6) for that succeeding year, but not taking into account any adjustment under paragraph (6)(C) for a year before 2004.”.

(2) CONFORMING AMENDMENT.—Section 1853(c)(6)(C) (42 U.S.C. 1395w–23(c)(6)(C)) is amended by inserting before the period at the end the following: “, except that for purposes of paragraph (1)(C)(v)(II), no such adjustment shall be made for a year before 2004”.

(d) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES IN CALCULATION OF PAYMENT RATES.—Section 1853(c)(3) (42 U.S.C. 1395w–23(c)(3)) is amended—

(1) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (E)”; and

(2) by adding at the end the following new subparagraph:

“(E) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the area-specific MA capitation rate under subparagraph (A) for a year (beginning with 2004), the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted to include in the rate the Secretary’s estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.”

(e) EXTENDING SPECIAL RULE FOR CERTAIN INPATIENT HOSPITAL STAYS TO REHABILITATION HOSPITALS AND LONG-TERM CARE HOSPITALS.—

(1) IN GENERAL.—Section 1853(g) (42 U.S.C. 1395w–23(g)) is amended—

(A) in the matter preceding paragraph (1), by inserting “, a rehabilitation hospital described in section 1886(d)(1)(B)(ii) or a distinct part rehabilitation unit described in the matter following clause (v) of section 1886(d)(1)(B), or a long-term care hospital (described in section 1886(d)(1)(B)(iv))” after “1886(d)(1)(B)”; and

(B) in paragraph (2)(B), by inserting “or other payment provision under this title for inpatient services for the type of facility, hospital, or unit involved, described in the matter preceding paragraph (1), as the case may be,” after “1886(d)”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to contract years beginning on or after January 1, 2004.

(f) MEDPAC STUDY OF AAPCC.—

(1) STUDY.—The Medicare Payment Advisory Commission shall conduct a study that assesses the method used for determining the adjusted average per capita cost (AAPCC) under section 1876(a)(4) of the Social Security Act (42 U.S.C. 1395mm(a)(4)) as applied under section 1853(c)(1)(A) of such Act (as amended by subsection (a)). Such study shall include an examination of—

(A) the bases for variation in such costs between different areas, including differences in input prices, utilization, and practice patterns;

(B) the appropriate geographic area for payment of MA local plans under the Medicare Advantage program under part C of title XVIII of such Act; and

(C) the accuracy of risk adjustment methods in reflecting differences in costs of providing care to different groups of beneficiaries served under such program.

(2) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress a report on the study conducted under paragraph (1).

(g) REPORT ON IMPACT OF INCREASED FINANCIAL ASSISTANCE TO MEDICARE ADVANTAGE PLANS.—Not later than July 1, 2006, the Secretary shall submit to Congress a report that describes the impact of additional financing provided under this Act and other Acts (including the Medicare, Medicaid, and SCHIP Balanced

42 USC
1395w–23 note.

42 USC
1395w–23 note.

Deadline.

Deadline.
42 USC
1395w–21 note.

Budget Refinement Act of 1999 and BIPA) on the availability of Medicare Advantage plans in different areas and its impact on lowering premiums and increasing benefits under such plans.

(h) MEDPAC STUDY AND REPORT ON CLARIFICATION OF AUTHORITY REGARDING DISAPPROVAL OF UNREASONABLE BENEFICIARY COST-SHARING.—

42 USC
1395w–21 note.

(1) STUDY.—The Medicare Payment Advisory Commission, in consultation with beneficiaries, consumer groups, employers, and organizations offering plans under part C of title XVIII of the Social Security Act, shall conduct a study to determine the extent to which the cost-sharing structures under such plans affect access to covered services or select enrollees based on the health status of eligible individuals described in section 1851(a)(3) of the Social Security Act (42 U.S.C. 1395w–21(a)(3)).

(2) REPORT.—Not later than December 31, 2004, the Commission shall submit a report to Congress on the study conducted under paragraph (1) together with recommendations for such legislation and administrative actions as the Commission considers appropriate.

Deadline.

(i) IMPLEMENTATION OF PROVISIONS.—

42 USC
1395w–23 note.
Deadline.

(1) ANNOUNCEMENT OF REVISED MEDICARE ADVANTAGE PAYMENT RATES.—Within 6 weeks after the date of the enactment of this Act, the Secretary shall determine, and shall announce (in a manner intended to provide notice to interested parties) MA capitation rates under section 1853 of the Social Security Act (42 U.S.C. 1395w–23) for 2004, revised in accordance with the provisions of this section.

(2) TRANSITION TO REVISED PAYMENT RATES.—The provisions of section 604 of BIPA (114 Stat. 2763A–555) (other than subsection (a)) shall apply to the provisions of subsections (a) through (d) of this section for 2004 in the same manner as the provisions of such section 604 applied to the provisions of BIPA for 2001.

Applicability.

(3) SPECIAL RULE FOR PAYMENT RATES IN 2004.—

(A) JANUARY AND FEBRUARY.—Notwithstanding the amendments made by subsections (a) through (d), for purposes of making payments under section 1853 of the Social Security Act (42 U.S.C. 1395w–23) for January and February 2004, the annual capitation rate for a payment area shall be calculated and the excess amount under section 1854(f)(1)(B) of such Act (42 U.S.C. 1395w–24(f)(1)(B)) shall be determined as if such amendments had not been enacted.

(B) MARCH THROUGH DECEMBER.—Notwithstanding the amendments made by subsections (a) through (d), for purposes of making payments under section 1853 of the Social Security Act (42 U.S.C. 1395w–23) for March through December 2004, the annual capitation rate for a payment area shall be calculated and the excess amount under section 1854(f)(1)(B) of such Act (42 U.S.C. 1395w–24(f)(1)(B)) shall be determined, in such manner as the Secretary estimates will ensure that the total of such payments with respect to 2004 is the same as the amounts that would have been if subparagraph (A) had not been enacted.

(C) CONSTRUCTION.—Subparagraphs (A) and (B) shall not be taken into account in computing such capitation rate for 2005 and subsequent years.

Deadline.

(4) **PLANS REQUIRED TO PROVIDE NOTICE OF CHANGES IN PLAN BENEFITS.**—In the case of an organization offering a plan under part C of title XVIII of the Social Security Act that revises its submission of the information described in section 1854(a)(1) of such Act (42 U.S.C. 1395w–23(a)(1)) for a plan pursuant to the application of paragraph (2), if such revision results in changes in beneficiary premiums, beneficiary cost-sharing, or benefits under the plan, then by not later than 3 weeks after the date the Secretary approves such submission, the organization offering the plan shall provide each beneficiary enrolled in the plan with written notice of such changes.

(5) **LIMITATION ON REVIEW.**—There shall be no administrative or judicial review under section 1869 or section 1878 of the Social Security Act (42 U.S.C. 1395ff and 1395oo), or otherwise of any determination made by the Secretary under this subsection or the application of the payment rates determined pursuant to this subsection.

(j) **ADDITIONAL AMENDMENTS.**—Section 1852(d)(4) (42 U.S.C. 1395w–22(d)(4)) is amended—

(1) in subparagraph (B), by inserting “(other than deemed contracts or agreements under subsection (j)(6))” after “the plan has contracts or agreements”; and

(2) in the last sentence, by inserting before the period at the end the following: “, except that, if a plan entirely meets such requirement with respect to a category of health care professional or provider on the basis of subparagraph (B), it may provide for a higher beneficiary copayment in the case of health care professionals and providers of that category who do not have contracts or agreements (other than deemed contracts or agreements under subsection (j)(6)) to provide covered services under the terms of the plan”.

Subtitle C—Offering of Medicare Advantage (MA) Regional Plans; Medicare Advantage Competition

SEC. 221. ESTABLISHMENT OF MA REGIONAL PLANS.

(a) **OFFERING OF MA REGIONAL PLANS.**—

(1) **IN GENERAL.**—Section 1851(a)(2)(A) is amended—

(A) by striking “COORDINATED CARE PLANS.—Coordinated” and inserting the following: “COORDINATED CARE PLANS (INCLUDING REGIONAL PLANS).—

“(i) **IN GENERAL.**—Coordinated”;

(B) by inserting “regional or local” before “preferred provider organization plans”; and

(C) by inserting “(including MA regional plans)” after “preferred provider organization plans”.

(2) **MORATORIUM ON NEW LOCAL PREFERRED PROVIDER ORGANIZATION PLANS.**—The Secretary shall not permit the offering of a local preferred provider organization plan under part C of title XVIII of the Social Security Act during 2006 or 2007 in a service area unless such plan was offered under such part (including under a demonstration project under such part) in such area as of December 31, 2005.

(b) **DEFINITION OF MA REGIONAL PLAN; MA LOCAL PLAN.**—

42 USC
1395w–21.

42 USC
1395w–21 note.

(1) IN GENERAL.—Section 1859(b) (42 U.S.C. 1395w–29(b)) is amended by adding at the end the following new paragraphs:

42 USC
1395w–28.

“(4) MA REGIONAL PLAN.—The term ‘MA regional plan’ means an MA plan described in section 1851(a)(2)(A)(i)—

“(A) that has a network of providers that have agreed to a contractually specified reimbursement for covered benefits with the organization offering the plan;

“(B) that provides for reimbursement for all covered benefits regardless of whether such benefits are provided within such network of providers; and

“(C) the service area of which is one or more entire MA regions.

“(5) MA LOCAL PLAN.—The term ‘MA local plan’ means an MA plan that is not an MA regional plan.”

(2) CONSTRUCTION.—Nothing in part C of title XVIII of the Social Security Act shall be construed as preventing an MSA plan or MA private fee-for-service plan from having a service area that covers one or more MA regions or the entire nation.

42 USC
1395w–21 note.

(c) RULES FOR MA REGIONAL PLANS.—Part C of title XVIII (42 U.S.C. 1395w–21 et seq.) is amended by inserting after section 1857 the following new section:

“SPECIAL RULES FOR MA REGIONAL PLANS

“SEC. 1858. (a) REGIONAL SERVICE AREA; ESTABLISHMENT OF MA REGIONS.—

42 USC
1395w–27a.

“(1) COVERAGE OF ENTIRE MA REGION.—The service area for an MA regional plan shall consist of an entire MA region established under paragraph (2) and the provisions of section 1854(h) shall not apply to such a plan.

“(2) ESTABLISHMENT OF MA REGIONS.—

“(A) MA REGION.—For purposes of this title, the term ‘MA region’ means such a region within the 50 States and the District of Columbia as established by the Secretary under this paragraph.

“(B) ESTABLISHMENT.—

“(i) INITIAL ESTABLISHMENT.—Not later than January 1, 2005, the Secretary shall first establish and publish MA regions.

Deadline.

“(ii) PERIODIC REVIEW AND REVISION OF SERVICE AREAS.—The Secretary may periodically review MA regions under this paragraph and, based on such review, may revise such regions if the Secretary determines such revision to be appropriate.

“(C) REQUIREMENTS FOR MA REGIONS.—The Secretary shall establish, and may revise, MA regions under this paragraph in a manner consistent with the following:

“(i) NUMBER OF REGIONS.—There shall be no fewer than 10 regions, and no more than 50 regions.

“(ii) MAXIMIZING AVAILABILITY OF PLANS.—The regions shall maximize the availability of MA regional plans to all MA eligible individuals without regard to health status, especially those residing in rural areas.

“(D) MARKET SURVEY AND ANALYSIS.—Before establishing MA regions, the Secretary shall conduct a market survey and analysis, including an examination of current

insurance markets, to determine how the regions should be established.

“(3) NATIONAL PLAN.—Nothing in this subsection shall be construed as preventing an MA regional plan from being offered in more than one MA region (including all regions).

“(b) APPLICATION OF SINGLE DEDUCTIBLE AND CATASTROPHIC LIMIT ON OUT-OF-POCKET EXPENSES.—An MA regional plan shall include the following:

“(1) SINGLE DEDUCTIBLE.—Any deductible for benefits under the original medicare fee-for-service program option shall be a single deductible (instead of a separate inpatient hospital deductible and a part B deductible) and may be applied differentially for in-network services and may be waived for preventive or other items and services.

“(2) CATASTROPHIC LIMIT.—

“(A) IN-NETWORK.—A catastrophic limit on out-of-pocket expenditures for in-network benefits under the original medicare fee-for-service program option.

“(B) TOTAL.—A catastrophic limit on out-of-pocket expenditures for all benefits under the original medicare fee-for-service program option.

“(c) PORTION OF TOTAL PAYMENTS TO AN ORGANIZATION SUBJECT TO RISK FOR 2006 AND 2007.—

“(1) APPLICATION OF RISK CORRIDORS.—

“(A) IN GENERAL.—This subsection shall only apply to MA regional plans offered during 2006 or 2007.

“(B) NOTIFICATION OF ALLOWABLE COSTS UNDER THE PLAN.—In the case of an MA organization that offers an MA regional plan in an MA region in 2006 or 2007, the organization shall notify the Secretary, before such date in the succeeding year as the Secretary specifies, of—

“(i) its total amount of costs that the organization incurred in providing benefits covered under the original medicare fee-for-service program option for all enrollees under the plan in the region in the year and the portion of such costs that is attributable to administrative expenses described in subparagraph (C); and

“(ii) its total amount of costs that the organization incurred in providing rebatable integrated benefits (as defined in subparagraph (D)) and with respect to such benefits the portion of such costs that is attributable to administrative expenses described in subparagraph (C) and not described in clause (i) of this subparagraph.

“(C) ALLOWABLE COSTS DEFINED.—For purposes of this subsection, the term ‘allowable costs’ means, with respect to an MA regional plan for a year, the total amount of costs described in subparagraph (B) for the plan and year, reduced by the portion of such costs attributable to administrative expenses incurred in providing the benefits described in such subparagraph.

“(D) REBATABLE INTEGRATED BENEFITS.—For purposes of this subsection, the term ‘rebatable integrated benefits’ means such non-drug supplemental benefits under subclause (I) of section 1854(b)(1)(C)(ii) pursuant to a rebate under such section that the Secretary determines are

integrated with the benefits described in subparagraph (B)(i).

“(2) ADJUSTMENT OF PAYMENT.—

“(A) NO ADJUSTMENT IF ALLOWABLE COSTS WITHIN 3 PERCENT OF TARGET AMOUNT.—If the allowable costs for the plan for the year are at least 97 percent, but do not exceed 103 percent, of the target amount for the plan and year, there shall be no payment adjustment under this subsection for the plan and year.

“(B) INCREASE IN PAYMENT IF ALLOWABLE COSTS ABOVE 103 PERCENT OF TARGET AMOUNT.—

“(i) COSTS BETWEEN 103 AND 108 PERCENT OF TARGET AMOUNT.—If the allowable costs for the plan for the year are greater than 103 percent, but not greater than 108 percent, of the target amount for the plan and year, the Secretary shall increase the total of the monthly payments made to the organization offering the plan for the year under section 1853(a) by an amount equal to 50 percent of the difference between such allowable costs and 103 percent of such target amount.

“(ii) COSTS ABOVE 108 PERCENT OF TARGET AMOUNT.—If the allowable costs for the plan for the year are greater than 108 percent of the target amount for the plan and year, the Secretary shall increase the total of the monthly payments made to the organization offering the plan for the year under section 1853(a) by an amount equal to the sum of—

“(I) 2.5 percent of such target amount; and

“(II) 80 percent of the difference between such allowable costs and 108 percent of such target amount.

“(C) REDUCTION IN PAYMENT IF ALLOWABLE COSTS BELOW 97 PERCENT OF TARGET AMOUNT.—

“(i) COSTS BETWEEN 92 AND 97 PERCENT OF TARGET AMOUNT.—If the allowable costs for the plan for the year are less than 97 percent, but greater than or equal to 92 percent, of the target amount for the plan and year, the Secretary shall reduce the total of the monthly payments made to the organization offering the plan for the year under section 1853(a) by an amount (or otherwise recover from the plan an amount) equal to 50 percent of the difference between 97 percent of the target amount and such allowable costs.

“(ii) COSTS BELOW 92 PERCENT OF TARGET AMOUNT.—If the allowable costs for the plan for the year are less than 92 percent of the target amount for the plan and year, the Secretary shall reduce the total of the monthly payments made to the organization offering the plan for the year under section 1853(a) by an amount (or otherwise recover from the plan an amount) equal to the sum of—

“(I) 2.5 percent of such target amount; and

“(II) 80 percent of the difference between 92 percent of such target amount and such allowable costs.

“(D) TARGET AMOUNT DESCRIBED.—For purposes of this paragraph, the term ‘target amount’ means, with respect to an MA regional plan offered by an organization in a year, an amount equal to—

“(i) the sum of—

“(I) the total monthly payments made to the organization for enrollees in the plan for the year that are attributable to benefits under the original medicare fee-for-service program option (as defined in section 1852(a)(1)(B));

“(II) the total of the MA monthly basic beneficiary premium collectable for such enrollees for the year; and

“(III) the total amount of the rebates under section 1854(b)(1)(C)(ii) that are attributable to rebatable integrated benefits; reduced by

“(ii) the amount of administrative expenses assumed in the bid insofar as the bid is attributable to benefits described in clause (i)(I) or (i)(III).

“(3) DISCLOSURE OF INFORMATION.—

“(A) IN GENERAL.—Each contract under this part shall provide—

“(i) that an MA organization offering an MA regional plan shall provide the Secretary with such information as the Secretary determines is necessary to carry out this subsection; and

“(ii) that, pursuant to section 1857(d)(2)(B), the Secretary has the right to inspect and audit any books and records of the organization that pertain to the information regarding costs provided to the Secretary under paragraph (1)(B).

“(B) RESTRICTION ON USE OF INFORMATION.—Information disclosed or obtained pursuant to the provisions of this subsection may be used by officers, employees, and contractors of the Department of Health and Human Services only for the purposes of, and to the extent necessary in, carrying out this subsection.

“(d) ORGANIZATIONAL AND FINANCIAL REQUIREMENTS.—

“(1) IN GENERAL.—In the case of an MA organization that is offering an MA regional plan in an MA region and—

“(A) meets the requirements of section 1855(a)(1) with respect to at least one such State in such region; and

“(B) with respect to each other State in such region in which it does not meet requirements, it demonstrates to the satisfaction of the Secretary that it has filed the necessary application to meet such requirements,

the Secretary may waive such requirement with respect to each State described in subparagraph (B) for such period of time as the Secretary determines appropriate for the timely processing of such an application by the State (and, if such application is denied, through the end of such plan year as the Secretary determines appropriate to provide for a transition).

“(2) SELECTION OF APPROPRIATE STATE.—In applying paragraph (1) in the case of an MA organization that meets the requirements of section 1855(a)(1) with respect to more than one State in a region, the organization shall select, in a manner

specified by the Secretary among such States, one State the rules of which shall apply in the case of the States described in paragraph (1)(B).

“(e) STABILIZATION FUND.—

“(1) ESTABLISHMENT.—The Secretary shall establish under this subsection an MA Regional Plan Stabilization Fund (in this subsection referred to as the ‘Fund’) which shall be available for two purposes:

“(A) PLAN ENTRY.—To provide incentives to have MA regional plans offered in each MA region under paragraph (3).

“(B) PLAN RETENTION.—To provide incentives to retain MA regional plans in certain MA regions with below-national-average MA market penetration under paragraph (4).

“(2) FUNDING.—

“(A) INITIAL FUNDING.—

“(i) IN GENERAL.—There shall be available to the Fund, for expenditures from the Fund during the period beginning on January 1, 2007, and ending on December 31, 2013, a total of \$10,000,000,000.

“(ii) PAYMENT FROM TRUST FUNDS.—Such amount shall be available to the Fund, as expenditures are made from the Fund, from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in the proportion specified in section 1853(f).

“(B) ADDITIONAL FUNDING FROM SAVINGS.—

“(i) IN GENERAL.—There shall also be made available to the Fund, 50 percent of savings described in clause (ii).

“(ii) SAVINGS.—The savings described in this clause are 25 percent of the average per capita savings described in section 1854(b)(4)(C) for which monthly rebates are provided under section 1854(b)(1)(C) in the fiscal year involved that are attributable to MA regional plans.

“(iii) AVAILABILITY.—Funds made available under this subparagraph shall be transferred into a special account in the Treasury from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in the proportion specified in section 1853(f) on a monthly basis.

“(C) OBLIGATIONS.—Amounts in the Fund shall be available in advance of appropriations to MA regional plans in qualifying MA regions only in accordance with paragraph (5).

“(D) ORDERING.—Expenditures from the Fund shall first be made from amounts made available under subparagraph (A).

“(3) PLAN ENTRY FUNDING.—

“(A) IN GENERAL.—Funding is available under this paragraph for a year only as follows:

“(i) NATIONAL PLAN.—For a national bonus payment described in subparagraph (B) for the offering by a single MA organization of an MA regional plan in each MA region in the year, but only if there was

not such a plan offered in each such region in the previous year. Funding under this clause is only available with respect to any individual MA organization for a single year, but may be made available to more than one such organization in the same year.

“(ii) REGIONAL PLANS.—Subject to clause (iii), for an increased amount under subparagraph (C) for an MA regional plan offered in an MA region which did not have any MA regional plan offered in the prior year.

“(iii) LIMITATION ON REGIONAL PLAN FUNDING IN CASE OF NATIONAL PLAN.—In no case shall there be any payment adjustment under subparagraph (C) for a year for which a national payment adjustment is made under subparagraph (B).

“(B) NATIONAL BONUS PAYMENT.—The national bonus payment under this subparagraph shall—

“(i) be available to an MA organization only if the organization offers MA regional plans in every MA region;

“(ii) be available with respect to all MA regional plans of the organization regardless of whether any other MA regional plan is offered in any region; and

“(iii) subject to amounts available under paragraph (5) for a year, be equal to 3 percent of the benchmark amount otherwise applicable for each MA regional plan offered by the organization.

“(C) REGIONAL PAYMENT ADJUSTMENT.—

“(i) IN GENERAL.—The increased amount under this subparagraph for an MA regional plan in an MA region for a year shall be an amount, determined by the Secretary, based on the bid submitted for such plan (or plans) and shall be available to all MA regional plans offered in such region and year. Such amount may be based on the mean, mode, or median, or other measure of such bids and may vary from region to region. The Secretary may not limit the number of plans or bids in a region.

“(ii) MULTI-YEAR FUNDING.—

“(I) IN GENERAL.—Subject to amounts available under paragraph (5), funding under this subparagraph shall be available for a period determined by the Secretary.

“(II) REPORT.—If the Secretary determines that funding will be provided for a second consecutive year with respect to an MA region, the Secretary shall submit to the Congress a report that describes the underlying market dynamics in the region and that includes recommendations concerning changes in the payment methodology otherwise provided for MA regional plans under this part.

“(iii) APPLICATION TO ALL PLANS IN A REGION.—Funding under this subparagraph with respect to an MA region shall be made available with respect to all MA regional plans offered in the region.

“(iv) LIMITATION ON AVAILABILITY OF PLAN RETENTION FUNDING IN NEXT YEAR.—If an increased amount is made available under this subparagraph with respect to an MA region for a period determined by the Secretary under clause (ii)(I), in no case shall funding be available under paragraph (4) with respect to MA regional plans offered in the region in the year following such period.

“(D) APPLICATION.—Any additional payment under this paragraph provided for an MA regional plan for a year shall be treated as if it were an addition to the benchmark amount otherwise applicable to such plan and year, but shall not be taken into account in the computation of any benchmark amount for any subsequent year.

“(4) PLAN RETENTION FUNDING.—

“(A) IN GENERAL.—Funding is available under this paragraph for a year with respect to MA regional plans offered in an MA region for the increased amount specified in subparagraph (B) but only if the region meets the requirements of subparagraphs (C) and (E).

“(B) PAYMENT INCREASE.—The increased amount under this subparagraph for an MA regional plan in an MA region for a year shall be an amount, determined by the Secretary, that does not exceed the greater of—

“(i) 3 percent of the benchmark amount applicable in the region; or

“(ii) such amount as (when added to the benchmark amount applicable to the region) will result in the ratio of—

“(I) such additional amount plus the benchmark amount computed under section 1854(b)(4)(B)(i) for the region and year, to the adjusted average per capita cost for the region and year, as estimated by the Secretary under section 1876(a)(4) and adjusted as appropriate for the purpose of risk adjustment; being equal to

“(II) the weighted average of such benchmark amounts for all the regions and such year, to the average per capita cost for the United States and such year, as estimated by the Secretary under section 1876(a)(4) and adjusted as appropriate for the purpose of risk adjustment.

“(C) REGIONAL REQUIREMENTS.—The requirements of this subparagraph for an MA region for a year are as follows:

“(i) NOTIFICATION OF PLAN EXIT.—The Secretary has received notice (in such form and manner as the Secretary specifies) before a year that one or more MA regional plans that were offered in the region in the previous year will not be offered in the succeeding year.

“(ii) REGIONAL PLANS AVAILABLE FROM FEWER THAN 2 MA ORGANIZATIONS IN THE REGION.—The Secretary determines that if the plans referred to in clause (i) are not offered in the year, fewer than 2 MA organizations will be offering MA regional plans in the region in the year involved.

“(iii) PERCENTAGE ENROLLMENT IN MA REGIONAL PLANS BELOW NATIONAL AVERAGE.—For the previous year, the Secretary determines that the average percentage of MA eligible individuals residing in the region who are enrolled in MA regional plans is less than the average percentage of such individuals in the United States enrolled in such plans.

“(D) APPLICATION.—Any additional payment under this paragraph provided for an MA regional plan for a year shall be treated as if it were an addition to the benchmark amount otherwise applicable to such plan and year, but shall not be taken into account in the computation of any benchmark amount for any subsequent year.

“(E) 2-CONSECUTIVE-YEAR LIMITATION.—

“(i) IN GENERAL.—In no case shall any funding be available under this paragraph in an MA region in a period of consecutive years that exceeds 2 years.

“(ii) REPORT.—If the Secretary determines that funding will be provided under this paragraph for a second consecutive year with respect to an MA region, the Secretary shall submit to the Congress a report that describes the underlying market dynamics in the region and that includes recommendations concerning changes in the payment methodology otherwise provided for MA regional plans under this part.

“(5) FUNDING LIMITATION.—

“(A) IN GENERAL.—The total amount expended from the Fund as a result of the application of this subsection through the end of a calendar year may not exceed the amount available to the Fund as of the first day of such year. For purposes of this subsection, amounts that are expended under this title insofar as such amounts would not have been expended but for the application of this subsection shall be counted as amounts expended as a result of such application.

“(B) APPLICATION OF LIMITATION.—The Secretary may obligate funds from the Fund for a year only if the Secretary determines (and the Chief Actuary of the Centers for Medicare & Medicaid Services and the appropriate budget officer certify) that there are available in the Fund at the beginning of the year sufficient amounts to cover all such obligations incurred during the year consistent with subparagraph (A). The Secretary shall take such steps, in connection with computing additional payment amounts under paragraphs (3) and (4) and including limitations on enrollment in MA regional plans receiving such payments, as will ensure that sufficient funds are available to make such payments for the entire year. Funds shall only be made available from the Fund pursuant to an apportionment made in accordance with applicable procedures.

Deadline.

“(6) SECRETARY REPORTS.—Not later than April 1 of each year (beginning in 2008), the Secretary shall submit a report to Congress and the Comptroller General of the United States that includes—

“(A) a detailed description of—

“(i) the total amount expended as a result of the application of this subsection in the previous year compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

“(ii) the projections of the total amount that will be expended as a result of the application of this subsection in the year in which the report is submitted compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

“(iii) amounts remaining within the funding limitation specified in paragraph (5); and

“(iv) the steps that the Secretary will take under paragraph (5)(B) to ensure that the application of this subsection will not cause expenditures to exceed the amount available in the Fund; and

“(B) a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that the description provided under subparagraph (A) is reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

“(7) BIENNIAL GAO REPORTS.—Not later than January 1 of 2009, 2011, 2013, and 2015, the Comptroller General of the United States shall submit to the Secretary and Congress a report on the application of additional payments under this subsection. Each report shall include—

Deadline.

“(A) an evaluation of—

“(i) the quality of care provided to individuals enrolled in MA regional plans for which additional payments were made under this subsection;

“(ii) the satisfaction of such individuals with benefits under such a plan;

“(iii) the costs to the medicare program for payments made to such plans; and

“(iv) any improvements in the delivery of health care services under such a plan;

“(B) a comparative analysis of the performance of MA regional plans receiving payments under this subsection with MA regional plans not receiving such payments; and

“(C) recommendations for such legislation or administrative action as the Comptroller General determines to be appropriate.

“(f) COMPUTATION OF APPLICABLE MA REGION-SPECIFIC NON-DRUG MONTHLY BENCHMARK AMOUNTS.—

“(1) COMPUTATION FOR REGIONS.—For purposes of section 1853(j)(2) and this section, subject to subsection (e), the term ‘MA region-specific non-drug monthly benchmark amount’ means, with respect to an MA region for a month in a year, the sum of the 2 components described in paragraph (2) for the region and year. The Secretary shall compute such benchmark amount for each MA region before the beginning of each annual, coordinated election period under section 1851(e)(3)(B) for each year (beginning with 2006).

“(2) 2 COMPONENTS.—For purposes of paragraph (1), the 2 components described in this paragraph for an MA region and a year are the following:

“(A) STATUTORY COMPONENT.—The product of the following:

“(i) STATUTORY REGION-SPECIFIC NON-DRUG AMOUNT.—The statutory region-specific non-drug amount (as defined in paragraph (3)) for the region and year.

“(ii) STATUTORY NATIONAL MARKET SHARE.—The statutory national market share percentage, determined under paragraph (4) for the year.

“(B) PLAN-BID COMPONENT.—The product of the following:

“(i) WEIGHTED AVERAGE OF MA PLAN BIDS IN REGION.—The weighted average of the plan bids for the region and year (as determined under paragraph (5)(A)).

“(ii) NON-STATUTORY MARKET SHARE.—1 minus the statutory national market share percentage, determined under paragraph (4) for the year.

“(3) STATUTORY REGION-SPECIFIC NON-DRUG AMOUNT.—For purposes of paragraph (2)(A)(i), the term ‘statutory region-specific non-drug amount’ means, for an MA region and year, an amount equal the sum (for each MA local area within the region) of the product of—

“(A) MA area-specific non-drug monthly benchmark amount under section 1853(j)(1)(A) for that area and year; and

“(B) the number of MA eligible individuals residing in the local area, divided by the total number of MA eligible individuals residing in the region.

“(4) COMPUTATION OF STATUTORY MARKET SHARE PERCENTAGE.—

“(A) IN GENERAL.—The Secretary shall determine for each year a statutory national market share percentage that is equal to the proportion of MA eligible individuals nationally who were not enrolled in an MA plan during the reference month.

“(B) REFERENCE MONTH DEFINED.—For purposes of this part, the term ‘reference month’ means, with respect to a year, the most recent month during the previous year for which the Secretary determines that data are available to compute the percentage specified in subparagraph (A) and other relevant percentages under this part.

“(5) DETERMINATION OF WEIGHTED AVERAGE MA BIDS FOR A REGION.—

“(A) IN GENERAL.—For purposes of paragraph (2)(B)(i), the weighted average of plan bids for an MA region and a year is the sum, for MA regional plans described in subparagraph (D) in the region and year, of the products (for each such plan) of the following:

“(i) MONTHLY MA STATUTORY NON-DRUG BID AMOUNT.—The unadjusted MA statutory non-drug monthly bid amount for the plan.

“(ii) PLAN’S SHARE OF MA ENROLLMENT IN REGION.—The factor described in subparagraph (B) for the plan.

“(B) PLAN’S SHARE OF MA ENROLLMENT IN REGION.—

“(i) IN GENERAL.—Subject to the succeeding provisions of this subparagraph, the factor described in this subparagraph for a plan is equal to the number of individuals described in subparagraph (C) for such plan, divided by the total number of such individuals for all MA regional plans described in subparagraph (D) for that region and year.

“(ii) SINGLE PLAN RULE.—In the case of an MA region in which only a single MA regional plan is being offered, the factor described in this subparagraph shall be equal to 1.

“(iii) EQUAL DIVISION AMONG MULTIPLE PLANS IN YEAR IN WHICH PLANS ARE FIRST AVAILABLE.—In the case of an MA region in the first year in which any MA regional plan is offered, if more than one MA regional plan is offered in such year, the factor described in this subparagraph for a plan shall (as specified by the Secretary) be equal to—

“(I) 1 divided by the number of such plans offered in such year; or

“(II) a factor for such plan that is based upon the organization’s estimate of projected enrollment, as reviewed and adjusted by the Secretary to ensure reasonableness and as is certified by the Chief Actuary of the Centers for Medicare & Medicaid Services.

“(C) COUNTING OF INDIVIDUALS.—For purposes of subparagraph (B)(i), the Secretary shall count for each MA regional plan described in subparagraph (D) for an MA region and year, the number of individuals who reside in the region and who were enrolled under such plan under this part during the reference month.

“(D) PLANS COVERED.—For an MA region and year, an MA regional plan described in this subparagraph is an MA regional plan that is offered in the region and year and was offered in the region in the reference month.

“(g) ELECTION OF UNIFORM COVERAGE DETERMINATION.—Instead of applying section 1852(a)(2)(C) with respect to an MA regional plan, the organization offering the plan may elect to have a local coverage determination for the entire MA region be the local coverage determination applied for any part of such region (as selected by the organization).

“(h) ASSURING NETWORK ADEQUACY.—

“(1) IN GENERAL.—For purposes of enabling MA organizations that offer MA regional plans to meet applicable provider access requirements under section 1852 with respect to such plans, the Secretary may provide for payment under this section to an essential hospital that provides inpatient hospital services to enrollees in such a plan where the MA organization offering the plan certifies to the Secretary that the organization was unable to reach an agreement between the hospital and the organization regarding provision of such services under the plan. Such payment shall be available only if—

“(A) the organization provides assurances satisfactory to the Secretary that the organization will make payment to the hospital for inpatient hospital services of an amount that is not less than the amount that would be payable

Certification.

to the hospital under section 1886 with respect to such services; and

“(B) with respect to specific inpatient hospital services provided to an enrollee, the hospital demonstrates to the satisfaction of the Secretary that the hospital’s costs of such services exceed the payment amount described in subparagraph (A).

“(2) PAYMENT AMOUNTS.—The payment amount under this subsection for inpatient hospital services provided by a subsection (d) hospital to an enrollee in an MA regional plan shall be, subject to the limitation of funds under paragraph (3), the amount (if any) by which—

“(A) the amount of payment that would have been paid for such services under this title if the enrollees were covered under the original medicare fee-for-service program option and the hospital were a critical access hospital; exceeds

“(B) the amount of payment made for such services under paragraph (1)(A).

“(3) AVAILABLE AMOUNTS.—There shall be available for payments under this subsection—

“(A) in 2006, \$25,000,000; and

“(B) in each succeeding year the amount specified in this paragraph for the preceding year increased by the market basket percentage increase (as defined in section 1886(b)(3)(B)(iii)) for the fiscal year ending in such succeeding year.

Payments under this subsection shall be made from the Federal Hospital Insurance Trust Fund.

Definition.

“(4) ESSENTIAL HOSPITAL.—In this subsection, the term ‘essential hospital’ means, with respect to an MA regional plan offered by an MA organization, a subsection (d) hospital (as defined in section 1886(d)) that the Secretary determines, based upon an application filed by the organization with the Secretary, is necessary to meet the requirements referred to in paragraph (1) for such plan.”.

(d) CONFORMING AMENDMENTS.—

(1) RELATING TO MA REGIONS.—Section 1853(d) (42 U.S.C. 1395w-23(d)) is amended—

(A) by amending the heading to read as follows: “MA PAYMENT AREA; MA LOCAL AREA; MA REGION DEFINED”;

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(C) by amending paragraph (1) to read as follows:

“(1) MA PAYMENT AREA.—In this part, except as provided in this subsection, the term ‘MA payment area’ means—

“(A) with respect to an MA local plan, an MA local area (as defined in paragraph (2)); and

“(B) with respect to an MA regional plan, an MA region (as established under section 1858(a)(2)).”;

(D) by inserting after paragraph (1) the following new paragraph:

“(2) MA LOCAL AREA.—The term ‘MA local area’ means a county or equivalent area specified by the Secretary.”; and

(E) in paragraph (4), as so redesignated—

(i) in subparagraph (A), by inserting “for MA local plans” after “paragraph (1)”; and

(ii) in subparagraph (A)(iii), by striking “paragraph (1)” and inserting “paragraph (1)(A)”; and

(iii) in subparagraph (B)—

(I) by inserting “with respect to MA local plans” after “established under this section”;

(II) by inserting “for such plans” after “payments under this section”; and

(III) by inserting “for such plans” after “made under this section”.

(2) MA LOCAL AREA DEFINED.—Section 1859(c) (42 U.S.C. 1395w–29(c)) is amended by adding at the end the following:

42 USC
1395w–28.

“(5) MA LOCAL AREA.—The term ‘MA local area’ is defined in section 1853(d)(2).”.

(3) APPLICATION OF SPECIAL BENEFIT RULES TO PPOS AND REGIONAL PLANS.—Section 1852(a) (42 U.S.C. 1395w–22(a)) is amended—

(A) in paragraph (1), by inserting “and except as provided in paragraph (6) for MA regional plans” after “MSA plans”; and

(B) by adding at the end the following new paragraph:

“(6) SPECIAL BENEFIT RULES FOR REGIONAL PLANS.—In the case of an MA plan that is an MA regional plan, benefits under the plan shall include the benefits described in paragraphs (1) and (2) of section 1858(b).”.

(4) APPLICATION OF CAPITATION RATES TO LOCAL AREAS.—Section 1853(c)(1) (42 U.S.C. 1395w–23(c)(1)) is amended by inserting “that is an MA local area” after “for a Medicare+Choice payment area”.

(5) NETWORK ADEQUACY HOSPITAL PAYMENTS.—Section 1851(i)(2) (42 U.S.C. 1395w–21(i)(2)) is amended by inserting “1858(h),” after “1857(f)(2),”.

SEC. 222. COMPETITION PROGRAM BEGINNING IN 2006.

(a) SUBMISSION OF BIDDING AND REBATE INFORMATION BEGINNING IN 2006.—

(1) IN GENERAL.—Section 1854 (42 U.S.C. 1395w–24) is amended—

(A) by amending paragraph (1) of subsection (a) to read as follows:

“(1) IN GENERAL.—

“(A) INITIAL SUBMISSION.—Not later than the second Monday in September of 2002, 2003, and 2004 (or the first Monday in June of each subsequent year), each MA organization shall submit to the Secretary, in a form and manner specified by the Secretary and for each MA plan for the service area (or segment of such an area if permitted under subsection (h)) in which it intends to be offered in the following year the following:

Deadline.

“(i) The information described in paragraph (2), (3), (4), or (6)(A) for the type of plan and year involved.

“(ii) The plan type for each plan.

“(iii) The enrollment capacity (if any) in relation to the plan and area.

“(B) BENEFICIARY REBATE INFORMATION.—In the case of a plan required to provide a monthly rebate under subsection (b)(1)(C) for a year, the MA organization offering the plan shall submit to the Secretary, in such form and

manner and at such time as the Secretary specifies, information on—

“(i) the manner in which such rebate will be provided under clause (ii) of such subsection; and

“(ii) the MA monthly prescription drug beneficiary premium (if any) and the MA monthly supplemental beneficiary premium (if any).

Guidelines.

“(C) PAPERWORK REDUCTION FOR OFFERING OF MA REGIONAL PLANS NATIONALLY OR IN MULTI-REGION AREAS.—The Secretary shall establish requirements for information submission under this subsection in a manner that promotes the offering of MA regional plans in more than one region (including all regions) through the filing of consolidated information.”; and

(B) by adding at the end of subsection (a) the following:

“(6) SUBMISSION OF BID AMOUNTS BY MA ORGANIZATIONS BEGINNING IN 2006.—

“(A) INFORMATION TO BE SUBMITTED.—For an MA plan (other than an MSA plan) for a plan year beginning on or after January 1, 2006, the information described in this subparagraph is as follows:

“(i) The monthly aggregate bid amount for the provision of all items and services under the plan, which amount shall be based on average revenue requirements (as used for purposes of section 1302(8) of the Public Health Service Act) in the payment area for an enrollee with a national average risk profile for the factors described in section 1853(a)(1)(C) (as specified by the Secretary).

“(ii) The proportions of such bid amount that are attributable to—

“(I) the provision of benefits under the original medicare fee-for-service program option (as defined in section 1852(a)(1)(B));

“(II) the provision of basic prescription drug coverage; and

“(III) the provision of supplemental health care benefits.

“(iii) The actuarial basis for determining the amount under clause (i) and the proportions described in clause (ii) and such additional information as the Secretary may require to verify such actuarial bases and the projected number of enrollees in each MA local area.

“(iv) A description of deductibles, coinsurance, and copayments applicable under the plan and the actuarial value of such deductibles, coinsurance, and copayments, described in subsection (e)(4)(A).

“(v) With respect to qualified prescription drug coverage, the information required under section 1860D-4, as incorporated under section 1860D-11(b)(2), with respect to such coverage.

In the case of a specialized MA plan for special needs individuals, the information described in this subparagraph is such information as the Secretary shall specify.

“(B) ACCEPTANCE AND NEGOTIATION OF BID AMOUNTS.—

“(i) **AUTHORITY.**—Subject to clauses (iii) and (iv), the Secretary has the authority to negotiate regarding monthly bid amounts submitted under subparagraph (A) (and the proportions described in subparagraph (A)(ii)), including supplemental benefits provided under subsection (b)(1)(C)(ii)(I) and in exercising such authority the Secretary shall have authority similar to the authority of the Director of the Office of Personnel Management with respect to health benefits plans under chapter 89 of title 5, United States Code.

“(ii) **APPLICATION OF FEHBP STANDARD.**—Subject to clause (iv), the Secretary may only accept such a bid amount or proportion if the Secretary determines that such amount and proportions are supported by the actuarial bases provided under subparagraph (A) and reasonably and equitably reflects the revenue requirements (as used for purposes of section 1302(8) of the Public Health Service Act) of benefits provided under that plan.

“(iii) **NONINTERFERENCE.**—In order to promote competition under this part and part D and in carrying out such parts, the Secretary may not require any MA organization to contract with a particular hospital, physician, or other entity or individual to furnish items and services under this title or require a particular price structure for payment under such a contract to the extent consistent with the Secretary’s authority under this part.

“(iv) **EXCEPTION.**—In the case of a plan described in section 1851(a)(2)(C), the provisions of clauses (i) and (ii) shall not apply and the provisions of paragraph (5)(B), prohibiting the review, approval, or disapproval of amounts described in such paragraph, shall apply to the negotiation and rejection of the monthly bid amounts and the proportions referred to in subparagraph (A).”.

(2) **DEFINITION OF BENEFITS UNDER THE ORIGINAL MEDICARE FEE-FOR-SERVICE PROGRAM OPTION.**—Section 1852(a)(1) (42 U.S.C. 1395w–22(a)(1)) is amended—

(A) by striking “IN GENERAL.—Except” and inserting “REQUIREMENT.—

“(A) IN GENERAL.—Except”; and

(B) by striking “title XI” and all that follows and inserting the following: “title XI, benefits under the original medicare fee-for-service program option (and, for plan years before 2006, additional benefits required under section 1854(f)(1)(A)).

“(B) **BENEFITS UNDER THE ORIGINAL MEDICARE FEE-FOR-SERVICE PROGRAM OPTION DEFINED.**—

“(i) **IN GENERAL.**—For purposes of this part, the term ‘benefits under the original medicare fee-for-service program option’ means those items and services (other than hospice care) for which benefits are available under parts A and B to individuals entitled to benefits under part A and enrolled under part B, with cost-sharing for those services as required under parts

A and B or an actuarially equivalent level of cost-sharing as determined in this part.

“(ii) SPECIAL RULE FOR REGIONAL PLANS.—In the case of an MA regional plan in determining an actuarially equivalent level of cost-sharing with respect to benefits under the original medicare fee-for-service program option, there shall only be taken into account, with respect to the application of section 1858(b)(2), such expenses only with respect to subparagraph (A) of such section.”.

(3) CONFORMING AMENDMENT RELATING TO SUPPLEMENTAL HEALTH BENEFITS.—Section 1852(a)(3) (42 U.S.C. 1395w-22(a)(3)) is amended by adding at the end the following: “Such benefits may include reductions in cost-sharing below the actuarial value specified in section 1854(e)(4)(B).”.

(b) PROVIDING FOR BENEFICIARY SAVINGS FOR CERTAIN PLANS.—

(1) BENEFICIARY REBATES.—Section 1854(b)(1) (42 U.S.C. 1395w-24(b)(1)) is amended—

(A) in subparagraph (A), by striking “The monthly amount” and inserting “Subject to the rebate under subparagraph (C), the monthly amount (if any)”; and

(B) by adding at the end the following new subparagraph:

“(C) BENEFICIARY REBATE RULE.—

“(i) REQUIREMENT.—The MA plan shall provide to the enrollee a monthly rebate equal to 75 percent of the average per capita savings (if any) described in paragraph (3)(C) or (4)(C), as applicable to the plan and year involved.

“(ii) FORM OF REBATE.—A rebate required under this subparagraph shall be provided through the application of the amount of the rebate toward one or more of the following:

“(I) PROVISION OF SUPPLEMENTAL HEALTH CARE BENEFITS AND PAYMENT FOR PREMIUM FOR SUPPLEMENTAL BENEFITS.—The provision of supplemental health care benefits described in section 1852(a)(3) in a manner specified under the plan, which may include the reduction of cost-sharing otherwise applicable as well as additional health care benefits which are not benefits under the original medicare fee-for-service program option, or crediting toward an MA monthly supplemental beneficiary premium (if any).

“(II) PAYMENT FOR PREMIUM FOR PRESCRIPTION DRUG COVERAGE.—Crediting toward the MA monthly prescription drug beneficiary premium.

“(III) PAYMENT TOWARD PART B PREMIUM.—Crediting toward the premium imposed under part B (determined without regard to the application of subsections (b), (h), and (i) of section 1839).

“(iii) DISCLOSURE RELATING TO REBATES.—The plan shall disclose to the Secretary information on the form and amount of the rebate provided under this subparagraph or the actuarial value in the case of supplemental health care benefits.

“(iv) APPLICATION OF PART B PREMIUM REDUCTION.—Insofar as an MA organization elects to provide a rebate under this subparagraph under a plan as a credit toward the part B premium under clause (ii)(III), the Secretary shall apply such credit to reduce the premium under section 1839 of each enrollee in such plan as provided in section 1840(i).”.

(2) REVISION OF PREMIUM TERMINOLOGY.—Section 1854(b)(2) (42 U.S.C. 1395w–24(b)(2)) is amended—

(A) in the heading, by inserting “AND BID” after “PREMIUM”;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by striking subparagraphs (A) and (B) and inserting the following:

“(A) MA MONTHLY BASIC BENEFICIARY PREMIUM.—The term ‘MA monthly basic beneficiary premium’ means, with respect to an MA plan—

“(i) described in section 1853(a)(1)(B)(i) (relating to plans providing rebates), zero; or

“(ii) described in section 1853(a)(1)(B)(ii), the amount (if any) by which the unadjusted MA statutory non-drug monthly bid amount (as defined in subparagraph (E)) exceeds the applicable unadjusted MA area-specific non-drug monthly benchmark amount (as defined in section 1853(j)).

“(B) MA MONTHLY PRESCRIPTION DRUG BENEFICIARY PREMIUM.—The term ‘MA monthly prescription drug beneficiary premium’ means, with respect to an MA plan, the base beneficiary premium (as determined under section 1860D–13(a)(2) and as adjusted under section 1860D–13(a)(1)(B)), less the amount of rebate credited toward such amount under section 1854(b)(1)(C)(ii)(II).

“(C) MA MONTHLY SUPPLEMENTAL BENEFICIARY PREMIUM.—The term ‘MA monthly supplemental beneficiary premium’ means, with respect to an MA plan, the portion of the aggregate monthly bid amount submitted under clause (i) of subsection (a)(6)(A) for the year that is attributable under clause (ii)(III) of such subsection to the provision of supplemental health care benefits, less the amount of rebate credited toward such portion under section 1854(b)(1)(C)(ii)(I).”; and

(D) by adding at the end the following:

“(E) UNADJUSTED MA STATUTORY NON-DRUG MONTHLY BID AMOUNT.—The term ‘unadjusted MA statutory non-drug monthly bid amount’ means the portion of the bid amount submitted under clause (i) of subsection (a)(6)(A) for the year that is attributable under clause (ii)(I) of such subsection to the provision of benefits under the original medicare fee-for-service program option (as defined in section 1852(a)(1)(B)).”.

(3) COMPUTATION OF SAVINGS.—Section 1854(b) (42 U.S.C. 1395w–24(b)) is further amended by adding at the end the following new paragraphs:

“(3) COMPUTATION OF AVERAGE PER CAPITA MONTHLY SAVINGS FOR LOCAL PLANS.—For purposes of paragraph (1)(C)(i),

the average per capita monthly savings referred to in such paragraph for an MA local plan and year is computed as follows:

“(A) DETERMINATION OF STATEWIDE AVERAGE RISK ADJUSTMENT FOR LOCAL PLANS.—

“(i) IN GENERAL.—Subject to clause (iii), the Secretary shall determine, at the same time rates are promulgated under section 1853(b)(1) (beginning with 2006) for each State, the average of the risk adjustment factors to be applied under section 1853(a)(1)(C) to payment for enrollees in that State for MA local plans.

“(ii) TREATMENT OF STATES FOR FIRST YEAR IN WHICH LOCAL PLAN OFFERED.—In the case of a State in which no MA local plan was offered in the previous year, the Secretary shall estimate such average. In making such estimate, the Secretary may use average risk adjustment factors applied to comparable States or applied on a national basis.

“(iii) AUTHORITY TO DETERMINE RISK ADJUSTMENT FOR AREAS OTHER THAN STATES.—The Secretary may provide for the determination and application of risk adjustment factors under this subparagraph on the basis of areas other than States or on a plan-specific basis.

“(B) DETERMINATION OF RISK ADJUSTED BENCHMARK AND RISK-ADJUSTED BID FOR LOCAL PLANS.—For each MA plan offered in a local area in a State, the Secretary shall—

“(i) adjust the applicable MA area-specific non-drug monthly benchmark amount (as defined in section 1853(j)(1)) for the area by the average risk adjustment factor computed under subparagraph (A); and

“(ii) adjust the unadjusted MA statutory non-drug monthly bid amount by such applicable average risk adjustment factor.

“(C) DETERMINATION OF AVERAGE PER CAPITA MONTHLY SAVINGS.—The average per capita monthly savings described in this subparagraph for an MA local plan is equal to the amount (if any) by which—

“(i) the risk-adjusted benchmark amount computed under subparagraph (B)(i); exceeds

“(ii) the risk-adjusted bid computed under subparagraph (B)(ii).

“(4) COMPUTATION OF AVERAGE PER CAPITA MONTHLY SAVINGS FOR REGIONAL PLANS.—For purposes of paragraph (1)(C)(i), the average per capita monthly savings referred to in such paragraph for an MA regional plan and year is computed as follows:

“(A) DETERMINATION OF REGIONWIDE AVERAGE RISK ADJUSTMENT FOR REGIONAL PLANS.—

“(i) IN GENERAL.—The Secretary shall determine, at the same time rates are promulgated under section 1853(b)(1) (beginning with 2006) for each MA region the average of the risk adjustment factors to be applied under section 1853(a)(1)(C) to payment for enrollees in that region for MA regional plans.

“(ii) TREATMENT OF REGIONS FOR FIRST YEAR IN WHICH REGIONAL PLAN OFFERED.—In the case of an MA region in which no MA regional plan was offered

in the previous year, the Secretary shall estimate such average. In making such estimate, the Secretary may use average risk adjustment factors applied to comparable regions or applied on a national basis.

“(iii) AUTHORITY TO DETERMINE RISK ADJUSTMENT FOR AREAS OTHER THAN REGIONS.—The Secretary may provide for the determination and application of risk adjustment factors under this subparagraph on the basis of areas other than MA regions or on a plan-specific basis.

“(B) DETERMINATION OF RISK-ADJUSTED BENCHMARK AND RISK-ADJUSTED BID FOR REGIONAL PLANS.—For each MA regional plan offered in a region, the Secretary shall—

“(i) adjust the applicable MA area-specific non-drug monthly benchmark amount (as defined in section 1853(j)(2)) for the region by the average risk adjustment factor computed under subparagraph (A); and

“(ii) adjust the unadjusted MA statutory non-drug monthly bid amount by such applicable average risk adjustment factor.

“(C) DETERMINATION OF AVERAGE PER CAPITA MONTHLY SAVINGS.—The average per capita monthly savings described in this subparagraph for an MA regional plan is equal to the amount (if any) by which—

“(i) the risk-adjusted benchmark amount computed under subparagraph (B)(i); exceeds

“(ii) the risk-adjusted bid computed under subparagraph (B)(ii).”.

(c) COLLECTION OF PREMIUMS.—Section 1854(d) (42 U.S.C. 1395w–24(d)) is amended—

(1) by striking “PREMIUMS.—Each” and inserting “PREMIUMS.—

“(1) IN GENERAL.—Each”; and

(2) by adding at the end the following new paragraphs:

“(2) BENEFICIARY’S OPTION OF PAYMENT THROUGH WITHHOLDING FROM SOCIAL SECURITY PAYMENT OR USE OF ELECTRONIC FUNDS TRANSFER MECHANISM.—In accordance with regulations, an MA organization shall permit each enrollee, at the enrollee’s option, to make payment of premiums (if any) under this part to the organization through—

“(A) withholding from benefit payments in the manner provided under section 1840 with respect to monthly premiums under section 1839;

“(B) an electronic funds transfer mechanism (such as automatic charges of an account at a financial institution or a credit or debit card account); or

“(C) such other means as the Secretary may specify, including payment by an employer or under employment-based retiree health coverage (as defined in section 1860D–22(c)(1)) on behalf of an employee or former employee (or dependent).

All premium payments that are withheld under subparagraph (A) shall be credited to the appropriate Trust Fund (or Account thereof), as specified by the Secretary, under this title and shall be paid to the MA organization involved. No charge may be imposed under an MA plan with respect to the election

of the payment option described in subparagraph (A). The Secretary shall consult with the Commissioner of Social Security and the Secretary of the Treasury regarding methods for allocating premiums withheld under subparagraph (A) among the appropriate Trust Funds and Account.

“(3) INFORMATION NECESSARY FOR COLLECTION.—In order to carry out paragraph (2)(A) with respect to an enrollee who has elected such paragraph to apply, the Secretary shall transmit to the Commissioner of Social Security—

“(A) by the beginning of each year, the name, social security account number, consolidated monthly beneficiary premium described in paragraph (4) owed by such enrollee for each month during the year, and other information determined appropriate by the Secretary, in consultation with the Commissioner of Social Security; and

“(B) periodically throughout the year, information to update the information previously transmitted under this paragraph for the year.

“(4) CONSOLIDATED MONTHLY BENEFICIARY PREMIUM.—In the case of an enrollee in an MA plan, the Secretary shall provide a mechanism for the consolidation of—

“(A) the MA monthly basic beneficiary premium (if any);

“(B) the MA monthly supplemental beneficiary premium (if any); and

“(C) the MA monthly prescription drug beneficiary premium (if any).”.

(d) COMPUTATION OF MA AREA-SPECIFIC NON-DRUG BENCHMARK.—Section 1853 (42 U.S.C. 1395w–23) is amended by adding at the end the following new subsection:

“(j) COMPUTATION OF BENCHMARK AMOUNTS.—For purposes of this part, the term ‘MA area-specific non-drug monthly benchmark amount’ means for a month in a year—

“(1) with respect to—

“(A) a service area that is entirely within an MA local area, an amount equal to $\frac{1}{12}$ of the annual MA capitation rate under section 1853(c)(1) for the area for the year, adjusted as appropriate for the purpose of risk adjustment; or

“(B) a service area that includes more than one MA local area, an amount equal to the average of the amounts described in subparagraph (A) for each such local MA area, weighted by the projected number of enrollees in the plan residing in the respective local MA areas (as used by the plan for purposes of the bid and disclosed to the Secretary under section 1854(a)(6)(A)(iii)), adjusted as appropriate for the purpose of risk adjustment; or

“(2) with respect to an MA region for a month in a year, the MA region-specific non-drug monthly benchmark amount, as defined in section 1858(f) for the region for the year.”.

(e) PAYMENT OF PLANS BASED ON BID AMOUNTS.—

(1) IN GENERAL.—Section 1853(a)(1) (42 U.S.C. 1395w–23(a)(1)) (42 U.S.C. 1395w–23) is amended—

(A) by redesignating subparagraph (B) as subparagraph (H); and

(B) in subparagraph (A), by striking “in an amount” and all that follows and inserting the following: “in an amount determined as follows:

“(i) PAYMENT BEFORE 2006.—For years before 2006, the payment amount shall be equal to $\frac{1}{12}$ of the annual MA capitation rate (as calculated under subsection (c)(1)) with respect to that individual for that area, adjusted under subparagraph (C) and reduced by the amount of any reduction elected under section 1854(f)(1)(E).

“(ii) PAYMENT FOR ORIGINAL FEE-FOR-SERVICE BENEFITS BEGINNING WITH 2006.—For years beginning with 2006, the amount specified in subparagraph (B).

“(B) PAYMENT AMOUNT FOR ORIGINAL FEE-FOR-SERVICE BENEFITS BEGINNING WITH 2006.—

“(i) PAYMENT OF BID FOR PLANS WITH BIDS BELOW BENCHMARK.—In the case of a plan for which there are average per capita monthly savings described in section 1854(b)(3)(C) or 1854(b)(4)(C), as the case may be, the amount specified in this subparagraph is equal to the unadjusted MA statutory non-drug monthly bid amount, adjusted under subparagraph (C) and (if applicable) under subparagraphs (F) and (G), plus the amount (if any) of any rebate under subparagraph (E).

“(ii) PAYMENT OF BENCHMARK FOR PLANS WITH BIDS AT OR ABOVE BENCHMARK.—In the case of a plan for which there are no average per capita monthly savings described in section 1854(b)(3)(C) or 1854(b)(4)(C), as the case may be, the amount specified in this subparagraph is equal to the MA area-specific non-drug monthly benchmark amount, adjusted under subparagraph (C) and (if applicable) under subparagraphs (F) and (G).

“(iii) PAYMENT OF BENCHMARK FOR MSA PLANS.—Notwithstanding clauses (i) and (ii), in the case of an MSA plan, the amount specified in this subparagraph is equal to the MA area-specific non-drug monthly benchmark amount, adjusted under subparagraph (C).

“(C) DEMOGRAPHIC ADJUSTMENT, INCLUDING ADJUSTMENT FOR HEALTH STATUS.—The Secretary shall adjust the payment amount under subparagraph (A)(i) and the amount specified under subparagraph (B)(i), (B)(ii), and (B)(iii) for such risk factors as age, disability status, gender, institutional status, and such other factors as the Secretary determines to be appropriate, including adjustment for health status under paragraph (3), so as to ensure actuarial equivalence. The Secretary may add to, modify, or substitute for such adjustment factors if such changes will improve the determination of actuarial equivalence.

“(D) SEPARATE PAYMENT FOR FEDERAL DRUG SUBSIDIES.—In the case of an enrollee in an MA–PD plan, the MA organization offering such plan also receives—

“(i) subsidies under section 1860D–15 (other than under subsection (g)); and

“(ii) reimbursement for premium and cost-sharing reductions for low-income individuals under section 1860D–14(c)(1)(C).

“(E) PAYMENT OF REBATE FOR PLANS WITH BIDS BELOW BENCHMARK.—In the case of a plan for which there are average per capita monthly savings described in section 1854(b)(3)(C) or 1854(b)(4)(C), as the case may be, the amount specified in this subparagraph is the amount of the monthly rebate computed under section 1854(b)(1)(C)(i) for that plan and year (as reduced by the amount of any credit provided under section 1854(b)(1)(C)(iv)).

“(F) ADJUSTMENT FOR INTRA-AREA VARIATIONS.—

“(i) INTRA-REGIONAL VARIATIONS.—In the case of payment with respect to an MA regional plan for an MA region, the Secretary shall also adjust the amounts specified under subparagraphs (B)(i) and (B)(ii) in a manner to take into account variations in MA local payment rates under this part among the different MA local areas included in such region.

“(ii) INTRA-SERVICE AREA VARIATIONS.—In the case of payment with respect to an MA local plan for a service area that covers more than one MA local area, the Secretary shall also adjust the amounts specified under subparagraphs (B)(i) and (B)(ii) in a manner to take into account variations in MA local payment rates under this part among the different MA local areas included in such service area.

“(G) ADJUSTMENT RELATING TO RISK ADJUSTMENT.—The Secretary shall adjust payments with respect to MA plans as necessary to ensure that—

“(i) the sum of—

“(I) the monthly payment made under subparagraph (A)(ii); and

“(II) the MA monthly basic beneficiary premium under section 1854(b)(2)(A); equals

“(ii) the unadjusted MA statutory non-drug monthly bid amount, adjusted in the manner described in subparagraph (C) and, for an MA regional plan, subparagraph (F).”.

(f) CONFORMING CHANGES TO ANNUAL ANNOUNCEMENT PROCESS.—Section 1853(b) (42 U.S.C. 1395w–23(b)(1)) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) ANNUAL ANNOUNCEMENTS.—

“(A) FOR 2005.—The Secretary shall determine, and shall announce (in a manner intended to provide notice to interested parties), not later than the second Monday in May of 2004, with respect to each MA payment area, the following:

“(i) MA CAPITATION RATES.—The annual MA capitation rate for each MA payment area for 2005.

“(ii) ADJUSTMENT FACTORS.—The risk and other factors to be used in adjusting such rates under subsection (a)(1)(C) for payments for months in 2005.

“(B) FOR 2006 AND SUBSEQUENT YEARS.—For a year after 2005—

“(i) INITIAL ANNOUNCEMENT.—The Secretary shall determine, and shall announce (in a manner intended

Deadline.

Deadline.

to provide notice to interested parties), not later than the first Monday in April before the calendar year concerned, with respect to each MA payment area, the following:

“(I) MA CAPITATION RATES; MA LOCAL AREA BENCHMARK.—The annual MA capitation rate for each MA payment area for the year.

“(II) ADJUSTMENT FACTORS.—The risk and other factors to be used in adjusting such rates under subsection (a)(1)(C) for payments for months in such year.

“(ii) REGIONAL BENCHMARK ANNOUNCEMENT.—The Secretary shall determine, and shall announce (in a manner intended to provide notice to interested parties), on a timely basis before the calendar year concerned, with respect to each MA region and each MA regional plan for which a bid was submitted under section 1854, the MA region-specific non-drug monthly benchmark amount for that region for the year involved.”; and

(2) in paragraph (3), by striking “in the announcement” and all that follows and inserting “in such announcement.”.

(g) OTHER AMENDMENTS RELATING TO PREMIUMS AND BID AMOUNTS.—

(1) IN GENERAL.—Section 1854 (42 U.S.C. 1395w–24) is amended—

(A) by amending the section heading to read as follows:

“PREMIUMS AND BID AMOUNTS”;

(B) in the heading of subsection (a), by inserting “, BID AMOUNTS,” after “PREMIUMS”;

(C) in subsection (a)(2)—

(i) by inserting “BEFORE 2006” after “FOR COORDINATED CARE PLANS”; and

(ii) by inserting “for a year before 2006” after “section 1851(a)(2)(A)”;

(D) in subsection (a)(3), by striking “described” and inserting “for any year”;

(E) in subsection (a)(4)—

(i) by inserting “BEFORE 2006” after “FOR PRIVATE FEE-FOR-SERVICE PLANS”; and

(ii) by inserting “for a year before 2006” after “section 1852(a)(1)(A)”;

(F) in subsection (a)(5)(A), by inserting “paragraphs (2) and (4) of” after “filed under”;

(G) in subsection (a)(5)(B), by inserting after “paragraph (3) or” the following: “, in the case of an MA private fee-for-service plan,”; and

(H) in subsection (b)(1)(A) by striking “and” and inserting a comma and by inserting before the period at the end the following: “, and, if the plan provides qualified prescription drug coverage, the MA monthly prescription drug beneficiary premium”.

(2) UNIFORMITY.—Section 1854(c) (42 U.S.C. 1395w–24(c)) is amended to read as follows:

“(c) UNIFORM PREMIUM AND BID AMOUNTS.—Except as permitted under section 1857(i), the MA monthly bid amount submitted

under subsection (a)(6), the amounts of the MA monthly basic, prescription drug, and supplemental beneficiary premiums, and the MA monthly MSA premium charged under subsection (b) of an MA organization under this part may not vary among individuals enrolled in the plan.”.

(3) PREMIUMS.—Section 1854(d)(1) (42 U.S.C. 1395w–24(d)(1)), as amended by subsection (c)(1), is amended by inserting “, prescription drug,” after “basic”.

(4) LIMITATION ON ENROLLEE LIABILITY.—Section 1854(e) (42 U.S.C. 1395w–24(e)) is amended—

(A) in paragraph (1), by striking “.—In” and inserting “BEFORE 2006.—For periods before 2006, in”;

(B) in paragraph (2), by striking “.—If” and insert “BEFORE 2006.—For periods before 2006, if”;

(C) in paragraph (3), by striking “or (2)” and inserting “, (2), or (4)”;

(D) in paragraph (4)—

(i) by inserting “AND FOR BASIC BENEFITS BEGINNING IN 2006” after “PLANS”;

(ii) in the matter before subparagraph (A), by inserting “and for periods beginning with 2006, with respect to an MA plan described in section 1851(a)(2)(A)” after “MSA plan”;

(iii) in subparagraph (A), by striking “required benefits described in section 1852(a)(1)” and inserting “benefits under the original medicare fee-for-service program option”; and

(iv) in subparagraph (B), by inserting “with respect to such benefits” after “would be applicable”.

(5) MODIFICATION OF ACR PROCESS.—Section 1854(f) (42 U.S.C. 1395w–24(f)) is amended—

(A) in the heading, by inserting “BEFORE 2006” after “ADDITIONAL BENEFITS”; and

(B) in paragraph (1)(A), by striking “Each” and inserting “For years before 2006, each”.

(h) PLAN INCENTIVES.—Section 1852(j)(4) (42 U.S.C. 1395w–22(j)(4)) is amended—

(1) by inserting “the organization provides assurances satisfactory to the Secretary that” after “unless”;

(2) in clause (ii)—

(A) by striking “the organization—” and all that follows through “(I) provides” and inserting “the organization provides”;

(B) by striking “, and” and inserting a period; and

(C) by striking subclause (II); and

(3) by striking clause (iii).

(i) CONTINUATION OF TREATMENT OF ENROLLEES WITH END-STAGE RENAL DISEASE.—Section 1853(a)(1)(H), as redesignated under subsection (d)(1)(A), is amended—

(1) by amending the second sentence to read as follows: “Such rates of payment shall be actuarially equivalent to rates that would have been paid with respect to other enrollees in the MA payment area (or such other area as specified by the Secretary) under the provisions of this section as in effect before the date of the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.”; and

(2) by adding at the end the following new sentence: “The Secretary may apply the competitive bidding methodology provided for in this section, with appropriate adjustments to account for the risk adjustment methodology applied to end stage renal disease payments.”.

(j) FACILITATION OF EMPLOYER SPONSORSHIP OF MA PLANS.—Section 1857(i) (42 U.S.C. 1395w–27(i)) is amended—

(1) by designating the matter following the heading as a paragraph (1) with the heading “CONTRACTS WITH MA ORGANIZATIONS.—” and appropriate indentation; and

(2) by adding at the end the following new paragraph:

“(2) EMPLOYER SPONSORED MA PLANS.—To facilitate the offering of MA plans by employers, labor organizations, or the trustees of a fund established by one or more employers or labor organizations (or combination thereof) to furnish benefits to the entity’s employees, former employees (or combination thereof) or members or former members (or combination thereof) of the labor organizations, the Secretary may waive or modify requirements that hinder the design of, the offering of, or the enrollment in such MA plans. Notwithstanding section 1851(g), an MA plan described in the previous sentence may restrict the enrollment of individuals under this part to individuals who are beneficiaries and participants in such plan.”.

(k) EXPANSION OF MEDICARE BENEFICIARY EDUCATION AND INFORMATION CAMPAIGN.—Section 1857(e)(2) (42 U.S.C. 1395w–27(e)(2)) is amended—

(1) in subparagraph (A) by inserting “and a PDP sponsor under part D” after “organization”;

(2) in subparagraph (B)—

(A) by inserting “and each PDP sponsor with a contract under part D” after “contract under this part”;

(B) by inserting “or sponsor’s” after “organization’s”; and

(C) by inserting “, section 1860D–1(c),” after “information”;

(3) in subparagraph (C)—

(A) by inserting “and ending with fiscal year 2005” after “beginning with fiscal year 2001”;

(B) by inserting “and for each fiscal year beginning with fiscal year 2006 an amount equal to \$200,000,000,” after “\$100,000,000,”; and

(C) by inserting “and section 1860D–12(b)(3)(D)” after “under this paragraph”;

(4) in subparagraph (D)—

(A) in clause (i) by inserting “and section 1860D–1(c)” after “section 1851”;

(B) in clause (ii)(III), by striking “and” at the end of subclause (III);

(C) in clause (ii)(IV), by striking “each succeeding fiscal year.” and inserting “each succeeding fiscal year before fiscal year 2006; and”; and

(D) in clause (ii), by adding at the end the following new subclause:

“(V) the applicable portion (as defined in subparagraph (F)) of \$200,000,000 in fiscal year 2006 and each succeeding fiscal year.”; and

(5) by adding at the end the following new subparagraph:

“(F) APPLICABLE PORTION DEFINED.—In this paragraph, the term ‘applicable portion’ means, for a fiscal year—

“(i) with respect to MA organizations, the Secretary’s estimate of the total proportion of expenditures under this title that are attributable to expenditures made under this part (including payments under part D that are made to such organizations); or

“(ii) with respect to PDP sponsors, the Secretary’s estimate of the total proportion of expenditures under this title that are attributable to expenditures made to such sponsors under part D.”.

(I) CONFORMING AMENDMENTS.—

(1) PROTECTION AGAINST BENEFICIARY SELECTION.—Section 1852(b)(1)(A) (42 U.S.C. 1395w-22(b)(1)(A)) is amended by adding at the end the following: “The Secretary shall not approve a plan of an organization if the Secretary determines that the design of the plan and its benefits are likely to substantially discourage enrollment by certain MA eligible individuals with the organization.”.

(2) RELATING TO REBATES.—

(A) Section 1839(a)(2) (42 U.S.C. 1395r(a)(2)) is amended by striking “80 percent of any reduction elected under section 1854(f)(1)(E)” and inserting “any credit provided under section 1854(b)(1)(C)(ii)(III)”.

(B) The first sentence of section 1840(i) (42 U.S.C. 1395s(i)) is amended by inserting “and to reflect any credit provided under section 1854(b)(1)(C)(iv)” after “section 1854(f)(1)(E)”.

(C) Section 1844(c) (42 U.S.C. 1395w(c)) is amended by inserting “or any credits provided under section 1854(b)(1)(C)(iv)” after “section 1854(f)(1)(E)”.

(3) OTHER CONFORMING AND TECHNICAL AMENDMENTS.—

(A) Section 1851(b)(1) (42 U.S.C. 1395w-21(b)(1)) is amended—

(i) in subparagraph (B), by striking “a plan” and inserting “an MA local plan”;

(ii) in subparagraph (B), by striking “basic benefits described in section 1852(a)(1)(A)” and inserting “benefits under the original medicare fee-for-service program option”; and

(iii) in subparagraph (C), by striking “in a Medicare+Choice plan” and inserting “in an MA local plan”.

(B) Section 1851(d) (42 U.S.C. 1395w-21(d)) is amended—

(i) in paragraph (3), by adding at the end the following new subparagraph:

“(F) CATASTROPHIC COVERAGE AND SINGLE DEDUCTIBLE.—In the case of an MA regional plan, a description of the catastrophic coverage and single deductible applicable under the plan.”;

(ii) in paragraph (4)(A)(ii), by inserting “, including information on the single deductible (if applicable) under section 1858(b)(1)” after “cost sharing”;

(iii) in paragraph (4)(B)(i), by striking “Medicare+Choice monthly basic” and all that follows

and inserting “monthly amount of the premium charged to an individual.”; and

(iv) by amending subparagraph (E) of subsection (d)(4) to read as follows:

“(E) SUPPLEMENTAL BENEFITS.—Supplemental health care benefits, including any reductions in cost-sharing under section 1852(a)(3) and the terms and conditions (including premiums) for such benefits.”.

(C) Section 1857(d)(1) (42 U.S.C. 1395w–27(d)(1)) is amended by striking “, costs, and computation of the adjusted community rate” and inserting “and costs, including allowable costs under section 1858(c)”.

(D) Section 1851(a)(3)(B)(ii) (42 U.S.C. 1395w–21(a)(3)(B)(ii)) is amended by striking “section 1851(e)(4)(A)” and inserting “subsection (e)(4)(A)”.

(E) Section 1851(f)(1) (42 U.S.C. 1395w–21(f)(1)) is amended by striking “subsection (e)(1)(A)” and inserting “subsection (e)(1)”.

SEC. 223. EFFECTIVE DATE.

(a) EFFECTIVE DATE.—The amendments made by this subtitle shall apply with respect to plan years beginning on or after January 1, 2006.

42 USC
1395w–21 note.

(b) ISSUANCE OF REGULATIONS.—The Secretary shall revise the regulations previously promulgated to carry out part C of title XVIII of the Social Security Act to carry out the provisions of this Act.

42 USC
1395w–21 note.

Subtitle D—Additional Reforms

SEC. 231. SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS.

(a) TREATMENT AS COORDINATED CARE PLAN.—Section 1851(a)(2)(A) (42 U.S.C. 1395w–21(a)(2)(A)), as amended by section 221(a), is amended by adding at the end the following new clause:

“(ii) SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS.—Specialized MA plans for special needs individuals (as defined in section 1859(b)(6)) may be any type of coordinated care plan.”.

(b) SPECIALIZED MA PLAN FOR SPECIAL NEEDS INDIVIDUALS DEFINED.—Section 1859(b) (42 U.S.C. 1395w–29(b)), as amended by section 221(b), is amended by adding at the end the following new paragraph:

“(6) SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS.—

42 USC
1395w–28.

“(A) IN GENERAL.—The term ‘specialized MA plan for special needs individuals’ means an MA plan that exclusively serves special needs individuals (as defined in subparagraph (B)).

“(B) SPECIAL NEEDS INDIVIDUAL.—The term ‘special needs individual’ means an MA eligible individual who—

“(i) is institutionalized (as defined by the Secretary);

“(ii) is entitled to medical assistance under a State plan under title XIX; or

“(iii) meets such requirements as the Secretary may determine would benefit from enrollment in such

a specialized MA plan described in subparagraph (A) for individuals with severe or disabling chronic conditions.

The Secretary may waive application of section 1851(a)(3)(B) in the case of an individual described in clause (i), (ii), or (iii) of this subparagraph and may apply rules similar to the rules of section 1894(c)(4) for continued eligibility of special needs individuals.”.

42 USC
1395w–28.

(c) RESTRICTION ON ENROLLMENT PERMITTED.—Section 1859 (42 U.S.C. 1395w–29) is amended by adding at the end the following new subsection:

“(f) RESTRICTION ON ENROLLMENT FOR SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS.—In the case of a specialized MA plan for special needs individuals (as defined in subsection (b)(6)), notwithstanding any other provision of this part and in accordance with regulations of the Secretary and for periods before January 1, 2009, the plan may restrict the enrollment of individuals under the plan to individuals who are within one or more classes of special needs individuals.”.

42 USC
1395w–21 note.

(d) AUTHORITY TO DESIGNATE OTHER PLANS AS SPECIALIZED MA PLANS.—In promulgating regulations to carry out section 1851(a)(2)(A)(ii) of the Social Security Act (as added by subsection (a)) and section 1859(b)(6) of such Act (as added by subsection (b)), the Secretary may provide (notwithstanding section 1859(b)(6)(A) of such Act) for the offering of specialized MA plans for special needs individuals by MA plans that disproportionately serve special needs individuals.

Deadline.
42 USC
1395w–21 note.

(e) REPORT TO CONGRESS.—Not later than December 31, 2007, the Secretary shall submit to Congress a report that assesses the impact of specialized MA plans for special needs individuals on the cost and quality of services provided to enrollees. Such report shall include an assessment of the costs and savings to the medicare program as a result of amendments made by subsections (a), (b), and (c).

42 USC
1395w–21 note.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall take effect upon the date of the enactment of this Act.

Regulations.
42 USC
1395w–28 note.

(2) DEADLINE FOR ISSUANCE OF REQUIREMENTS FOR SPECIAL NEEDS INDIVIDUALS; TRANSITION.—No later than 1 year after the date of the enactment of this Act, the Secretary shall issue final regulations to establish requirements for special needs individuals under section 1859(b)(6)(B)(iii) of the Social Security Act, as added by subsection (b).

SEC. 232. AVOIDING DUPLICATIVE STATE REGULATION.

(a) IN GENERAL.—Section 1856(b)(3) (42 U.S.C. 1395w–26(b)(3)) is amended to read as follows:

“(3) RELATION TO STATE LAWS.—The standards established under this part shall supersede any State law or regulation (other than State licensing laws or State laws relating to plan solvency) with respect to MA plans which are offered by MA organizations under this part.”.

(b) CONFORMING AMENDMENT.—Section 1854(g) (42 U.S.C. 1395w–24(g)) is amended by inserting “or premiums paid to such organizations under this part” after “section 1853”.

(c) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

42 USC
1395w–24 note.

SEC. 233. MEDICARE MSAS.

(a) **EXEMPTION FROM REPORTING REQUIREMENT.**—

(1) **IN GENERAL.**—Section 1852(e)(1) (42 U.S.C. 1395w–22(e)(1)) is amended by inserting “(other than MSA plans)” after “plans”.

(2) **CONFORMING AMENDMENTS.**—Section 1852 (42 U.S.C. 1395w–22) is amended—

(A) in subsection (c)(1)(I), by inserting before the period at the end the following: “, if required under such section”;

(B) in subsection (e)(2)(A), by striking “, a non-network MSA plan,”; and

(C) in subsection (e)(2)(B), by striking “, NON-NETWORK MSA PLANS,” and “, a non-network MSA plan,”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply on and after the date of the enactment of this Act but shall not apply to contract years beginning on or after January 1, 2006.

42 USC
1395w–22 note.

(b) **MAKING PROGRAM PERMANENT AND ELIMINATING CAP.**—Section 1851(b)(4) (42 U.S.C. 1395w–21(b)(4)) is amended—

(1) in the heading, by striking “ON A DEMONSTRATION BASIS”;

(2) by striking the first sentence of subparagraph (A); and

(3) by striking the second sentence of subparagraph (C).

(c) **APPLYING LIMITATIONS ON BALANCE BILLING.**—Section 1852(k)(1) (42 U.S.C. 1395w–22(k)(1)) is amended by inserting “or with an organization offering an MSA plan” after “section 1851(a)(2)(A)”.

(d) **ADDITIONAL AMENDMENT.**—Section 1851(e)(5)(A) (42 U.S.C. 1395w–21(e)(5)(A)) is amended—

(1) by adding “or” at the end of clause (i);

(2) by striking “, or” at the end of clause (ii) and inserting a semicolon; and

(3) by striking clause (iii).

SEC. 234. EXTENSION OF REASONABLE COST CONTRACTS.

Subparagraph (C) of section 1876(h)(5) (42 U.S.C. 1395mm(h)(5)) is amended to read as follows:

“(C)(i) Subject to clause (ii), a reasonable cost reimbursement contract under this subsection may be extended or renewed indefinitely.

“(ii) For any period beginning on or after January 1, 2008, a reasonable cost reimbursement contract under this subsection may not be extended or renewed for a service area insofar as such area during the entire previous year was within the service area of—

“(I) 2 or more MA regional plans described in clause (iii);

or

“(II) 2 or more MA local plans described in clause (iii).

“(iii) A plan described in this clause for a year for a service area is a plan described in section 1851(a)(2)(A)(i) if the service area for the year meets the following minimum enrollment requirements:

“(I) With respect to any portion of the area involved that is within a Metropolitan Statistical Area with a population

of more than 250,000 and counties contiguous to such Metropolitan Statistical Area, 5,000 individuals.

“(II) With respect to any other portion of such area, 1,500 individuals.”.

SEC. 235. TWO-YEAR EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

The last sentence of section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. 1395b–1 note), as amended by section 6135 of the Omnibus Budget Reconciliation Act of 1989, section 13557 of the Omnibus Budget Reconciliation Act of 1993, section 4017 of BBA, section 534 of BBRA (113 Stat. 1501A–390), and section 633 of BIPA, is amended by striking “December 31, 2004” and inserting “December 31, 2006”.

SEC. 236. PAYMENT BY PACE PROVIDERS FOR MEDICARE AND MEDICAID SERVICES FURNISHED BY NONCONTRACT PROVIDERS.

(a) MEDICARE SERVICES.—

(1) MEDICARE SERVICES FURNISHED BY PROVIDERS OF SERVICES.—Section 1866(a)(1)(O) (42 U.S.C. 1395cc(a)(1)(O)) is amended—

(A) by striking “part C or” and inserting “part C, with a PACE provider under section 1894 or 1934, or”;

(B) by striking “(i)”;

(C) by striking “and (ii)”;

(D) by inserting “(or, in the case of a PACE provider, contract or other agreement)” after “have a contract”; and

(E) by striking “members of the organization” and inserting “members of the organization or PACE program eligible individuals enrolled with the PACE provider,”.

(2) MEDICARE SERVICES FURNISHED BY PHYSICIANS AND OTHER ENTITIES.—Section 1894(b) (42 U.S.C. 1395eee(b)) is amended by adding at the end the following new paragraphs:

“(3) TREATMENT OF MEDICARE SERVICES FURNISHED BY NONCONTRACT PHYSICIANS AND OTHER ENTITIES.—

“(A) APPLICATION OF MEDICARE ADVANTAGE REQUIREMENT WITH RESPECT TO MEDICARE SERVICES FURNISHED BY NONCONTRACT PHYSICIANS AND OTHER ENTITIES.—Section 1852(k)(1) (relating to limitations on balance billing against MA organizations for noncontract physicians and other entities with respect to services covered under this title) shall apply to PACE providers, PACE program eligible individuals enrolled with such PACE providers, and physicians and other entities that do not have a contract or other agreement establishing payment amounts for services furnished to such an individual in the same manner as such section applies to MA organizations, individuals enrolled with such organizations, and physicians and other entities referred to in such section.

“(B) REFERENCE TO RELATED PROVISION FOR NONCONTRACT PROVIDERS OF SERVICES.—For the provision relating to limitations on balance billing against PACE providers for services covered under this title furnished by noncontract providers of services, see section 1866(a)(1)(O).

“(4) REFERENCE TO RELATED PROVISION FOR SERVICES COVERED UNDER TITLE XIX BUT NOT UNDER THIS TITLE.—For provisions relating to limitations on payments to providers participating under the State plan under title XIX that do not have a contract or other agreement with a PACE provider establishing payment amounts for services covered under such plan (but not under this title) when such services are furnished to enrollees of that PACE provider, see section 1902(a)(66).”.

(b) MEDICAID SERVICES.—

(1) REQUIREMENT UNDER STATE PLAN.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 103(a), is amended—

(A) in paragraph (65), by striking “and” at the end;

(B) in paragraph (66), by striking the period at the end and inserting “; and”; and

(C) by inserting after paragraph (66) the following new paragraph:

“(67) provide, with respect to services covered under the State plan (but not under title XVIII) that are furnished to a PACE program eligible individual enrolled with a PACE provider by a provider participating under the State plan that does not have a contract or other agreement with the PACE provider that establishes payment amounts for such services, that such participating provider may not require the PACE provider to pay the participating provider an amount greater than the amount that would otherwise be payable for the service to the participating provider under the State plan for the State where the PACE provider is located (in accordance with regulations issued by the Secretary).”.

(2) APPLICATION UNDER MEDICAID.—Section 1934(b) (42 U.S.C. 1396u-4(b)) is amended by adding at the end the following new paragraphs:

“(3) TREATMENT OF MEDICARE SERVICES FURNISHED BY NON-CONTRACT PHYSICIANS AND OTHER ENTITIES.—

“(A) APPLICATION OF MEDICARE ADVANTAGE REQUIREMENT WITH RESPECT TO MEDICARE SERVICES FURNISHED BY NONCONTRACT PHYSICIANS AND OTHER ENTITIES.—Section 1852(k)(1) (relating to limitations on balance billing against MA organizations for noncontract physicians and other entities with respect to services covered under title XVIII) shall apply to PACE providers, PACE program eligible individuals enrolled with such PACE providers, and physicians and other entities that do not have a contract or other agreement establishing payment amounts for services furnished to such an individual in the same manner as such section applies to MA organizations, individuals enrolled with such organizations, and physicians and other entities referred to in such section.

“(B) REFERENCE TO RELATED PROVISION FOR NONCONTRACT PROVIDERS OF SERVICES.—For the provision relating to limitations on balance billing against PACE providers for services covered under title XVIII furnished by noncontract providers of services, see section 1866(a)(1)(O).

“(4) REFERENCE TO RELATED PROVISION FOR SERVICES COVERED UNDER THIS TITLE BUT NOT UNDER TITLE XVIII.—For provisions relating to limitations on payments to providers participating under the State plan under this title that do not have

42 USC 1395cc
note.

a contract or other agreement with a PACE provider establishing payment amounts for services covered under such plan (but not under title XVIII) when such services are furnished to enrollees of that PACE provider, see section 1902(a)(67).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 2004.

SEC. 237. REIMBURSEMENT FOR FEDERALLY QUALIFIED HEALTH CENTERS PROVIDING SERVICES UNDER MA PLANS.

(a) REIMBURSEMENT.—Section 1833(a)(3) (42 U.S.C. 1395l(a)(3)) is amended to read as follows:

“(3) in the case of services described in section 1832(a)(2)(D)—

“(A) except as provided in subparagraph (B), the costs which are reasonable and related to the cost of furnishing such services or which are based on such other tests of reasonableness as the Secretary may prescribe in regulations, including those authorized under section 1861(v)(1)(A), less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), but in no case may the payment for such services (other than for items and services described in section 1861(s)(10)(A)) exceed 80 percent of such costs; or

“(B) with respect to the services described in clause (ii) of section 1832(a)(2)(D) that are furnished to an individual enrolled with a MA plan under part C pursuant to a written agreement described in section 1853(a)(4), the amount (if any) by which—

“(i) the amount of payment that would have otherwise been provided under subparagraph (A) (calculated as if ‘100 percent’ were substituted for ‘80 percent’ in such subparagraph) for such services if the individual had not been so enrolled; exceeds

“(ii) the amount of the payments received under such written agreement for such services (not including any financial incentives provided for in such agreement such as risk pool payments, bonuses, or withholds), less the amount the federally qualified health center may charge as described in section 1857(e)(3)(B);”.

(b) CONTINUATION OF MONTHLY PAYMENTS.—

(1) IN GENERAL.—Section 1853(a) (42 U.S.C. 1395w–23(a)) is amended by adding at the end the following new paragraph:

“(4) PAYMENT RULE FOR FEDERALLY QUALIFIED HEALTH CENTER SERVICES.—If an individual who is enrolled with an MA plan under this part receives a service from a federally qualified health center that has a written agreement with the MA organization that offers such plan for providing such a service (including any agreement required under section 1857(e)(3))—

“(A) the Secretary shall pay the amount determined under section 1833(a)(3)(B) directly to the federally qualified health center not less frequently than quarterly; and

“(B) the Secretary shall not reduce the amount of the monthly payments under this subsection as a result of the application of subparagraph (A).”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1851(i) (42 U.S.C. 1395w–21(i)) is amended—

(i) in paragraph (1), by inserting “1853(a)(4),” after “Subject to sections 1852(a)(5),”; and

(ii) in paragraph (2), by inserting “1853(a)(4),” after “Subject to sections”.

(B) Section 1853(c)(5) is amended by striking “subsections (a)(3)(C)(iii) and (i)” and inserting “subsections (a)(3)(C)(iii), (a)(4), and (i)”. 42 USC 1395w–23.

(c) ADDITIONAL CONTRACT REQUIREMENTS.—Section 1857(e) (42 U.S.C. 1395w–27(e)) is amended by adding at the end the following new paragraph:

“(3) AGREEMENTS WITH FEDERALLY QUALIFIED HEALTH CENTERS.—

“(A) PAYMENT LEVELS AND AMOUNTS.—A contract under this section with an MA organization shall require the organization to provide, in any written agreement described in section 1853(a)(4) between the organization and a federally qualified health center, for a level and amount of payment to the federally qualified health center for services provided by such health center that is not less than the level and amount of payment that the plan would make for such services if the services had been furnished by a entity providing similar services that was not a federally qualified health center.

“(B) COST-SHARING.—Under the written agreement referred to in subparagraph (A), a federally qualified health center must accept the payment amount referred to in such subparagraph plus the Federal payment provided for in section 1833(a)(3)(B) as payment in full for services covered by the agreement, except that such a health center may collect any amount of cost-sharing permitted under the contract under this section, so long as the amounts of any deductible, coinsurance, or copayment comply with the requirements under section 1854(e).”.

(d) SAFE HARBOR.—Section 1128B(b)(3) (42 U.S.C. 1320a–7b(b)(3)), as amended by section 101(f)(2), is amended—

(1) in subparagraph (F), by striking “and” after the semicolon at the end;

(2) in subparagraph (G), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(H) any remuneration between a federally qualified health center (or an entity controlled by such a health center) and an MA organization pursuant to a written agreement described in section 1853(a)(4).”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to services provided on or after January 1, 2006, and contract years beginning on or after such date. 42 USC 1320a–7b note.

SEC. 238. INSTITUTE OF MEDICINE EVALUATION AND REPORT ON HEALTH CARE PERFORMANCE MEASURES. 42 USC 1395ll note.

(a) EVALUATION.—

(1) IN GENERAL.—Not later than the date that is 2 months after the date of the enactment of this Act, the Secretary shall enter into an arrangement under which the Institute of Medicine of the National Academy of Sciences (in this section

Deadline.
Contracts.

referred to as the “Institute”) shall conduct an evaluation of leading health care performance measures in the public and private sectors and options to implement policies that align performance with payment under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(2) SPECIFIC MATTERS EVALUATED.—In conducting the evaluation under paragraph (1), the Institute shall—

(A) catalogue, review, and evaluate the validity of leading health care performance measures;

(B) catalogue and evaluate the success and utility of alternative performance incentive programs in public or private sector settings; and

(C) identify and prioritize options to implement policies that align performance with payment under the medicare program that indicate—

(i) the performance measurement set to be used and how that measurement set will be updated;

(ii) the payment policy that will reward performance; and

(iii) the key implementation issues (such as data and information technology requirements) that must be addressed.

(3) SCOPE OF HEALTH CARE PERFORMANCE MEASURES.—The health care performance measures described in paragraph (2)(A) shall encompass a variety of perspectives, including physicians, hospitals, other health care providers, health plans, purchasers, and patients.

(4) CONSULTATION WITH MEDPAC.—In evaluating the matters described in paragraph (2)(C), the Institute shall consult with the Medicare Payment Advisory Commission established under section 1805 of the Social Security Act (42 U.S.C. 1395b–6).

Deadline.

(b) REPORT.—Not later than the date that is 18 months after the date of enactment of this Act, the Institute shall submit to the Secretary and appropriate committees of jurisdiction of the Senate and House of Representatives a report on the evaluation conducted under subsection (a)(1) describing the findings of such evaluation and recommendations for an overall strategy and approach for aligning payment with performance, including options for updating performance measures, in the original medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act, the Medicare Advantage program under part C of such title, and any other programs under such title XVIII.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for purposes of conducting the evaluation and preparing the report required by this section.

Subtitle E—Comparative Cost Adjustment (CCA) Program

SEC. 241. COMPARATIVE COST ADJUSTMENT (CCA) PROGRAM.

(a) IN GENERAL.—Part C of title XVIII is amended by adding at the end the following new section:

“COMPARATIVE COST ADJUSTMENT (CCA) PROGRAM

“SEC. 1860C-1. (a) ESTABLISHMENT OF PROGRAM.—

42 USC
1395w-29.

“(1) IN GENERAL.—The Secretary shall establish a program under this section (in this section referred to as the ‘CCA program’) for the application of comparative cost adjustment in CCA areas selected under this section.

“(2) DURATION.—The CCA program shall begin January 1, 2010, and shall extend over a period of 6 years, and end on December 31, 2015.

“(3) REPORT.—Upon the completion of the CCA program, the Secretary shall submit a report to Congress. Such report shall include the following, with respect to both this part and the original medicare fee-for-service program:

“(A) An evaluation of the financial impact of the CCA program.

“(B) An evaluation of changes in access to physicians and other health care providers.

“(C) Beneficiary satisfaction.

“(D) Recommendations regarding any extension or expansion of the CCA program.

“(b) REQUIREMENTS FOR SELECTION OF CCA AREAS.—

“(1) CCA AREA DEFINED.—

“(A) IN GENERAL.—For purposes of this section, the term ‘CCA area’ means an MSA that meets the requirements of paragraph (2) and is selected by the Secretary under subsection (c).

“(B) MSA DEFINED.—For purposes of this section, the term ‘MSA’ means a Metropolitan Statistical Area (or such similar area as the Secretary recognizes).

“(2) REQUIREMENTS FOR CCA AREAS.—The requirements of this paragraph for an MSA to be a CCA area are as follows:

“(A) MA ENROLLMENT REQUIREMENT.—For the reference month (as defined under section 1858(f)(4)(B)) with respect to 2010, at least 25 percent of the total number of MA eligible individuals who reside in the MSA were enrolled in an MA local plan described in section 1851(a)(2)(A)(i).

“(B) 2 PLAN REQUIREMENT.—There will be offered in the MSA during the annual, coordinated election period under section 1851(e)(3)(B) before the beginning of 2010 at least 2 MA local plans described in section 1851(a)(2)(A)(i) (in addition to the fee-for-service program under parts A and B), each offered by a different MA organization and each of which met the minimum enrollment requirements of paragraph (1) of section 1857(b) (as applied without regard to paragraph (3) thereof) as of the reference month.

“(c) SELECTION OF CCA AREAS.—

“(1) GENERAL SELECTION CRITERIA.—The Secretary shall select CCA areas from among those MSAs qualifying under subsection (b) in a manner that—

“(A) seeks to maximize the opportunity to test the application of comparative cost adjustment under this title;

“(B) does not seek to maximize the number of MA eligible individuals who reside in such areas; and

“(C) provides for geographic diversity consistent with the criteria specified in paragraph (2).

“(2) SELECTION CRITERIA.—With respect to the selection of MSAs that qualify to be CCA areas under subsection (b), the following rules apply, to the maximum extent feasible:

“(A) MAXIMUM NUMBER.—The number of such MSAs selected may not exceed the lesser of (i) 6, or (ii) 25 percent of the number of MSAs that meet the requirement of subsection (b)(2)(A).

“(B) ONE OF 4 LARGEST AREAS BY POPULATION.—At least one such qualifying MSA shall be selected from among the 4 such qualifying MSAs with the largest total population of MA eligible individuals.

“(C) ONE OF 4 AREAS WITH LOWEST POPULATION DENSITY.—At least one such qualifying MSA shall be selected from among the 4 such qualifying MSAs with the lowest population density (as measured by residents per square mile or similar measure of density).

“(D) MULTISTATE AREA.—At least one such qualifying MSA shall be selected that includes a multi-State area. Such an MSA may be an MSA described in subparagraph (B) or (C).

“(E) LIMITATION WITHIN SAME GEOGRAPHIC REGION.—No more than 2 such MSAs shall be selected that are, in whole or in part, within the same geographic region (as specified by the Secretary) of the United States.

“(F) PRIORITY TO AREAS NOT WITHIN CERTAIN DEMONSTRATION PROJECTS.—Priority shall be provided for those qualifying MSAs that do not have a demonstration project in effect as of the date of the enactment of this section for medicare preferred provider organization plans under this part.

“(d) APPLICATION OF COMPARATIVE COST ADJUSTMENT.—

“(1) IN GENERAL.—In the case of a CCA area for a year—

“(A) for purposes of applying this part with respect to payment for MA local plans, any reference to an MA area-specific non-drug monthly benchmark amount shall be treated as a reference to such benchmark computed as if the CCA area-specific non-drug monthly benchmark amount (as defined in subsection (e)(1)) were substituted for the amount described in section 1853(j)(1)(A) for the CCA area and year involved, as phased in under paragraph (3); and

“(B) with respect to months in the year for individuals residing in the CCA area who are not enrolled in an MA plan, the amount of the monthly premium under section 1839 is subject to adjustment under subsection (f).

“(2) EXCLUSION OF MA LOCAL AREAS WITH FEWER THAN 2 ORGANIZATIONS OFFERING MA PLANS.—

“(A) IN GENERAL.—In no case shall an MA local area that is within an MSA be included as part of a CCA area unless for 2010 (and, except as provided in subparagraph (B), for a subsequent year) there is offered in each part of such MA local area at least 2 MA local plans described in section 1851(a)(2)(A)(i) each of which is offered by a different MA organization.

“(B) CONTINUATION.—If an MA local area meets the requirement of subparagraph (A) and is included in a CCA area for 2010, such local area shall continue to be included in such CCA area for a subsequent year notwithstanding that it no longer meets such requirement so long as there is at least one MA local plan described in section 1851(a)(2)(A)(i) that is offered in such local area.

“(3) PHASE-IN OF CCA BENCHMARK.—

“(A) IN GENERAL.—In applying this section for a year before 2013, paragraph (1)(A) shall be applied as if the phase-in fraction under subparagraph (B) of the CCA non-drug monthly benchmark amount for the year were substituted for such fraction of the MA area-specific non-drug monthly benchmark amount.

Applicability.

“(B) PHASE-IN FRACTION.—The phase-in fraction under this subparagraph is—

“(i) for 2010 $\frac{1}{4}$; and

“(ii) for a subsequent year is the phase-in fraction under this subparagraph for the previous year increased by $\frac{1}{4}$, but in no case more than 1.

“(e) COMPUTATION OF CCA BENCHMARK AMOUNT.—

“(1) CCA NON-DRUG MONTHLY BENCHMARK AMOUNT.—For purposes of this section, the term ‘CCA non-drug monthly benchmark amount’ means, with respect to a CCA area for a month in a year, the sum of the 2 components described in paragraph (2) for the area and year. The Secretary shall compute such benchmark amount for each such CCA area before the beginning of each annual, coordinated election period under section 1851(e)(3)(B) for each year (beginning with 2010) in which the CCA area is so selected.

“(2) 2 COMPONENTS.—For purposes of paragraph (1), the 2 components described in this paragraph for a CCA area and a year are the following:

“(A) MA LOCAL COMPONENT.—The product of the following:

“(i) WEIGHTED AVERAGE OF MEDICARE ADVANTAGE PLAN BIDS IN AREA.—The weighted average of the plan bids for the area and year (as determined under paragraph (3)(A)).

“(ii) NON-FFS MARKET SHARE.—One minus the fee-for-service market share percentage, determined under paragraph (4) for the area and year.

“(B) FEE-FOR-SERVICE COMPONENT.—The product of the following:

“(i) FEE-FOR-SERVICE AREA-SPECIFIC NON-DRUG AMOUNT.—The fee-for-service area-specific non-drug amount (as defined in paragraph (5)) for the area and year.

“(ii) FEE-FOR-SERVICE MARKET SHARE.—The fee-for-service market share percentage, determined under paragraph (4) for the area and year.

“(3) DETERMINATION OF WEIGHTED AVERAGE MA BIDS FOR A CCA AREA.—

“(A) IN GENERAL.—For purposes of paragraph (2)(A)(i), the weighted average of plan bids for a CCA area and a year is, subject to subparagraph (D), the sum of the

following products for MA local plans described in subparagraph (C) in the area and year:

“(i) MONTHLY MEDICARE ADVANTAGE STATUTORY NON-DRUG BID AMOUNT.—The accepted unadjusted MA statutory non-drug monthly bid amount.

“(ii) PLAN’S SHARE OF MEDICARE ADVANTAGE ENROLLMENT IN AREA.—The number of individuals described in subparagraph (B), divided by the total number of such individuals for all MA plans described in subparagraph (C) for that area and year.

“(B) COUNTING OF INDIVIDUALS.—The Secretary shall count, for each MA local plan described in subparagraph (C) for an area and year, the number of individuals who reside in the area and who were enrolled under such plan under this part during the reference month for that year.

“(C) EXCLUSION OF PLANS NOT OFFERED IN PREVIOUS YEAR.—For an area and year, the MA local plans described in this subparagraph are MA local plans described in section 1851(a)(2)(A)(i) that are offered in the area and year and were offered in the CCA area in the reference month.

“(D) COMPUTATION OF WEIGHTED AVERAGE OF PLAN BIDS.—In calculating the weighted average of plan bids for a CCA area under subparagraph (A)—

“(i) in the case of an MA local plan that has a service area only part of which is within such CCA area, the MA organization offering such plan shall submit a separate bid for such plan for the portion within such CCA area; and

“(ii) the Secretary shall adjust such separate bid (or, in the case of an MA local plan that has a service area entirely within such CCA area, the plan bid) as may be necessary to take into account differences between the service area of such plan within the CCA area and the entire CCA area and the distribution of plan enrollees of all MA local plans offered within the CCA area.

“(4) COMPUTATION OF FEE-FOR-SERVICE MARKET SHARE PERCENTAGE.—The Secretary shall determine, for a year and a CCA area, the proportion (in this subsection referred to as the ‘fee-for-service market share percentage’) equal to—

“(A) the total number of MA eligible individuals residing in such area who during the reference month for the year were not enrolled in any MA plan; divided by

“(B) the sum of such number and the total number of MA eligible individuals residing in such area who during such reference month were enrolled in an MA local plan described in section 1851(a)(2)(A)(i),

or, if greater, such proportion determined for individuals nationally.

“(5) FEE-FOR-SERVICE AREA-SPECIFIC NON-DRUG AMOUNT.—

“(A) IN GENERAL.—For purposes of paragraph (2)(B)(i) and subsection (f)(2)(A), subject to subparagraph (C), the term ‘fee-for-service area-specific non-drug amount’ means, for a CCA area and a year, the adjusted average per capita cost for such area and year involved, determined under section 1876(a)(4) and adjusted as appropriate for

the purpose of risk adjustment for benefits under the original medicare fee-for-service program option for individuals entitled to benefits under part A and enrolled under part B who are not enrolled in an MA plan for the year, but adjusted to exclude costs attributable to payments under section 1886(h).

“(B) USE OF FULL RISK ADJUSTMENT TO STANDARDIZE FEE-FOR-SERVICE COSTS TO TYPICAL BENEFICIARY.—In determining the adjusted average per capita cost for an area and year under subparagraph (A), such costs shall be adjusted to fully take into account the demographic and health status risk factors established under section 1853(a)(1)(A)(iv) so that such per capita costs reflect the average costs for a typical beneficiary residing in the CCA area.

“(C) INCLUSION OF COSTS OF VA AND DOD MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the adjusted average per capita cost under subparagraph (A) for a year, such cost shall be adjusted to include the Secretary’s estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Veterans Affairs or the Department of Defense.

“(f) PREMIUM ADJUSTMENT.—

“(1) APPLICATION.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of an individual who is enrolled under part B, who resides in a CCA area, and who is not enrolled in an MA plan under this part, the monthly premium otherwise applied under part B (determined without regard to subsections (b), (f), and (i) of section 1839 or any adjustment under this subsection) shall be adjusted in accordance with paragraph (2), but only in the case of premiums for months during the period in which the CCA program under this section for such area is in effect.

“(B) NO PREMIUM ADJUSTMENT FOR SUBSIDY ELIGIBLE BENEFICIARIES.—No premium adjustment shall be made under this subsection for a premium for a month if the individual is determined to be a subsidy eligible individual (as defined in section 1860D–14(a)(3)(A)) for the month.

“(2) AMOUNT OF ADJUSTMENT.—

“(A) IN GENERAL.—Under this paragraph, subject to the exemption under paragraph (1)(B) and the limitation under subparagraph (B), if the fee-for-service area-specific non-drug amount (as defined in section (e)(5)) for a CCA area in which an individual resides for a month—

“(i) does not exceed the CCA non-drug monthly benchmark amount (as determined under subsection (e)(1)) for such area and month, the amount of the premium for the individual for the month shall be reduced, by an amount equal to 75 percent of the amount by which such CCA benchmark exceeds such fee-for-service area-specific non-drug amount; or

“(ii) exceeds such CCA non-drug benchmark, the amount of the premium for the individual for the month shall be adjusted to ensure, that—

“(I) the sum of the amount of the adjusted premium and the CCA non-drug benchmark for the area; is equal to

“(II) the sum of the unadjusted premium plus the amount of such fee-for-service area-specific non-drug amount for the area.

“(B) LIMITATION.—In no case shall the actual amount of an adjustment under subparagraph (A) for an area and month in a year result in an adjustment that exceeds the maximum adjustment permitted under subparagraph (C) for the area and year, or, if less, the maximum annual adjustment permitted under subparagraph (D) for the area and year.

“(C) PHASE-IN OF ADJUSTMENT.—The amount of an adjustment under subparagraph (A) for a CCA area and year may not exceed the product of the phase-in fraction for the year under subsection (d)(3)(B) multiplied by the amount of the adjustment otherwise computed under subparagraph (A) for the area and year, determined without regard to this subparagraph and subparagraph (D).

“(D) 5-PERCENT LIMITATION ON ADJUSTMENT.—The amount of the adjustment under this subsection for months in a year shall not exceed 5 percent of the amount of the monthly premium amount determined for months in the year under section 1839 without regard to subsections (b), (f), and (i) of such section and this subsection.”.

(b) CONFORMING AMENDMENTS.—

(1) MA LOCAL PLANS.—

(A) Section 1853(j)(1)(A) (42 U.S.C. 1395w–23(j)(1)(A)), as added by section 222(d), is amended by inserting “subject to section 1860C–1(d)(2)(A),” after “within an MA local area.”.

(B) Section 1853(b)(1)(B), as amended by section 222(f)(1), is amended by adding at the end the following new clause:

“(iii) BENCHMARK ANNOUNCEMENT FOR CCA LOCAL AREAS.—The Secretary shall determine, and shall announce (in a manner intended to provide notice to interested parties), on a timely basis before the calendar year concerned, with respect to each CCA area (as defined in section 1860C–1(b)(1)(A)), the CCA non-drug monthly benchmark amount under section 1860C–1(e)(1) for that area for the year involved.”.

(2) PREMIUM ADJUSTMENT.—

(A) Section 1839 (42 U.S.C. 1395r) is amended by adding at the end the following new subsection:

“(h) POTENTIAL APPLICATION OF COMPARATIVE COST ADJUSTMENT IN CCA AREAS.—

“(1) IN GENERAL.—Certain individuals who are residing in a CCA area under section 1860C–1 who are not enrolled in an MA plan under part C may be subject to a premium adjustment under subsection (f) of such section for months in which the CCA program under such section is in effect in such area.

“(2) NO EFFECT ON LATE ENROLLMENT PENALTY OR INCOME-RELATED ADJUSTMENT IN SUBSIDIES.—Nothing in this subsection or section 1860C–1(f) shall be construed as affecting the amount of any premium adjustment under subsection (b) or (i). Subsection (f) shall be applied without regard to any premium adjustment referred to in paragraph (1).

Applicability.

“(3) IMPLEMENTATION.—In order to carry out a premium adjustment under this subsection and section 1860C–1(f) (insofar as it is effected through the manner of collection of premiums under section 1840(a)), the Secretary shall transmit to the Commissioner of Social Security—

“(A) at the beginning of each year, the name, social security account number, and the amount of the premium adjustment (if any) for each individual enrolled under this part for each month during the year; and

“(B) periodically throughout the year, information to update the information previously transmitted under this paragraph for the year.”.

(B) Section 1844(c) (42 U.S.C. 1395w(c)) is amended by inserting “and without regard to any premium adjustment effected under sections 1839(h) and 1860C–1(f)” before the period at the end.

(c) NO CHANGE IN MEDICARE’S DEFINED BENEFIT PACKAGE.—Nothing in this part (or the amendments made by this part) shall be construed as changing the entitlement to defined benefits under parts A and B of title XVIII of the Social Security Act.

42 USC
1395w–29 note.

TITLE III—COMBATTING WASTE, FRAUD, AND ABUSE

SEC. 301. MEDICARE SECONDARY PAYOR (MSP) PROVISIONS.

(a) TECHNICAL AMENDMENT CONCERNING SECRETARY’S AUTHORITY TO MAKE CONDITIONAL PAYMENT WHEN CERTAIN PRIMARY PLANS DO NOT PAY PROMPTLY.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended—

(1) in subparagraph (A)(ii), by striking “promptly (as determined in accordance with regulations)”; and

(2) in subparagraph (B)—

(A) by redesignating clauses (i) through (v) as clauses (ii) through (vi), respectively; and

(B) by inserting before clause (ii), as so redesignated, the following new clause:

“(i) AUTHORITY TO MAKE CONDITIONAL PAYMENT.—The Secretary may make payment under this title with respect to an item or service if a primary plan described in subparagraph (A)(ii) has not made or cannot reasonably be expected to make payment with respect to such item or service promptly (as determined in accordance with regulations). Any such payment by the Secretary shall be conditioned on reimbursement to the appropriate Trust Fund in accordance with the succeeding provisions of this subsection.”.

(b) CLARIFYING AMENDMENTS TO CONDITIONAL PAYMENT PROVISIONS.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)), as amended by subsection (a), is amended—

(1) in subparagraph (A), in the matter following clause (ii), by inserting the following sentence at the end: “An entity that engages in a business, trade, or profession shall be deemed to have a self-insured plan if it carries its own risk (whether by a failure to obtain insurance, or otherwise) in whole or in part.”;

(2) in subparagraph (B)(ii), as redesignated by subsection (a)(2)(A)—

(A) by striking the first sentence and inserting the following: “A primary plan, and an entity that receives payment from a primary plan, shall reimburse the appropriate Trust Fund for any payment made by the Secretary under this title with respect to an item or service if it is demonstrated that such primary plan has or had a responsibility to make payment with respect to such item or service. A primary plan’s responsibility for such payment may be demonstrated by a judgment, a payment conditioned upon the recipient’s compromise, waiver, or release (whether or not there is a determination or admission of liability) of payment for items or services included in a claim against the primary plan or the primary plan’s insured, or by other means.”; and

(B) in the final sentence, by striking “on the date such notice or other information is received” and inserting “on the date notice of, or information related to, a primary plan’s responsibility for such payment or other information is received”; and

(3) in subparagraph (B)(iii), as redesignated by subsection (a)(2)(A), by striking the first sentence and inserting the following: “In order to recover payment made under this title for an item or service, the United States may bring an action against any or all entities that are or were required or responsible (directly, as an insurer or self-insurer, as a third-party administrator, as an employer that sponsors or contributes to a group health plan, or large group health plan, or otherwise) to make payment with respect to the same item or service (or any portion thereof) under a primary plan. The United States may, in accordance with paragraph (3)(A) collect double damages against any such entity. In addition, the United States may recover under this clause from any entity that has received payment from a primary plan or from the proceeds of a primary plan’s payment to any entity.”.

(c) CLERICAL AMENDMENTS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) in paragraph (1)(A), by moving the indentation of clauses (ii) through (v) 2 ems to the left; and

(2) in paragraph (3)(A), by striking “such” before “paragraphs”.

(d) EFFECTIVE DATES.—The amendments made by this section shall be effective—

(1) in the case of subsection (a), as if included in the enactment of title III of the Medicare and Medicaid Budget Reconciliation Amendments of 1984 (Public Law 98–369); and

(2) in the case of subsections (b) and (c), as if included in the enactment of section 953 of the Omnibus Reconciliation Act of 1980 (Public Law 96–499; 94 Stat. 2647).

SEC. 302. PAYMENT FOR DURABLE MEDICAL EQUIPMENT; COMPETITIVE ACQUISITION OF CERTAIN ITEMS AND SERVICES.**(a) QUALITY ENHANCEMENT AND FRAUD REDUCTION.—**

(1) ESTABLISHMENT OF QUALITY STANDARDS AND ACCREDITATION REQUIREMENTS FOR DURABLE MEDICAL EQUIPMENT SUPPLIERS.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

(A) by transferring paragraph (17), as added by section 4551(c)(1) of the Balanced Budget Act of 1997 (111 Stat. 458), to the end of such section and redesignating such paragraph as paragraph (19); and

(B) by adding at the end the following new paragraph:

“(20) IDENTIFICATION OF QUALITY STANDARDS.—

“(A) IN GENERAL.—Subject to subparagraph (C), the Secretary shall establish and implement quality standards for suppliers of items and services described in subparagraph (D) to be applied by recognized independent accreditation organizations (as designated under subparagraph (B)) and with which such suppliers shall be required to comply in order to—

“(i) furnish any such item or service for which payment is made under this part; and

“(ii) receive or retain a provider or supplier number used to submit claims for reimbursement for any such item or service for which payment may be made under this title.

“(B) DESIGNATION OF INDEPENDENT ACCREDITATION ORGANIZATIONS.—Not later than the date that is 1 year after the date on which the Secretary implements the quality standards under subparagraph (A), notwithstanding section 1865(b), the Secretary shall designate and approve one or more independent accreditation organizations for purposes of such subparagraph.

Deadline.

“(C) QUALITY STANDARDS.—The quality standards described in subparagraph (A) may not be less stringent than the quality standards that would otherwise apply if this paragraph did not apply and shall include consumer services standards.

“(D) ITEMS AND SERVICES DESCRIBED.—The items and services described in this subparagraph are the following items and services, as the Secretary determines appropriate:

“(i) Covered items (as defined in paragraph (13)) for which payment may otherwise be made under this subsection.

“(ii) Prosthetic devices and orthotics and prosthetics described in section 1834(h)(4).

“(iii) Items and services described in section 1842(s)(2).

“(E) IMPLEMENTATION.—The Secretary may establish by program instruction or otherwise the quality standards under this paragraph, after consultation with representatives of relevant parties. Such standards shall be applied prospectively and shall be published on the Internet website of the Centers for Medicare & Medicaid Services.”.

Publication.

(2) ESTABLISHMENT OF CLINICAL CONDITIONS OF COVERAGE STANDARDS FOR ITEMS OF DURABLE MEDICAL EQUIPMENT.—Section 1834(a)(1) (42 U.S.C. 1395m(a)(1)) is amended by adding at the end the following new subparagraph:

“(E) CLINICAL CONDITIONS FOR COVERAGE.—

“(i) IN GENERAL.—The Secretary shall establish standards for clinical conditions for payment for covered items under this subsection.

“(ii) REQUIREMENTS.—The standards established under clause (i) shall include the specification of types or classes of covered items that require, as a condition of payment under this subsection, a face-to-face examination of the individual by a physician (as defined in section 1861(r)(1)), a physician assistant, nurse practitioner, or a clinical nurse specialist (as those terms are defined in section 1861(aa)(5)) and a prescription for the item.

“(iii) PRIORITY OF ESTABLISHMENT OF STANDARDS.—In establishing the standards under this subparagraph, the Secretary shall first establish standards for those covered items for which the Secretary determines there has been a proliferation of use, consistent findings of charges for covered items that are not delivered, or consistent findings of falsification of documentation to provide for payment of such covered items under this part.

“(iv) STANDARDS FOR POWER WHEELCHAIRS.—Effective on the date of the enactment of this subparagraph, in the case of a covered item consisting of a motorized or power wheelchair for an individual, payment may not be made for such covered item unless a physician (as defined in section 1861(r)(1)), a physician assistant, nurse practitioner, or a clinical nurse specialist (as those terms are defined in section 1861(aa)(5)) has conducted a face-to-face examination of the individual and written a prescription for the item.

“(v) LIMITATION ON PAYMENT FOR COVERED ITEMS.—Payment may not be made for a covered item under this subsection unless the item meets any standards established under this subparagraph for clinical condition of coverage.”.

(b) COMPETITIVE ACQUISITION.—

(1) IN GENERAL.—Section 1847 (42 U.S.C. 1395w-3) is amended to read as follows:

“COMPETITIVE ACQUISITION OF CERTAIN ITEMS AND SERVICES

“SEC. 1847. (a) ESTABLISHMENT OF COMPETITIVE ACQUISITION PROGRAMS.—

“(1) IMPLEMENTATION OF PROGRAMS.—

“(A) IN GENERAL.—The Secretary shall establish and implement programs under which competitive acquisition areas are established throughout the United States for contract award purposes for the furnishing under this part of competitively priced items and services (described in paragraph (2)) for which payment is made under this part. Such areas may differ for different items and services.

“(B) PHASED-IN IMPLEMENTATION.—The programs—

Effective date.

Contracts.

“(i) shall be phased in among competitive acquisition areas in a manner so that the competition under the programs occurs in—

“(I) 10 of the largest metropolitan statistical areas in 2007;

“(II) 80 of the largest metropolitan statistical areas in 2009; and

“(III) additional areas after 2009; and

“(ii) may be phased in first among the highest cost and highest volume items and services or those items and services that the Secretary determines have the largest savings potential.

“(C) WAIVER OF CERTAIN PROVISIONS.—In carrying out the programs, the Secretary may waive such provisions of the Federal Acquisition Regulation as are necessary for the efficient implementation of this section, other than provisions relating to confidentiality of information and such other provisions as the Secretary determines appropriate.

“(2) ITEMS AND SERVICES DESCRIBED.—The items and services referred to in paragraph (1) are the following:

“(A) DURABLE MEDICAL EQUIPMENT AND MEDICAL SUPPLIES.—Covered items (as defined in section 1834(a)(13)) for which payment would otherwise be made under section 1834(a), including items used in infusion and drugs (other than inhalation drugs) and supplies used in conjunction with durable medical equipment, but excluding class III devices under the Federal Food, Drug, and Cosmetic Act.

“(B) OTHER EQUIPMENT AND SUPPLIES.—Items and services described in section 1842(s)(2)(D), other than parenteral nutrients, equipment, and supplies.

“(C) OFF-THE-SHELF ORTHOTICS.—Orthotics described in section 1861(s)(9) for which payment would otherwise be made under section 1834(h) which require minimal self-adjustment for appropriate use and do not require expertise in trimming, bending, molding, assembling, or customizing to fit to the individual.

“(3) EXCEPTION AUTHORITY.—In carrying out the programs under this section, the Secretary may exempt—

“(A) rural areas and areas with low population density within urban areas that are not competitive, unless there is a significant national market through mail order for a particular item or service; and

“(B) items and services for which the application of competitive acquisition is not likely to result in significant savings.

“(4) SPECIAL RULE FOR CERTAIN RENTED ITEMS OF DURABLE MEDICAL EQUIPMENT AND OXYGEN.—In the case of a covered item for which payment is made on a rental basis under section 1834(a) and in the case of payment for oxygen under section 1834(a)(5), the Secretary shall establish a process by which rental agreements for the covered items and supply arrangements with oxygen suppliers entered into before the application of the competitive acquisition program under this section for the item may be continued notwithstanding this section. In the case of any such continuation, the supplier involved shall

provide for appropriate servicing and replacement, as required under section 1834(a).

“(5) PHYSICIAN AUTHORIZATION.—

“(A) IN GENERAL.—With respect to items or services included within a particular HCPCS code, the Secretary may establish a process for certain items and services under which a physician may prescribe a particular brand or mode of delivery of an item or service within such code if the physician determines that use of the particular item or service would avoid an adverse medical outcome on the individual, as determined by the Secretary.

“(B) NO EFFECT ON PAYMENT AMOUNT.—A prescription under subparagraph (A) shall not affect the amount of payment otherwise applicable for the item or service under the code involved.

“(6) APPLICATION.—For each competitive acquisition area in which the program is implemented under this subsection with respect to items and services, the payment basis determined under the competition conducted under subsection (b) shall be substituted for the payment basis otherwise applied under section 1834(a), section 1834(h), or section 1842(s), as appropriate.

“(b) PROGRAM REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall conduct a competition among entities supplying items and services described in subsection (a)(2) for each competitive acquisition area in which the program is implemented under subsection (a) with respect to such items and services.

“(2) CONDITIONS FOR AWARDED CONTRACT.—

“(A) IN GENERAL.—The Secretary may not award a contract to any entity under the competition conducted in a competitive acquisition area pursuant to paragraph (1) to furnish such items or services unless the Secretary finds all of the following:

“(i) The entity meets applicable quality standards specified by the Secretary under section 1834(a)(20).

“(ii) The entity meets applicable financial standards specified by the Secretary, taking into account the needs of small providers.

“(iii) The total amounts to be paid to contractors in a competitive acquisition area are expected to be less than the total amounts that would otherwise be paid.

“(iv) Access of individuals to a choice of multiple suppliers in the area is maintained.

“(B) TIMELY IMPLEMENTATION OF PROGRAM.—Any delay in the implementation of quality standards under section 1834(a)(20) or delay in the receipt of advice from the program oversight committee established under subsection (c) shall not delay the implementation of the competitive acquisition program under this section.

“(3) CONTENTS OF CONTRACT.—

“(A) IN GENERAL.—A contract entered into with an entity under the competition conducted pursuant to paragraph (1) is subject to terms and conditions that the Secretary may specify.

“(B) TERM OF CONTRACTS.—The Secretary shall recompute contracts under this section not less often than once every 3 years.

“(4) LIMIT ON NUMBER OF CONTRACTORS.—

“(A) IN GENERAL.—The Secretary may limit the number of contractors in a competitive acquisition area to the number needed to meet projected demand for items and services covered under the contracts. In awarding contracts, the Secretary shall take into account the ability of bidding entities to furnish items or services in sufficient quantities to meet the anticipated needs of individuals for such items or services in the geographic area covered under the contract on a timely basis.

“(B) MULTIPLE WINNERS.—The Secretary shall award contracts to multiple entities submitting bids in each area for an item or service.

“(5) PAYMENT.—

“(A) IN GENERAL.—Payment under this part for competitively priced items and services described in subsection (a)(2) shall be based on bids submitted and accepted under this section for such items and services. Based on such bids the Secretary shall determine a single payment amount for each item or service in each competitive acquisition area.

“(B) REDUCED BENEFICIARY COST-SHARING.—

“(i) APPLICATION OF COINSURANCE.—Payment under this section for items and services shall be in an amount equal to 80 percent of the payment basis described in subparagraph (A).

“(ii) APPLICATION OF DEDUCTIBLE.—Before applying clause (i), the individual shall be required to meet the deductible described in section 1833(b).

“(C) PAYMENT ON ASSIGNMENT-RELATED BASIS.—Payment for any item or service furnished by the entity may only be made under this section on an assignment-related basis.

“(D) CONSTRUCTION.—Nothing in this section shall be construed as precluding the use of an advanced beneficiary notice with respect to a competitively priced item and service.

“(6) PARTICIPATING CONTRACTORS.—

“(A) IN GENERAL.—Except as provided in subsection (a)(4), payment shall not be made for items and services described in subsection (a)(2) furnished by a contractor and for which competition is conducted under this section unless—

“(i) the contractor has submitted a bid for such items and services under this section; and

“(ii) the Secretary has awarded a contract to the contractor for such items and services under this section.

“(B) BID DEFINED.—In this section, the term ‘bid’ means an offer to furnish an item or service for a particular price and time period that includes, where appropriate, any services that are attendant to the furnishing of the item or service.

“(C) RULES FOR MERGERS AND ACQUISITIONS.—In applying subparagraph (A) to a contractor, the contractor shall include a successor entity in the case of a merger or acquisition, if the successor entity assumes such contract along with any liabilities that may have occurred thereunder.

“(D) PROTECTION OF SMALL SUPPLIERS.—In developing procedures relating to bids and the awarding of contracts under this section, the Secretary shall take appropriate steps to ensure that small suppliers of items and services have an opportunity to be considered for participation in the program under this section.

“(7) CONSIDERATION IN DETERMINING CATEGORIES FOR BIDS.—The Secretary may consider the clinical efficiency and value of specific items within codes, including whether some items have a greater therapeutic advantage to individuals.

“(8) AUTHORITY TO CONTRACT FOR EDUCATION, MONITORING, OUTREACH, AND COMPLAINT SERVICES.—The Secretary may enter into contracts with appropriate entities to address complaints from individuals who receive items and services from an entity with a contract under this section and to conduct appropriate education of and outreach to such individuals and monitoring quality of services with respect to the program.

“(9) AUTHORITY TO CONTRACT FOR IMPLEMENTATION.—The Secretary may contract with appropriate entities to implement the competitive bidding program under this section.

“(10) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of—

“(A) the establishment of payment amounts under paragraph (5);

“(B) the awarding of contracts under this section;

“(C) the designation of competitive acquisition areas under subsection (a)(1)(A);

“(D) the phased-in implementation under subsection (a)(1)(B);

“(E) the selection of items and services for competitive acquisition under subsection (a)(2); or

“(F) the bidding structure and number of contractors selected under this section.

“(c) PROGRAM ADVISORY AND OVERSIGHT COMMITTEE.—

“(1) ESTABLISHMENT.—The Secretary shall establish a Program Advisory and Oversight Committee (hereinafter in this section referred to as the ‘Committee’).

“(2) MEMBERSHIP; TERMS.—The Committee shall consist of such members as the Secretary may appoint who shall serve for such term as the Secretary may specify.

“(3) DUTIES.—

“(A) ADVICE.—The Committee shall provide advice to the Secretary with respect to the following functions:

“(i) The implementation of the program under this section.

“(ii) The establishment of financial standards for purposes of subsection (b)(2)(A)(ii).

“(iii) The establishment of requirements for collection of data for the efficient management of the program.

“(iv) The development of proposals for efficient interaction among manufacturers, providers of services, suppliers (as defined in section 1861(d)), and individuals.

“(v) The establishment of quality standards under section 1834(a)(20).

“(B) ADDITIONAL DUTIES.—The Committee shall perform such additional functions to assist the Secretary in carrying out this section as the Secretary may specify.

“(4) INAPPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply.

“(5) TERMINATION.—The Committee shall terminate on December 31, 2009.

“(d) REPORT.—Not later than July 1, 2009, the Secretary shall submit to Congress a report on the programs under this section. The report shall include information on savings, reductions in cost-sharing, access to and quality of items and services, and satisfaction of individuals. Deadline.

“(e) DEMONSTRATION PROJECT FOR CLINICAL LABORATORY SERVICES.—

“(1) IN GENERAL.—The Secretary shall conduct a demonstration project on the application of competitive acquisition under this section to clinical diagnostic laboratory tests—

“(A) for which payment would otherwise be made under section 1833(h) (other than for pap smear laboratory tests under paragraph (7) of such section) or section 1834(d)(1) (relating to colorectal cancer screening tests); and

“(B) which are furnished by entities that did not have a face-to-face encounter with the individual.

“(2) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), such project shall be under the same conditions as are applicable to items and services described in subsection (a)(2), excluding subsection (b)(5)(B) and other conditions as the Secretary determines to be appropriate.

“(B) APPLICATION OF CLIA QUALITY STANDARDS.—The quality standards established by the Secretary under section 353 of the Public Health Service Act for clinical diagnostic laboratory tests shall apply to such tests under the demonstration project under this section in lieu of quality standards described in subsection (b)(2)(A)(i).

“(3) REPORT.—The Secretary shall submit to Congress— Deadline.

“(A) an initial report on the project not later than December 31, 2005; and

“(B) such progress and final reports on the project after such date as the Secretary determines appropriate.”.

(2) CONFORMING AMENDMENTS.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking “and (U)” and inserting “(U)”;

(B) by inserting before the semicolon at the end the following: “, and (V) notwithstanding subparagraphs (I) (relating to durable medical equipment), (M) (relating to prosthetic devices and orthotics and prosthetics), and (Q) (relating to 1842(s) items), with respect to competitively priced items and services (described in section 1847(a)(2)) that are furnished in a competitive area, the amounts

paid shall be the amounts described in section 1847(b)(5)”; and

(C) in clause (D)—

(i) by striking “or (ii)” and inserting “(ii)”; and

(ii) by adding at the end the following: “or (iii) on the basis of a rate established under a demonstration project under section 1847(e), the amount paid shall be equal to 100 percent of such rate,”.

42 USC 1395w–3
note.

(3) GAO REPORT ON IMPACT OF COMPETITIVE ACQUISITION ON SUPPLIERS.—

(A) STUDY.—The Comptroller General of the United States shall conduct a study on the impact of competitive acquisition of durable medical equipment under section 1847 of the Social Security Act, as amended by paragraph (1), on suppliers and manufacturers of such equipment and on patients. Such study shall specifically examine the impact of such competitive acquisition on access to, and quality of, such equipment and service related to such equipment.

Deadline.

(B) REPORT.—Not later than January 1, 2009, the Comptroller General shall submit to Congress a report on the study conducted under subparagraph (A) and shall include in the report such recommendations as the Comptroller General determines appropriate.

(c) TRANSITIONAL FREEZE.—

(1) DME.—

(A) IN GENERAL.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(i) in subparagraph (E), by striking “and” at the end;

(ii) in subparagraph (F)—

(I) by striking “a subsequent year” and inserting “2003”; and

(II) by striking “the previous year.” and inserting “2002.”; and

(iii) by adding at the end the following new subparagraphs:

“(G) for 2004 through 2006—

“(i) subject to clause (ii), in the case of class III medical devices described in section 513(a)(1)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(c)(1)(C)), the percentage increase described in subparagraph (B) for the year involved; and

“(ii) in the case of covered items not described in clause (i), 0 percentage points;

“(H) for 2007—

“(i) subject to clause (ii), in the case of class III medical devices described in section 513(a)(1)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(c)(1)(C)), the percentage change determined by the Secretary to be appropriate taking into account recommendations contained in the report of the Comptroller General of the United States under section 302(c)(1)(B) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; and

“(ii) in the case of covered items not described in clause (i), 0 percentage points; and

“(I) for 2008—

“(i) subject to clause (ii), in the case of class III medical devices described in section 513(a)(1)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(c)(1)(C)), the percentage increase described in subparagraph (B) (as applied to the payment amount for 2007 determined after the application of the percentage change under subparagraph (H)(i)); and

“(ii) in the case of covered items not described in clause (i), 0 percentage points; and

“(J) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. urban average) for the 12-month period ending with June of the previous year.”.

(B) GAO REPORT ON CLASS III MEDICAL DEVICES.—Not later than March 1, 2006, the Comptroller General of the United States shall submit to Congress, and transmit to the Secretary, a report containing recommendations on the appropriate update percentage under section 1834(a)(14) of the Social Security Act (42 U.S.C. 1395m(a)(14)) for class III medical devices described in section 513(a)(1)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(a)(1)(C)) furnished to medicare beneficiaries during 2007 and 2008.

Deadline.
42 USC 1395m
note.

(2) PAYMENT RULE FOR SPECIFIED ITEMS.—Section 1834(a) (42 U.S.C. 1395m(a)), as amended by subsection (a), is further amended by adding at the end the following new paragraph:

“(21) SPECIAL PAYMENT RULE FOR SPECIFIED ITEMS AND SUPPLIES.—

“(A) IN GENERAL.—Notwithstanding the preceding provisions of this subsection, for specified items and supplies (described in subparagraph (B)) furnished during 2005, the payment amount otherwise determined under this subsection for such specified items and supplies shall be reduced by the percentage difference between—

“(i) the amount of payment otherwise determined for the specified item or supply under this subsection for 2002, and

“(ii) the amount of payment for the specified item or supply under chapter 89 of title 5, United States Code, as identified in the column entitled ‘Median FEHP Price’ in the table entitled ‘SUMMARY OF MEDICARE PRICES COMPARED TO VA, MEDICAID, RETAIL, AND FEHP PRICES FOR 16 ITEMS’ included in the Testimony of the Inspector General before the Senate Committee on Appropriations, June 12, 2002, or any subsequent report by the Inspector General.

“(B) SPECIFIED ITEM OR SUPPLY DESCRIBED.—For purposes of subparagraph (A), a specified item or supply means oxygen and oxygen equipment, standard wheelchairs (including standard power wheelchairs), nebulizers, diabetic supplies consisting of lancets and testing strips, hospital beds, and air mattresses, but only if the HCPCS code for the item or supply is identified in a table referred to in subparagraph (A)(ii).

“(C) APPLICATION OF UPDATE TO SPECIAL PAYMENT AMOUNT.—The covered item update under paragraph (14) for specified items and supplies for 2006 and each subsequent year shall be applied to the payment amount under subparagraph (A) unless payment is made for such items and supplies under section 1847.”.

(3) PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

- (A) in clause (vii), by striking “and” at the end;
- (B) in clause (viii), by striking “a subsequent year” and inserting “2003”; and
- (C) by adding at the end the following new clauses:
 - “(ix) for 2004, 2005, and 2006, 0 percent; and
 - “(x) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;”.

(d) CONFORMING AMENDMENTS.—

(1) DURABLE MEDICAL EQUIPMENT; LIMITATION OF INHERENT REASONABLENESS AUTHORITY.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

- (A) in paragraph (1)(B), by striking “The payment basis” and inserting “Subject to subparagraph (F)(i), the payment basis”;
- (B) in paragraph (1)(C), by striking “This subsection” and inserting “Subject to subparagraph (F)(ii), this subsection”;
- (C) by adding at the end of paragraph (1) the following new subparagraph:

“(F) APPLICATION OF COMPETITIVE ACQUISITION; LIMITATION OF INHERENT REASONABLENESS AUTHORITY.—In the case of covered items furnished on or after January 1, 2009, that are included in a competitive acquisition program in a competitive acquisition area under section 1847(a)—

“(i) the payment basis under this subsection for such items and services furnished in such area shall be the payment basis determined under such competitive acquisition program; and

“(ii) the Secretary may use information on the payment determined under such competitive acquisition programs to adjust the payment amount otherwise recognized under subparagraph (B)(ii) for an area that is not a competitive acquisition area under section 1847 and in the case of such adjustment, paragraph (10)(B) shall not be applied.”; and

(D) in paragraph (10)(B), by inserting “in an area and with respect to covered items and services for which the Secretary does not make a payment amount adjustment under paragraph (1)(F)” after “under this subsection”.

(2) OFF-THE-SHELF ORTHOTICS; LIMITATION OF INHERENT REASONABLENESS AUTHORITY.—Section 1834(h) (42 U.S.C. 1395m(h)) is amended—

- (A) in paragraph (1)(B), by striking “and (E)” and inserting “, (E), and (H)(i)”;

(B) in paragraph (1)(D), by striking “This subsection” and inserting “Subject to subparagraph (H)(ii), this subsection”; and

(C) by adding at the end of paragraph (1) the following new subparagraph:

“(H) APPLICATION OF COMPETITIVE ACQUISITION TO ORTHOTICS; LIMITATION OF INHERENT REASONABLENESS AUTHORITY.—In the case of orthotics described in paragraph (2)(C) of section 1847(a) furnished on or after January 1, 2009, that are included in a competitive acquisition program in a competitive acquisition area under such section—

“(i) the payment basis under this subsection for such orthotics furnished in such area shall be the payment basis determined under such competitive acquisition program; and

“(ii) the Secretary may use information on the payment determined under such competitive acquisition programs to adjust the payment amount otherwise recognized under subparagraph (B)(ii) for an area that is not a competitive acquisition area under section 1847, and in the case of such adjustment, paragraphs (8) and (9) of section 1842(b) shall not be applied.”.

(3) OTHER ITEMS AND SERVICES; LIMITATION OF INHERENT REASONABLENESS AUTHORITY.—Section 1842(s) (42 U.S.C. 1395u(s)) is amended—

(A) in the first sentence of paragraph (1), by striking “The Secretary” and inserting “Subject to paragraph (3), the Secretary”; and

(B) by adding at the end the following new paragraph:

“(3) In the case of items and services described in paragraph (2)(D) that are included in a competitive acquisition program in a competitive acquisition area under section 1847(a)—

“(A) the payment basis under this subsection for such items and services furnished in such area shall be the payment basis determined under such competitive acquisition program; and

“(B) the Secretary may use information on the payment determined under such competitive acquisition programs to adjust the payment amount otherwise applicable under paragraph (1) for an area that is not a competitive acquisition area under section 1847, and in the case of such adjustment, paragraphs (8) and (9) of section 1842(b) shall not be applied.”.

(e) REPORT ON ACTIVITIES OF SUPPLIERS.—The Inspector General of the Department of Health and Human Services shall conduct a study to determine the extent to which (if any) suppliers of covered items of durable medical equipment that are subject to the competitive acquisition program under section 1847 of the Social Security Act, as amended by subsection (a), are soliciting physicians to prescribe certain brands or modes of delivery of covered items based on profitability. Not later than July 1, 2009, the Inspector General shall submit to Congress a report on such study.

42 USC 1395w–3 note.

Deadline.

SEC. 303. PAYMENT REFORM FOR COVERED OUTPATIENT DRUGS AND BIOLOGICALS.

(a) ADJUSTMENT TO PHYSICIAN FEE SCHEDULE.—

(1) ADJUSTMENT IN PRACTICE EXPENSE RELATIVE VALUE UNITS.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended—

(A) in subparagraph (B)—

(i) in clause (ii)(II), by striking “The adjustments” and inserting “Subject to clause (iv), the adjustments”; and

(ii) by adding at the end of subparagraph (B), the following new clause:

“(iv) EXEMPTION FROM BUDGET NEUTRALITY.—The additional expenditures attributable to—

“(I) subparagraph (H) shall not be taken into account in applying clause (ii)(II) for 2004;

“(II) subparagraph (I) insofar as it relates to a physician fee schedule for 2005 or 2006 shall not be taken into account in applying clause (ii)(II) for drug administration services under the fee schedule for such year for a specialty described in subparagraph (I)(ii)(II); and

“(III) subparagraph (J) insofar as it relates to a physician fee schedule for 2005 or 2006 shall not be taken into account in applying clause (ii)(II) for drug administration services under the fee schedule for such year.”; and

(B) by adding at the end the following new subparagraphs:

“(H) ADJUSTMENTS IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN DRUG ADMINISTRATION SERVICES BEGINNING IN 2004.—

“(i) USE OF SURVEY DATA.—In establishing the physician fee schedule under subsection (b) with respect to payments for services furnished on or after January 1, 2004, the Secretary shall, in determining practice expense relative value units under this subsection, utilize a survey submitted to the Secretary as of January 1, 2003, by a physician specialty organization pursuant to section 212 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 if the survey—

“(I) covers practice expenses for oncology drug administration services; and

“(II) meets criteria established by the Secretary for acceptance of such surveys.

“(ii) PRICING OF CLINICAL ONCOLOGY NURSES IN PRACTICE EXPENSE METHODOLOGY.—If the survey described in clause (i) includes data on wages, salaries, and compensation of clinical oncology nurses, the Secretary shall utilize such data in the methodology for determining practice expense relative value units under subsection (c).

“(iii) WORK RELATIVE VALUE UNITS FOR CERTAIN DRUG ADMINISTRATION SERVICES.—In establishing the relative value units under this paragraph for drug administration services described in clause (iv) furnished on or after January 1, 2004, the Secretary shall establish work relative value units equal to the work

relative value units for a level 1 office medical visit for an established patient.

“(iv) DRUG ADMINISTRATION SERVICES DESCRIBED.—The drug administration services described in this clause are physicians’ services—

“(I) which are classified as of October 1, 2003, within any of the following groups of procedures: therapeutic or diagnostic infusions (excluding chemotherapy); chemotherapy administration services; and therapeutic, prophylactic, or diagnostic injections;

“(II) for which there are no work relative value units assigned under this subsection as of such date; and

“(III) for which national relative value units have been assigned under this subsection as of such date.

“(I) ADJUSTMENTS IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN DRUG ADMINISTRATION SERVICES BEGINNING WITH 2005.—

“(i) IN GENERAL.—In establishing the physician fee schedule under subsection (b) with respect to payments for services furnished on or after January 1, 2005 or 2006, the Secretary shall adjust the practice expense relative value units for such year consistent with clause (ii).

“(ii) USE OF SUPPLEMENTAL SURVEY DATA.—

“(I) IN GENERAL.—Subject to subclause (II), if a specialty submits to the Secretary by not later than March 1, 2004, for 2005, or March 1, 2005, for 2006, data that includes expenses for the administration of drugs and biologicals for which the payment amount is determined pursuant to section 1842(o), the Secretary shall use such supplemental survey data in carrying out this subparagraph for the years involved insofar as they are collected and provided by entities and organizations consistent with the criteria established by the Secretary pursuant to section 212(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.

“(II) LIMITATION ON SPECIALTY.—Subclause (I) shall apply to a specialty only insofar as not less than 40 percent of payments for the specialty under this title in 2002 are attributable to the administration of drugs and biologicals, as determined by the Secretary.

“(III) APPLICATION.—This clause shall not apply with respect to a survey to which subparagraph (H)(i) applies.

“(J) PROVISIONS FOR APPROPRIATE REPORTING AND BILLING FOR PHYSICIANS’ SERVICES ASSOCIATED WITH THE ADMINISTRATION OF COVERED OUTPATIENT DRUGS AND BIOLOGICALS.—

“(i) EVALUATION OF CODES.—The Secretary shall promptly evaluate existing drug administration codes for physicians’ services to ensure accurate reporting

and billing for such services, taking into account levels of complexity of the administration and resource consumption.

“(ii) USE OF EXISTING PROCESSES.—In carrying out clause (i), the Secretary shall use existing processes for the consideration of coding changes and, to the extent coding changes are made, shall use such processes in establishing relative values for such services.

“(iii) IMPLEMENTATION.—In carrying out clause (i), the Secretary shall consult with representatives of physician specialties affected by the implementation of section 1847A or section 1847B, and shall take such steps within the Secretary’s authority to expedite such considerations under clause (ii).

“(iv) SUBSEQUENT, BUDGET NEUTRAL ADJUSTMENTS PERMITTED.—Nothing in subparagraph (H) or (I) or this subparagraph shall be construed as preventing the Secretary from providing for adjustments in practice expense relative value units under (and consistent with) subparagraph (B) for years after 2004, 2005, or 2006, respectively.”

42 USC 1395w-4
note.

(2) TREATMENT OF OTHER SERVICES CURRENTLY IN THE NON-PHYSICIAN WORK POOL.—The Secretary shall make adjustments to the nonphysician work pool methodology (as such term is used in the final rule promulgated by the Secretary in the Federal Register on December 31, 2002 (67 Fed. Reg. 251)), for the determination of practice expense relative value units under the physician fee schedule under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w-4(c)(2)(C)(ii)), so that the practice expense relative value units for services determined under such methodology are not affected relative to the practice expense relative value units of services not determined under such methodology, as a result of the amendments made by paragraph (1).

42 USC 1395w-4
note.

(3) PAYMENT FOR MULTIPLE CHEMOTHERAPY AGENTS FURNISHED ON A SINGLE DAY THROUGH THE PUSH TECHNIQUE.—

(A) REVIEW OF POLICY.—The Secretary shall review the policy, as in effect on October 1, 2003, with respect to payment under section 1848 of the Social Security Act (42 U.S.C. 1395w-4) for the administration of more than 1 drug or biological to an individual on a single day through the push technique.

(B) MODIFICATION OF POLICY.—After conducting the review under subparagraph (A), the Secretary shall modify such payment policy as the Secretary determines to be appropriate.

(C) EXEMPTION FROM BUDGET NEUTRALITY UNDER PHYSICIAN FEE SCHEDULE.—If the Secretary modifies such payment policy pursuant to subparagraph (B), any increased expenditures under title XVIII of the Social Security Act resulting from such modification shall be treated as additional expenditures attributable to subparagraph (H) of section 1848(c)(2) of the Social Security Act (42 U.S.C. 1395w-4(c)(2)), as added by paragraph (1)(B), for purposes of applying the exemption to budget neutrality under subparagraph (B)(iv) of such section, as added by paragraph (1)(A).

(4) TRANSITIONAL ADJUSTMENT.—

42 USC 1395w–4
note.

(A) IN GENERAL.—In order to provide for a transition during 2004 and 2005 to the payment system established under the amendments made by this section, in the case of physicians' services consisting of drug administration services described in subparagraph (H)(iv) of section 1848(c)(2) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)), as added by paragraph (1)(B), furnished on or after January 1, 2004, and before January 1, 2006, in addition to the amount determined under the fee schedule under section 1848(b) of such Act (42 U.S.C. 1395w–4(b)) there also shall be paid to the physician from the Federal Supplementary Medical Insurance Trust Fund an amount equal to the applicable percentage specified in subparagraph (B) of such fee schedule amount for the services so determined.

(B) APPLICABLE PERCENTAGE.—The applicable percentage specified in this subparagraph for services furnished—

- (i) during 2004, is 32 percent; and
- (ii) during 2005, is 3 percent.

(5) MEDPAC REVIEW AND REPORTS; SECRETARIAL RESPONSE.—

42 USC 1395w–4
note.

(A) REVIEW.—The Medicare Payment Advisory Commission shall review the payment changes made under this section insofar as they affect payment under part B of title XVIII of the Social Security Act—

- (i) for items and services furnished by oncologists; and
- (ii) for drug administration services furnished by other specialists.

(B) OTHER MATTERS STUDIED.—In conducting the review under subparagraph (A), the Commission shall also review such changes as they affect—

- (i) the quality of care furnished to individuals enrolled under part B and the satisfaction of such individuals with that care;
- (ii) the adequacy of reimbursement as applied in, and the availability in, different geographic areas and to different physician practice sizes; and
- (iii) the impact on physician practices.

(C) REPORTS.—The Commission shall submit to the Secretary and Congress—

Deadlines.

- (i) not later than January 1, 2006, a report on the review conducted under subparagraph (A)(i); and
- (ii) not later than January 1, 2007, a report on the review conducted under subparagraph (A)(ii).

Each such report may include such recommendations regarding further adjustments in such payments as the Commission deems appropriate.

(D) SECRETARIAL RESPONSE.—As part of the rule-making with respect to payment for physicians services under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for 2007, the Secretary may make appropriate adjustments to payment for items and services described in subparagraph (A)(i), taking into account the report submitted under such subparagraph (C)(i).

(b) APPLICATION OF MARKET-BASED PAYMENT SYSTEMS.—Section 1842(o) (42 U.S.C. 1395u(o)) is amended—

(1) in paragraph (1), by striking “equal to 95 percent of the average wholesale price.” and inserting “equal to the following:

“(A) In the case of any of the following drugs or biologicals, 95 percent of the average wholesale price:

“(i) A drug or biological furnished before January 1, 2004.

“(ii) Blood clotting factors furnished during 2004.

“(iii) A drug or biological furnished during 2004 that was not available for payment under this part as of April 1, 2003.

“(iv) A vaccine described in subparagraph (A) or (B) of section 1861(s)(10) furnished on or after January 1, 2004.

“(v) A drug or biological furnished during 2004 in connection with the furnishing of renal dialysis services if separately billed by renal dialysis facilities.

“(B) In the case of a drug or biological furnished during 2004 that is not described in—

“(i) clause (ii), (iii), (iv), or (v) of subparagraph (A),

“(ii) subparagraph (D)(i), or

“(iii) subparagraph (F),

the amount determined under paragraph (4).

“(C) In the case of a drug or biological that is not described in subparagraph (A)(iv), (D)(i), or (F) furnished on or after January 1, 2005, the amount provided under section 1847, section 1847A, section 1847B, or section 1881(b)(13), as the case may be for the drug or biological.

“(D)(i) Except as provided in clause (ii), in the case of infusion drugs furnished through an item of durable medical equipment covered under section 1861(n) on or after January 1, 2004, 95 percent of the average wholesale price for such drug in effect on October 1, 2003.

“(ii) In the case of such infusion drugs furnished in a competitive acquisition area under section 1847 on or after January 1, 2007, the amount provided under section 1847.

“(E) In the case of a drug or biological, consisting of intravenous immune globulin, furnished—

“(i) in 2004, the amount of payment provided under paragraph (4); and

“(ii) in 2005 and subsequent years, the amount of payment provided under section 1847A.

“(F) In the case of blood and blood products (other than blood clotting factors), the amount of payment shall be determined in the same manner as such amount of payment was determined on October 1, 2003.

“(G) The provisions of subparagraphs (A) through (F) of this paragraph shall not apply to an inhalation drug or biological furnished through durable medical equipment covered under section 1861(n).”; and

(2) by adding at the end the following new paragraph:

“(4)(A) Subject to the succeeding provisions of this paragraph, the amount of payment for a drug or biological under this paragraph furnished in 2004 is equal to 85 percent of the average wholesale price (determined as of April 1, 2003) for the drug or biological.

“(B) The Secretary shall substitute for the percentage under subparagraph (A) for a drug or biological the percentage that would apply to the drug or biological under the column entitled ‘Average of GAO and OIG data (percent)’ in the table entitled ‘Table 3.—Medicare Part B Drugs in the Most Recent GAO and OIG Studies’ published on August 20, 2003, in the Federal Register (68 Fed. Reg. 50445).

“(C)(i) The Secretary may substitute for the percentage under subparagraph (A) a percentage that is based on data and information submitted by the manufacturer of the drug or biological by October 15, 2003.

“(ii) The Secretary may substitute for the percentage under subparagraph (A) with respect to drugs and biologicals furnished during 2004 on or after April 1, 2004, a percentage that is based on data and information submitted by the manufacturer of the drug or biological after October 15, 2003, and before January 1, 2004.

“(D) In no case may the percentage substituted under subparagraph (B) or (C) be less than 80 percent.”.

(c) APPLICATION OF AVERAGE SALES PRICE METHODS BEGINNING IN 2005.—

(1) IN GENERAL.—Title XVIII is amended by inserting after section 1847 (42 U.S.C. 1395w–3), as amended by section 302(b), the following new section:

“USE OF AVERAGE SALES PRICE PAYMENT METHODOLOGY

“SEC. 1847A. (a) APPLICATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply to payment for drugs and biologicals that are described in section 1842(o)(1)(C) and that are furnished on or after January 1, 2005.

“(2) ELECTION.—This section shall not apply in the case of a physician who elects under subsection (a)(1)(A)(ii) of section 1847B for that section to apply instead of this section for the payment for drugs and biologicals.

“(b) PAYMENT AMOUNT.—

“(1) IN GENERAL.—Subject to subsections (d)(3)(C) and (e), the amount of payment determined under this section for the billing and payment code for a drug or biological (based on a minimum dosage unit) is, subject to applicable deductible and coinsurance—

“(A) in the case of a multiple source drug (as defined in subsection (c)(6)(C)), 106 percent of the amount determined under paragraph (3); or

“(B) in the case of a single source drug or biological (as defined in subsection (c)(6)(D)), 106 percent of the amount determined under paragraph (4).

“(2) SPECIFICATION OF UNIT.—

“(A) SPECIFICATION BY MANUFACTURER.—The manufacturer of a drug or biological shall specify the unit associated with each National Drug Code (including package size) as part of the submission of data under section 1927(b)(3)(A)(iii).

“(B) UNIT DEFINED.—In this section, the term ‘unit’ means, with respect to each National Drug Code (including package size) associated with a drug or biological, the lowest identifiable quantity (such as a capsule or tablet,

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1395w–3a.

milligram of molecules, or grams) of the drug or biological that is dispensed, exclusive of any diluent without reference to volume measures pertaining to liquids. For years after 2004, the Secretary may establish the unit for a manufacturer to report and methods for counting units as the Secretary determines appropriate to implement this section.

“(3) MULTIPLE SOURCE DRUG.—For all drug products included within the same multiple source drug billing and payment code, the amount specified in this paragraph is the volume-weighted average of the average sales prices reported under section 1927(b)(3)(A)(iii) determined by—

“(A) computing the sum of the products (for each National Drug Code assigned to such drug products) of—

“(i) the manufacturer’s average sales price (as defined in subsection (c)); and

“(ii) the total number of units specified under paragraph (2) sold; and

“(B) dividing the sum determined under subparagraph (A) by the sum of the total number of units under subparagraph (A)(ii) for all National Drug Codes assigned to such drug products.

“(4) SINGLE SOURCE DRUG OR BIOLOGICAL.—The amount specified in this paragraph for a single source drug or biological is the lesser of the following:

“(A) AVERAGE SALES PRICE.—The average sales price as determined using the methodology applied under paragraph (3) for all National Drug Codes assigned to such drug or biological product.

“(B) WHOLESALE ACQUISITION COST (WAC).—The wholesale acquisition cost (as defined in subsection (c)(6)(B)) using the methodology applied under paragraph (3) for all National Drug Codes assigned to such drug or biological product.

“(5) BASIS FOR PAYMENT AMOUNT.—The payment amount shall be determined under this subsection based on information reported under subsection (f) and without regard to any special packaging, labeling, or identifiers on the dosage form or product or package.

“(c) MANUFACTURER’S AVERAGE SALES PRICE.—

“(1) IN GENERAL.—For purposes of this section, subject to paragraphs (2) and (3), the manufacturer’s ‘average sales price’ means, of a drug or biological for a National Drug Code for a calendar quarter for a manufacturer for a unit—

“(A) the manufacturer’s sales to all purchasers (excluding sales exempted in paragraph (2)) in the United States for such drug or biological in the calendar quarter; divided by

“(B) the total number of such units of such drug or biological sold by the manufacturer in such quarter.

“(2) CERTAIN SALES EXEMPTED FROM COMPUTATION.—In calculating the manufacturer’s average sales price under this subsection, the following sales shall be excluded:

“(A) SALES EXEMPT FROM BEST PRICE.—Sales exempt from the inclusion in the determination of ‘best price’ under section 1927(c)(1)(C)(i).

“(B) SALES AT NOMINAL CHARGE.—Such other sales as the Secretary identifies as sales to an entity that are merely nominal in amount (as applied for purposes of section 1927(c)(1)(C)(ii)(III), except as the Secretary may otherwise provide).

“(3) SALE PRICE NET OF DISCOUNTS.—In calculating the manufacturer’s average sales price under this subsection, such price shall include volume discounts, prompt pay discounts, cash discounts, free goods that are contingent on any purchase requirement, chargebacks, and rebates (other than rebates under section 1927). For years after 2004, the Secretary may include in such price other price concessions, which may be based on recommendations of the Inspector General, that would result in a reduction of the cost to the purchaser.

“(4) PAYMENT METHODOLOGY IN CASES WHERE AVERAGE SALES PRICE DURING FIRST QUARTER OF SALES IS UNAVAILABLE.—In the case of a drug or biological during an initial period (not to exceed a full calendar quarter) in which data on the prices for sales for the drug or biological is not sufficiently available from the manufacturer to compute an average sales price for the drug or biological, the Secretary may determine the amount payable under this section for the drug or biological based on—

“(A) the wholesale acquisition cost; or

“(B) the methodologies in effect under this part on November 1, 2003, to determine payment amounts for drugs or biologicals.

“(5) FREQUENCY OF DETERMINATIONS.—

“(A) IN GENERAL ON A QUARTERLY BASIS.—The manufacturer’s average sales price, for a drug or biological of a manufacturer, shall be calculated by such manufacturer under this subsection on a quarterly basis. In making such calculation insofar as there is a lag in the reporting of the information on rebates and chargebacks under paragraph (3) so that adequate data are not available on a timely basis, the manufacturer shall apply a methodology based on a 12-month rolling average for the manufacturer to estimate costs attributable to rebates and chargebacks. For years after 2004, the Secretary may establish a uniform methodology under this subparagraph to estimate and apply such costs.

“(B) UPDATES IN PAYMENT AMOUNTS.—The payment amounts under subsection (b) shall be updated by the Secretary on a quarterly basis and shall be applied based upon the manufacturer’s average sales price calculated for the most recent calendar quarter for which data is available.

“(C) USE OF CONTRACTORS; IMPLEMENTATION.—The Secretary may contract with appropriate entities to calculate the payment amount under subsection (b). Notwithstanding any other provision of law, the Secretary may implement, by program instruction or otherwise, any of the provisions of this section.

“(6) DEFINITIONS AND OTHER RULES.—In this section:

“(A) MANUFACTURER.—The term ‘manufacturer’ means, with respect to a drug or biological, the manufacturer (as defined in section 1927(k)(5)).

“(B) WHOLESALE ACQUISITION COST.—The term ‘wholesale acquisition cost’ means, with respect to a drug or biological, the manufacturer’s list price for the drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of drug or biological pricing data.

“(C) MULTIPLE SOURCE DRUG.—

“(i) IN GENERAL.—The term ‘multiple source drug’ means, for a calendar quarter, a drug for which there are 2 or more drug products which—

“(I) are rated as therapeutically equivalent (under the Food and Drug Administration’s most recent publication of ‘Approved Drug Products with Therapeutic Equivalence Evaluations’),

“(II) except as provided in subparagraph (E), are pharmaceutically equivalent and bioequivalent, as determined under subparagraph (F) and as determined by the Food and Drug Administration, and

“(III) are sold or marketed in the United States during the quarter.

“(ii) EXCEPTION.—With respect to single source drugs or biologicals that are within the same billing and payment code as of October 1, 2003, the Secretary shall treat such single source drugs or biologicals as if the single source drugs or biologicals were multiple source drugs.

“(D) SINGLE SOURCE DRUG OR BIOLOGICAL.—The term ‘single source drug or biological’ means—

“(i) a biological; or

“(ii) a drug which is not a multiple source drug and which is produced or distributed under a new drug application approved by the Food and Drug Administration, including a drug product marketed by any cross-licensed producers or distributors operating under the new drug application.

“(E) EXCEPTION FROM PHARMACEUTICAL EQUIVALENCE AND BIOEQUIVALENCE REQUIREMENT.—Subparagraph (C)(ii) shall not apply if the Food and Drug Administration changes by regulation the requirement that, for purposes of the publication described in subparagraph (C)(i), in order for drug products to be rated as therapeutically equivalent, they must be pharmaceutically equivalent and bioequivalent, as defined in subparagraph (F).

“(F) DETERMINATION OF PHARMACEUTICAL EQUIVALENCE AND BIOEQUIVALENCE.—For purposes of this paragraph—

“(i) drug products are pharmaceutically equivalent if the products contain identical amounts of the same active drug ingredient in the same dosage form and meet compendial or other applicable standards of strength, quality, purity, and identity; and

“(ii) drugs are bioequivalent if they do not present a known or potential bioequivalence problem, or, if

they do present such a problem, they are shown to meet an appropriate standard of bioequivalence.

“(G) INCLUSION OF VACCINES.—In applying provisions of section 1927 under this section, ‘other than a vaccine’ is deemed deleted from section 1927(k)(2)(B).

“(d) MONITORING OF MARKET PRICES.—

“(1) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct studies, which may include surveys, to determine the widely available market prices of drugs and biologicals to which this section applies, as the Inspector General, in consultation with the Secretary, determines to be appropriate.

“(2) COMPARISON OF PRICES.—Based upon such studies and other data for drugs and biologicals, the Inspector General shall compare the average sales price under this section for drugs and biologicals with—

“(A) the widely available market price for such drugs and biologicals (if any); and

“(B) the average manufacturer price (as determined under section 1927(k)(1)) for such drugs and biologicals.

“(3) LIMITATION ON AVERAGE SALES PRICE.—

“(A) IN GENERAL.—The Secretary may disregard the average sales price for a drug or biological that exceeds the widely available market price or the average manufacturer price for such drug or biological by the applicable threshold percentage (as defined in subparagraph (B)).

“(B) APPLICABLE THRESHOLD PERCENTAGE DEFINED.—In this paragraph, the term ‘applicable threshold percentage’ means—

“(i) in 2005, in the case of an average sales price for a drug or biological that exceeds widely available market price or the average manufacturer price, 5 percent; and

“(ii) in 2006 and subsequent years, the percentage applied under this subparagraph subject to such adjustment as the Secretary may specify for the widely available market price or the average manufacturer price, or both.

“(C) AUTHORITY TO ADJUST AVERAGE SALES PRICE.—If the Inspector General finds that the average sales price for a drug or biological exceeds such widely available market price or average manufacturer price for such drug or biological by the applicable threshold percentage, the Inspector General shall inform the Secretary (at such times as the Secretary may specify to carry out this subparagraph) and the Secretary shall, effective as of the next quarter, substitute for the amount of payment otherwise determined under this section for such drug or biological the lesser of—

“(i) the widely available market price for the drug or biological (if any); or

“(ii) 103 percent of the average manufacturer price (as determined under section 1927(k)(1)) for the drug or biological.

“(4) CIVIL MONEY PENALTY.—

“(A) IN GENERAL.—If the Secretary determines that a manufacturer has made a misrepresentation in the

reporting of the manufacturer's average sales price for a drug or biological, the Secretary may apply a civil money penalty in an amount of up to \$10,000 for each such price misrepresentation and for each day in which such price misrepresentation was applied.

Applicability.

“(B) PROCEDURES.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under subparagraph (B) in the same manner as they apply to a penalty or proceeding under section 1128A(a).

Definition.

“(5) WIDELY AVAILABLE MARKET PRICE.—

“(A) IN GENERAL.—In this subsection, the term ‘widely available market price’ means the price that a prudent physician or supplier would pay for the drug or biological. In determining such price, the Inspector General shall take into account the discounts, rebates, and other price concessions routinely made available to such prudent physicians or suppliers for such drugs or biologicals.

“(B) CONSIDERATIONS.—In determining the price under subparagraph (A), the Inspector General shall consider information from one or more of the following sources:

“(i) Manufacturers.

“(ii) Wholesalers.

“(iii) Distributors.

“(iv) Physician supply houses.

“(v) Specialty pharmacies.

“(vi) Group purchasing arrangements.

“(vii) Surveys of physicians.

“(viii) Surveys of suppliers.

“(ix) Information on such market prices from insurers.

“(x) Information on such market prices from private health plans.

“(e) AUTHORITY TO USE ALTERNATIVE PAYMENT IN RESPONSE TO PUBLIC HEALTH EMERGENCY.—In the case of a public health emergency under section 319 of the Public Health Service Act in which there is a documented inability to access drugs and biologicals, and a concomitant increase in the price, of a drug or biological which is not reflected in the manufacturer's average sales price for one or more quarters, the Secretary may use the wholesale acquisition cost (or other reasonable measure of drug or biological price) instead of the manufacturer's average sales price for such quarters and for subsequent quarters until the price and availability of the drug or biological has stabilized and is substantially reflected in the applicable manufacturer's average sales price.

“(f) QUARTERLY REPORT ON AVERAGE SALES PRICE.—For requirements for reporting the manufacturer's average sales price (and, if required to make payment, the manufacturer's wholesale acquisition cost) for the drug or biological under this section, see section 1927(b)(3).

“(g) JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of—

“(1) determinations of payment amounts under this section, including the assignment of National Drug Codes to billing and payment codes;

“(2) the identification of units (and package size) under subsection (b)(2);

“(3) the method to allocate rebates, chargebacks, and other price concessions to a quarter if specified by the Secretary;

“(4) the manufacturer’s average sales price when it is used for the determination of a payment amount under this section; and

“(5) the disclosure of the average manufacturer price by reason of an adjustment under subsection (d)(3)(C) or (e).”.

(2) REPORT ON SALES TO PHARMACY BENEFIT MANAGERS.— 42 USC

1395w–3a note.

(A) STUDY.—The Secretary shall conduct a study on sales of drugs and biologicals to large volume purchasers, such as pharmacy benefit managers and health maintenance organizations, for purposes of determining whether the price at which such drugs and biologicals are sold to such purchasers does not represent the price such drugs and biologicals are made available for purchase to prudent physicians.

(B) REPORT.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the study conducted under paragraph (1), and shall include recommendations on whether such sales to large volume purchasers should be excluded from the computation of a manufacturer’s average sales price under section 1847A of the Social Security Act, as added by paragraph (1).

Deadline.

(3) INSPECTOR GENERAL REPORT ON ADEQUACY OF REIMBURSEMENT RATE UNDER AVERAGE SALES PRICE METHODOLOGY.—

42 USC

1395w–3a note.

(A) STUDY.—The Inspector General of the Department of Health and Human Services shall conduct a study on the ability of physician practices in the specialties of hematology, hematology/oncology, and medical oncology of different sizes, especially particularly large practices, to obtain drugs and biologicals for the treatment of cancer patients at 106 percent of the average sales price for the drugs and biologicals. In conducting the study, the Inspector General shall conduct an audit of a representative sample of such practices to determine the adequacy of reimbursement under section 1847A of the Social Security Act, as added by paragraph (1).

(B) REPORT.—Not later October 1, 2005, the Inspector General shall submit to Congress a report on the study conducted under subparagraph (A), and shall include recommendations on the adequacy of reimbursement for such drugs and biologicals under such section 1847A.

Deadline.

(d) PAYMENT BASED ON COMPETITION.—

(1) IN GENERAL.—Title XVIII is amended by inserting after section 1847A, as added by subsection (c), the following new section:

“COMPETITIVE ACQUISITION OF OUTPATIENT DRUGS AND BIOLOGICALS

“SEC. 1847B. (a) IMPLEMENTATION OF COMPETITIVE ACQUISITION.—

42 USC

1395w–3b.

“(1) IMPLEMENTATION OF PROGRAM.—

“(A) IN GENERAL.—The Secretary shall establish and implement a competitive acquisition program under which—

“(i) competitive acquisition areas are established for contract award purposes for acquisition of and payment for categories of competitively biddable drugs and biologicals (as defined in paragraph (2)) under this part;

“(ii) each physician is given the opportunity annually to elect to obtain drugs and biologicals under the program, rather than under section 1847A; and

“(iii) each physician who elects to obtain drugs and biologicals under the program makes an annual selection under paragraph (5) of the contractor through which drugs and biologicals within a category of drugs and biologicals will be acquired and delivered to the physician under this part.

This section shall not apply in the case of a physician who elects section 1847A to apply.

“(B) IMPLEMENTATION.—For purposes of implementing the program, the Secretary shall establish categories of competitively biddable drugs and biologicals. The Secretary shall phase in the program with respect to those categories beginning in 2006 in such manner as the Secretary determines to be appropriate.

“(C) WAIVER OF CERTAIN PROVISIONS.—In order to promote competition, in carrying out the program the Secretary may waive such provisions of the Federal Acquisition Regulation as are necessary for the efficient implementation of this section, other than provisions relating to confidentiality of information and such other provisions as the Secretary determines appropriate.

“(D) EXCLUSION AUTHORITY.—The Secretary may exclude competitively biddable drugs and biologicals (including a class of such drugs and biologicals) from the competitive bidding system under this section if the application of competitive bidding to such drugs or biologicals—

“(i) is not likely to result in significant savings;

or

“(ii) is likely to have an adverse impact on access to such drugs or biologicals.

“(2) COMPETITIVELY BIDDABLE DRUGS AND BIOLOGICALS AND PROGRAM DEFINED.—For purposes of this section—

“(A) COMPETITIVELY BIDDABLE DRUGS AND BIOLOGICALS DEFINED.—The term ‘competitively biddable drugs and biologicals’ means a drug or biological described in section 1842(o)(1)(C) and furnished on or after January 1, 2006.

“(B) PROGRAM.—The term ‘program’ means the competitive acquisition program under this section.

“(C) COMPETITIVE ACQUISITION AREA; AREA.—The terms ‘competitive acquisition area’ and ‘area’ mean an appropriate geographic region established by the Secretary under the program.

“(D) CONTRACTOR.—The term ‘contractor’ means an entity that has entered into a contract with the Secretary under this section.

“(3) APPLICATION OF PROGRAM PAYMENT METHODOLOGY.—

“(A) IN GENERAL.—With respect to competitively biddable drugs and biologicals which are supplied under the

program in an area and which are prescribed by a physician who has elected this section to apply—

“(i) the claim for such drugs and biologicals shall be submitted by the contractor that supplied the drugs and biologicals;

“(ii) collection of amounts of any deductible and coinsurance applicable with respect to such drugs and biologicals shall be the responsibility of such contractor and shall not be collected unless the drug or biological is administered to the individual involved; and

“(iii) the payment under this section (and related amounts of any applicable deductible and coinsurance) for such drugs and biologicals—

“(I) shall be made only to such contractor; and

“(II) shall be conditioned upon the administration of such drugs and biologicals.

“(B) PROCESS FOR ADJUSTMENTS.—The Secretary shall provide a process for adjustments to payments in the case in which payment is made for drugs and biologicals which were billed at the time of dispensing but which were not actually administered.

“(C) INFORMATION FOR PURPOSES OF COST-SHARING.—The Secretary shall provide a process by which physicians submit information to contractors for purposes of the collection of any applicable deductible or coinsurance amounts under subparagraph (A)(ii).

Procedures.

“(4) CONTRACT REQUIRED.—Payment may not be made under this part for competitively biddable drugs and biologicals prescribed by a physician who has elected this section to apply within a category and a competitive acquisition area with respect to which the program applies unless—

“(A) the drugs or biologicals are supplied by a contractor with a contract under this section for such category of drugs and biologicals and area; and

“(B) the physician has elected such contractor under paragraph (5) for such category and area.

“(5) CONTRACTOR SELECTION PROCESS.—

“(A) ANNUAL SELECTION.—

“(i) IN GENERAL.—The Secretary shall provide a process for the selection of a contractor, on an annual basis and in such exigent circumstances as the Secretary may provide and with respect to each category of competitively biddable drugs and biologicals for an area by selecting physicians.

“(ii) TIMING OF SELECTION.—The selection of a contractor under clause (i) shall be made at the time of the election described in section 1847A(a) for this section to apply and shall be coordinated with agreements entered into under section 1842(h).

“(B) INFORMATION ON CONTRACTORS.—The Secretary shall make available to physicians on an ongoing basis, through a directory posted on the Internet website of the Centers for Medicare & Medicaid Services or otherwise and upon request, a list of the contractors under this section in the different competitive acquisition areas.

Internet.

“(C) SELECTING PHYSICIAN DEFINED.—For purposes of this section, the term ‘selecting physician’ means, with respect to a contractor and category and competitive acquisition area, a physician who has elected this section to apply and has selected to apply under this section such contractor for such category and area.

“(b) PROGRAM REQUIREMENTS.—

“(1) CONTRACT FOR COMPETITIVELY BIDDABLE DRUGS AND BIOLOGICALS.—The Secretary shall conduct a competition among entities for the acquisition of competitively biddable drugs and biologicals. Notwithstanding any other provision of this title, in the case of a multiple source drug, the Secretary shall conduct such competition among entities for the acquisition of at least one competitively biddable drug and biological within each billing and payment code within each category for each competitive acquisition area.

“(2) CONDITIONS FOR AWARDED CONTRACT.—

“(A) IN GENERAL.—The Secretary may not award a contract to any entity under the competition conducted in a competitive acquisition area pursuant to paragraph (1) with respect to the acquisition of competitively biddable drugs and biologicals within a category unless the Secretary finds that the entity meets all of the following with respect to the contract period involved:

“(i) CAPACITY TO SUPPLY COMPETITIVELY BIDDABLE DRUG OR BIOLOGICAL WITHIN CATEGORY.—

“(I) IN GENERAL.—The entity has sufficient arrangements to acquire and to deliver competitively biddable drugs and biologicals within such category in the area specified in the contract.

“(II) SHIPMENT METHODOLOGY.—The entity has arrangements in effect for the shipment at least 5 days each week of competitively biddable drugs and biologicals under the contract and for the timely delivery (including for emergency situations) of such drugs and biologicals in the area under the contract.

“(ii) QUALITY, SERVICE, FINANCIAL PERFORMANCE AND SOLVENCY STANDARDS.—The entity meets quality, service, financial performance, and solvency standards specified by the Secretary, including—

“(I) the establishment of procedures for the prompt response and resolution of complaints of physicians and individuals and of inquiries regarding the shipment of competitively biddable drugs and biologicals; and

“(II) a grievance and appeals process for the resolution of disputes.

“(B) ADDITIONAL CONSIDERATIONS.—The Secretary may refuse to award a contract under this section, and may terminate such a contract, with an entity based upon—

“(i) the suspension or revocation, by the Federal Government or a State government, of the entity’s license for the distribution of drugs or biologicals (including controlled substances); or

“(ii) the exclusion of the entity under section 1128 from participation under this title.

“(C) APPLICATION OF MEDICARE PROVIDER OMBUDSMAN.—For provision providing for a program-wide Medicare Provider Ombudsman to review complaints, see section 1868(b), as added by section 923 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

“(3) AWARDING MULTIPLE CONTRACTS FOR A CATEGORY AND AREA.—The Secretary may limit (but not below 2) the number of qualified entities that are awarded such contracts for any category and area. The Secretary shall select among qualified entities based on the following:

“(A) The bid prices for competitively biddable drugs and biologicals within the category and area.

“(B) Bid price for distribution of such drugs and biologicals.

“(C) Ability to ensure product integrity.

“(D) Customer service.

“(E) Past experience in the distribution of drugs and biologicals, including controlled substances.

“(F) Such other factors as the Secretary may specify.

“(4) TERMS OF CONTRACTS.—

“(A) IN GENERAL.—A contract entered into with an entity under the competition conducted pursuant to paragraph (1) is subject to terms and conditions that the Secretary may specify consistent with this section.

“(B) PERIOD OF CONTRACTS.—A contract under this section shall be for a term of 3 years, but may be terminated by the Secretary or the entity with appropriate, advance notice.

“(C) INTEGRITY OF DRUG AND BIOLOGICAL DISTRIBUTION SYSTEM.—A contractor (as defined in subsection (a)(2)(D)) shall—

“(i) acquire all drug and biological products it distributes directly from the manufacturer or from a distributor that has acquired the products directly from the manufacturer; and

“(ii) comply with any product integrity safeguards as may be determined to be appropriate by the Secretary.

Nothing in this subparagraph shall be construed to relieve or exempt any contractor from the provisions of the Federal Food, Drug, and Cosmetic Act that relate to the wholesale distribution of prescription drugs or biologicals.

“(D) COMPLIANCE WITH CODE OF CONDUCT AND FRAUD AND ABUSE RULES.—Under the contract—

“(i) the contractor shall comply with a code of conduct, specified or recognized by the Secretary, that includes standards relating to conflicts of interest; and

“(ii) the contractor shall comply with all applicable provisions relating to prevention of fraud and abuse, including compliance with applicable guidelines of the Department of Justice and the Inspector General of the Department of Health and Human Services.

“(E) DIRECT DELIVERY OF DRUGS AND BIOLOGICALS TO PHYSICIANS.—Under the contract the contractor shall only supply competitively biddable drugs and biologicals directly to the selecting physicians and not directly to individuals,

except under circumstances and settings where an individual currently receives a drug or biological in the individual's home or other non-physician office setting as the Secretary may provide. The contractor shall not deliver drugs and biologicals to a selecting physician except upon receipt of a prescription for such drugs and biologicals, and such necessary data as may be required by the Secretary to carry out this section. This section does not—

“(i) require a physician to submit a prescription for each individual treatment; or

“(ii) change a physician's flexibility in terms of writing a prescription for drugs or biologicals for a single treatment or a course of treatment.

“(5) PERMITTING ACCESS TO DRUGS AND BIOLOGICALS.—The Secretary shall establish rules under this section under which drugs and biologicals which are acquired through a contractor under this section may be used to resupply inventories of such drugs and biologicals which are administered consistent with safe drug practices and with adequate safeguards against fraud and abuse. The previous sentence shall apply if the physicians can demonstrate to the Secretary all of the following:

“(A) The drugs or biologicals are required immediately.

“(B) The physician could not have reasonably anticipated the immediate requirement for the drugs or biologicals.

“(C) The contractor could not deliver to the physician the drugs or biologicals in a timely manner.

“(D) The drugs or biologicals were administered in an emergency situation.

“(6) CONSTRUCTION.—Nothing in this section shall be construed as waiving applicable State requirements relating to licensing of pharmacies.

“(c) BIDDING PROCESS.—

“(1) IN GENERAL.—In awarding a contract for a category of drugs and biologicals in an area under the program, the Secretary shall consider with respect to each entity seeking to be awarded a contract the bid price and the other factors referred to in subsection (b)(3).

“(2) BID DEFINED.—In this section, the term ‘bid’ means an offer to furnish a competitively biddable drug or biological for a particular price and time period.

“(3) BIDDING ON A NATIONAL OR REGIONAL BASIS.—Nothing in this section shall be construed as precluding a bidder from bidding for contracts in all areas of the United States or as requiring a bidder to submit a bid for all areas of the United States.

“(4) UNIFORMITY OF BIDS WITHIN AREA.—The amount of the bid submitted under a contract offer for any competitively biddable drug or biological for an area shall be the same for that drug or biological for all portions of that area.

“(5) CONFIDENTIALITY OF BIDS.—The provisions of subparagraph (D) of section 1927(b)(3) shall apply to periods during which a bid is submitted with respect to a competitively biddable drug or biological under this section in the same manner as it applies to information disclosed under such section, except that any reference—

“(A) in that subparagraph to a ‘manufacturer or wholesaler’ is deemed a reference to a ‘bidder’ under this section;

“(B) in that section to ‘prices charged for drugs’ is deemed a reference to a ‘bid’ submitted under this section; and

“(C) in clause (i) of that section to ‘this section’, is deemed a reference to ‘part B of title XVIII’.

“(6) INCLUSION OF COSTS.—The bid price submitted in a contract offer for a competitively biddable drug or biological shall—

“(A) include all costs related to the delivery of the drug or biological to the selecting physician (or other point of delivery); and

“(B) include the costs of dispensing (including shipping) of such drug or biological and management fees, but shall not include any costs related to the administration of the drug or biological, or wastage, spillage, or spoilage.

“(7) PRICE ADJUSTMENTS DURING CONTRACT PERIOD; DISCLOSURE OF COSTS.—Each contract awarded shall provide for—

“(A) disclosure to the Secretary the contractor’s reasonable, net acquisition costs for periods specified by the Secretary, not more often than quarterly, of the contract; and

“(B) appropriate price adjustments over the period of the contract to reflect significant increases or decreases in a contractor’s reasonable, net acquisition costs, as so disclosed.

“(d) COMPUTATION OF PAYMENT AMOUNTS.—

“(1) IN GENERAL.—Payment under this section for competitively biddable drugs or biologicals shall be based on bids submitted and accepted under this section for such drugs or biologicals in an area. Based on such bids the Secretary shall determine a single payment amount for each competitively biddable drug or biological in the area.

“(2) SPECIAL RULES.—The Secretary shall establish rules regarding the use under this section of the alternative payment amount provided under section 1847A to the use of a price for specific competitively biddable drugs and biologicals in the following cases:

“(A) NEW DRUGS AND BIOLOGICALS.—A competitively biddable drug or biological for which a payment and billing code has not been established.

“(B) OTHER CASES.—Such other exceptional cases as the Secretary may specify in regulations.

“(e) COST-SHARING.—

“(1) APPLICATION OF COINSURANCE.—Payment under this section for competitively biddable drugs and biologicals shall be in an amount equal to 80 percent of the payment basis described in subsection (d)(1).

“(2) DEDUCTIBLE.—Before applying paragraph (1), the individual shall be required to meet the deductible described in section 1833(b).

“(3) COLLECTION.—Such coinsurance and deductible shall be collected by the contractor that supplies the drug or biological involved. Subject to subsection (a)(3)(B), such coinsurance and deductible may be collected in a manner similar to the manner in which the coinsurance and deductible are collected for durable medical equipment under this part.

“(f) SPECIAL PAYMENT RULES.—

“(1) USE IN EXCLUSION CASES.—If the Secretary excludes a drug or biological (or class of drugs or biologicals) under subsection (a)(1)(D), the Secretary may provide for payment to be made under this part for such drugs and biologicals (or class) using the payment methodology under section 1847A.

“(2) APPLICATION OF REQUIREMENT FOR ASSIGNMENT.—For provision requiring assignment of claims for competitively biddable drugs and biologicals, see section 1842(o)(3).

“(3) PROTECTION FOR BENEFICIARY IN CASE OF MEDICAL NECESSITY DENIAL.—For protection of individuals against liability in the case of medical necessity determinations, see section 1842(b)(3)(B)(ii)(III).

“(g) JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of—

“(1) the establishment of payment amounts under subsection (d)(1);

“(2) the awarding of contracts under this section;

“(3) the establishment of competitive acquisition areas under subsection (a)(2)(C);

“(4) the phased-in implementation under subsection (a)(1)(B);

“(5) the selection of categories of competitively biddable drugs and biologicals for competitive acquisition under such subsection or the selection of a drug in the case of multiple source drugs; or

“(6) the bidding structure and number of contractors selected under this section.”.

(2) REPORT.—Not later than July 1, 2008, the Secretary shall submit to Congress a report on the program conducted under section 1847B of the Social Security Act, as added by paragraph (1). Such report shall include information on savings, reductions in cost-sharing, access to competitively biddable drugs and biologicals, the range of choices of contractors available to physicians, the satisfaction of physicians and of individuals enrolled under this part, and information comparing prices for drugs and biologicals under such section and section 1847A of such Act, as added by subsection (c).

(e) ADJUSTMENTS TO PAYMENT AMOUNTS FOR ADMINISTRATION OF DRUGS AND BIOLOGICALS.—

(1) ITEMS AND SERVICES RELATING TO FURNISHING OF BLOOD CLOTTING FACTORS.—Section 1842(o) (42 U.S.C. 1395u(o)), as amended by subsection (b)(2), is amended by adding at the end the following new paragraph:

“(5)(A) Subject to subparagraph (B), in the case of clotting factors furnished on or after January 1, 2005, the Secretary shall, after reviewing the January 2003 report to Congress by the Comptroller General of the United States entitled ‘Payment for Blood Clotting Factor Exceeds Providers Acquisition Cost’, provide for a separate payment, to the entity which furnishes to the patient blood clotting factors, for items and services related to the furnishing of such factors in an amount that the Secretary determines to be appropriate. Such payment amount may take into account any or all of the following:

“(i) The mixing (if appropriate) and delivery of factors to an individual, including special inventory management and storage requirements.

Deadline.
42 USC
1395w-3b note.

“(ii) Ancillary supplies and patient training necessary for the self-administration of such factors.

“(B) In determining the separate payment amount under subparagraph (A) for blood clotting factors furnished in 2005, the Secretary shall ensure that the total amount of payments under this part (as estimated by the Secretary) for such factors under paragraph (1)(C) and such separate payments for such factors does not exceed the total amount of payments that would have been made for such factors under this part (as estimated by the Secretary) if the amendments made by section 303 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 had not been enacted.

“(C) The separate payment amount under this subparagraph for blood clotting factors furnished in 2006 or a subsequent year shall be equal to the separate payment amount determined under this paragraph for the previous year increased by the percentage increase in the consumer price index for medical care for the 12-month period ending with June of the previous year.”.

(2) PHARMACY SUPPLYING FEE FOR CERTAIN DRUGS AND BIOLOGICALS.—Section 1842(o) (42 U.S.C. 1395u(o)), as previously amended, is amended by adding at the end the following new paragraph:

“(6) In the case of an immunosuppressive drug described in subparagraph (J) of section 1861(s)(2) and an oral drug described in subparagraph (Q) or (T) of such section, the Secretary shall pay to the pharmacy a supplying fee for such a drug determined appropriate by the Secretary (less the applicable deductible and coinsurance amounts).”.

(f) LINKAGE OF REVISED DRUG PAYMENTS AND INCREASES FOR DRUG ADMINISTRATION.—The Secretary shall not implement the revisions in payment amounts for drugs and biologicals administered by physicians as a result of the amendments made by subsection (b) with respect to 2004 unless the Secretary concurrently makes adjustments to the practice expense payment adjustment under the amendments made by subsection (a).

42 USC 1395u
note.

(g) PROHIBITION OF ADMINISTRATIVE AND JUDICIAL REVIEW.—

(1) DRUGS.—Section 1842(o) (42 U.S.C. 1395u(o)), as previously amended, is amended by adding at the end the following new paragraph:

“(7) There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of determinations of payment amounts, methods, or adjustments under paragraphs (4) through (6).”.

(2) PHYSICIAN FEE SCHEDULE.—Section 1848(i)(1)(B) (42 U.S.C. 1395w–4(i)(1)(B)) is amended by striking “subsection (c)(2)(F)” and inserting “subsections (c)(2)(F), (c)(2)(H), and (c)(2)(I)”.

(3) MULTIPLE CHEMOTHERAPY AGENTS, OTHER SERVICES CURRENTLY ON THE NON-PHYSICIAN WORK POOL, AND TRANSITIONAL ADJUSTMENT.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of determinations of payment amounts, methods, or adjustments under paragraphs (2) through (4) of subsection (a).

42 USC 1395w–4
note.

(h) CONTINUATION OF PAYMENT METHODOLOGY FOR RADIO-PHARMACEUTICALS.—Nothing in the amendments made by this section shall be construed as changing the payment methodology under

42 USC 1395u
note.

part B of title XVIII of the Social Security Act for radiopharmaceuticals, including the use by carriers of invoice pricing methodology.

(i) CONFORMING AMENDMENTS.—

(1) APPLICATION OF ASP AND COMPETITIVE BIDDING.—Section 1842(o)(2) (42 U.S.C. 1395u(o)(2)) is amended by adding at the end the following: “This paragraph shall not apply in the case of payment under paragraph (1)(C).”.

(2) NO CHANGE IN COVERAGE BASIS.—Section 1861(s)(2)(A) (42 U.S.C. 1395x(s)(2)(A)) is amended by inserting “(or would have been so included but for the application of section 1847B)” after “included in the physicians’ bills”.

(3) PAYMENT.—(A) Section 1833(a)(1)(S) (42 U.S.C. 1395l(a)(1)(S)) is amended by inserting “(or, if applicable, under section 1847, 1847A, or 1847B)” after “1842(o)”.

(B) Section 1862(a)(1) (42 U.S.C. 1395y(a)(1)) is amended—

(i) by striking “and” at the end of subparagraph (H);

(ii) by striking the semicolon at the end of subparagraph (I) and inserting “, and”; and

(iii) by adding at the end the following new subparagraph:

“(J) in the case of a drug or biological specified in section 1847A(c)(6)(C) for which payment is made under part B that is furnished in a competitive area under section 1847B, that is not furnished by an entity under a contract under such section.”.

(4) CONSOLIDATED REPORTING OF PRICING INFORMATION.—Section 1927 (42 U.S.C. 1396r-8) is amended—

(A) in subsection (a)(1), by inserting “or under part B of title XVIII” after “section 1903(a)”;

(B) in subsection (b)(3)(A)—

(i) in clause (i), by striking “and” at the end and inserting a semicolon;

(ii) in clause (ii), by striking the period and inserting “; and”; and

(iii) by adding at the end the following:

“(iii) for calendar quarters beginning on or after January 1, 2004, in conjunction with reporting required under clause (i) and by National Drug Code (including package size)—

“(I) the manufacturer’s average sales price (as defined in section 1847A(c)) and the total number of units specified under section 1847A(b)(2)(A);

“(II) if required to make payment under section 1847A, the manufacturer’s wholesale acquisition cost, as defined in subsection (c)(6) of such section; and

“(III) information on those sales that were made at a nominal price or otherwise described in section 1847A(c)(2)(B);

for a drug or biological described in subparagraph (C), (D), (E), or (G) of section 1842(o)(1) or section 1881(b)(13)(A)(ii).

Information reported under this subparagraph is subject to audit by the Inspector General of the Department of Health and Human Services.”;

(C) in subsection (b)(3)(B)—

(i) in the heading, by inserting “AND MANUFACTURER’S AVERAGE SALES PRICE” after “PRICE”; and

(ii) by inserting “and manufacturer’s average sales prices (including wholesale acquisition cost) if required to make payment” after “manufacturer prices”; and (D) in subsection (b)(3)(D)—

(i) in the matter preceding clause (i), by inserting “(other than the wholesale acquisition cost for purposes of carrying out section 1847A)” after “subsection (a)(6)(A)(ii)”; and

(ii) in clause (i), by inserting “, to carry out section 1847A (including the determination and implementation of the payment amount), or to carry out section 1847B” after “this section”.

(5) IMPLEMENTATION.—The provisions of chapter 8 of title 5, United States Code, shall not apply with respect to regulations implementing the amendments made by subsections (a), (b), and (e)(3), to regulations implementing section 304, and to regulations implementing the amendment made by section 305(a), insofar as such regulations apply in 2004.

42 USC 1395u note.

(6) REPEAL OF STUDY.—Section 4556 of the Balanced Budget Act of 1997 (42 U.S.C. 1395u note) is amended by striking subsection (c).

(j) APPLICATION TO CERTAIN PHYSICIAN SPECIALTIES.—Insofar as the amendments made by this section apply to payments for drugs or biologicals and drug administration services furnished by physicians, such amendments shall only apply to physicians in the specialties of hematology, hematology/oncology, and medical oncology under title XVIII of the Social Security Act.

42 USC 1395u note.

SEC. 304. EXTENSION OF APPLICATION OF PAYMENT REFORM FOR COVERED OUTPATIENT DRUGS AND BIOLOGICALS TO OTHER PHYSICIAN SPECIALTIES.

42 USC 1395u note.

Notwithstanding section 303(j), the amendments made by section 303 shall also apply to payments for drugs or biologicals and drug administration services furnished by physicians in specialties other than the specialties of hematology, hematology/oncology, and medical oncology.

SEC. 305. PAYMENT FOR INHALATION DRUGS.

(a) IN GENERAL.—Section 1842(o)(1)(G) (42 U.S.C. 1395u(o)(1)(G)), as added by section 303(b), is amended to read as follows:

“(G) In the case of inhalation drugs or biologicals furnished through durable medical equipment covered under section 1861(n) that are furnished—

“(i) in 2004, the amount provided under paragraph (4) for the drug or biological; and

“(ii) in 2005 and subsequent years, the amount provided under section 1847A for the drug or biological.”.

(b) GAO STUDY OF MEDICARE PAYMENT FOR INHALATION THERAPY.—

42 USC 1395l note.

(1) STUDY.—The Comptroller General of the United States shall conduct a study to examine the adequacy of current reimbursements for inhalation therapy under the medicare program.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit

Deadline.

to Congress a report on the study conducted under paragraph (1).

SEC. 306. DEMONSTRATION PROJECT FOR USE OF RECOVERY AUDIT CONTRACTORS.

(a) **IN GENERAL.**—The Secretary shall conduct a demonstration project under this section (in this section referred to as the “project”) to demonstrate the use of recovery audit contractors under the Medicare Integrity Program in identifying underpayments and overpayments and recouping overpayments under the medicare program for services for which payment is made under part A or B of title XVIII of the Social Security Act. Under the project—

(1) payment may be made to such a contractor on a contingent basis;

(2) such percentage as the Secretary may specify of the amount recovered shall be retained by the Secretary and shall be available to the program management account of the Centers for Medicare & Medicaid Services; and

(3) the Secretary shall examine the efficacy of such use with respect to duplicative payments, accuracy of coding, and other payment policies in which inaccurate payments arise.

(b) **SCOPE AND DURATION.**—

(1) **SCOPE.**—The project shall cover at least 2 States that are among the States with—

(A) the highest per capita utilization rates of medicare services, and

(B) at least 3 contractors.

(2) **DURATION.**—The project shall last for not longer than 3 years.

(c) **WAIVER.**—The Secretary shall waive such provisions of title XVIII of the Social Security Act as may be necessary to provide for payment for services under the project in accordance with subsection (a).

(d) **QUALIFICATIONS OF CONTRACTORS.**—

(1) **IN GENERAL.**—The Secretary shall enter into a recovery audit contract under this section with an entity only if the entity has staff that has the appropriate clinical knowledge of and experience with the payment rules and regulations under the medicare program or the entity has or will contract with another entity that has such knowledgeable and experienced staff.

(2) **INELIGIBILITY OF CERTAIN CONTRACTORS.**—The Secretary may not enter into a recovery audit contract under this section with an entity to the extent that the entity is a fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h), a carrier under section 1842 of such Act (42 U.S.C. 1395u), or a Medicare Administrative Contractor under section 1874A of such Act.

(3) **PREFERENCE FOR ENTITIES WITH DEMONSTRATED PROFICIENCY.**—In awarding contracts to recovery audit contractors under this section, the Secretary shall give preference to those risk entities that the Secretary determines have demonstrated more than 3 years direct management experience and a proficiency for cost control or recovery audits with private insurers, health care providers, health plans, or under the medicaid program under title XIX of the Social Security Act.

(e) CONSTRUCTION RELATING TO CONDUCT OF INVESTIGATION OF FRAUD.—A recovery of an overpayment to a provider by a recovery audit contractor shall not be construed to prohibit the Secretary or the Attorney General from investigating and prosecuting, if appropriate, allegations of fraud or abuse arising from such overpayment.

(f) REPORT.—The Secretary shall submit to Congress a report on the project not later than 6 months after the date of its completion. Such reports shall include information on the impact of the project on savings to the medicare program and recommendations on the cost-effectiveness of extending or expanding the project. information' means information about a conviction for a relevant crime or a finding of patient or resident abuse.

Deadline.

SEC. 307. PILOT PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS ON DIRECT PATIENT ACCESS EMPLOYEES OF LONG-TERM CARE FACILITIES OR PROVIDERS.

42 USC 1395aa
note.

(a) AUTHORITY TO CONDUCT PROGRAM.—The Secretary, in consultation with the Attorney General, shall establish a pilot program to identify efficient, effective, and economical procedures for long term care facilities or providers to conduct background checks on prospective direct patient access employees.

(b) REQUIREMENTS.—

(1) IN GENERAL.—Under the pilot program, a long-term care facility or provider in a participating State, prior to employing a direct patient access employee that is first hired on or after the commencement date of the pilot program in the State, shall conduct a background check on the employee in accordance with such procedures as the participating State shall establish.

(2) PROCEDURES.—

(A) IN GENERAL.—The procedures established by a participating State under paragraph (1) should be designed to—

(i) give a prospective direct access patient employee notice that the long-term care facility or provider is required to perform background checks with respect to new employees;

(ii) require, as a condition of employment, that the employee—

(I) provide a written statement disclosing any disqualifying information;

(II) provide a statement signed by the employee authorizing the facility to request national and State criminal history background checks;

(III) provide the facility with a rolled set of the employee's fingerprints; and

(IV) provide any other identification information the participating State may require;

(iii) require the facility or provider to check any available registries that would be likely to contain disqualifying information about a prospective employee of a long-term care facility or provider; and

(iv) permit the facility or provider to obtain State and national criminal history background checks on the prospective employee through a 10-fingerprint

check that utilizes State criminal records and the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation.

(B) ELIMINATION OF UNNECESSARY CHECKS.—The procedures established by a participating State under paragraph (1) shall permit a long-term care facility or provider to terminate the background check at any stage at which the facility or provider obtains disqualifying information regarding a prospective direct patient access employee.

(3) PROHIBITION ON HIRING OF ABUSIVE WORKERS.—

(A) IN GENERAL.—A long-term care facility or provider may not knowingly employ any direct patient access employee who has any disqualifying information.

(B) PROVISIONAL EMPLOYMENT.—

(i) IN GENERAL.—Under the pilot program, a participating State may permit a long-term care facility or provider to provide for a provisional period of employment for a direct patient access employee pending completion of a background check, subject to such supervision during the employee's provisional period of employment as the participating State determines appropriate.

(ii) SPECIAL CONSIDERATION FOR CERTAIN FACILITIES AND PROVIDERS.—In determining what constitutes appropriate supervision of a provisional employee, a participating State shall take into account cost or other burdens that would be imposed on small rural long-term care facilities or providers, as well as the nature of care delivered by such facilities or providers that are home health agencies or providers of hospice care.

(4) USE OF INFORMATION; IMMUNITY FROM LIABILITY.—

(A) USE OF INFORMATION.—A participating State shall ensure that a long-term care facility or provider that obtains information about a direct patient access employee pursuant to a background check uses such information only for the purpose of determining the suitability of the employee for employment.

(B) IMMUNITY FROM LIABILITY.—A participating State shall ensure that a long-term care facility or provider that, in denying employment for an individual selected for hire as a direct patient access employee (including during any period of provisional employment), reasonably relies upon information obtained through a background check of the individual, shall not be liable in any action brought by the individual based on the employment determination resulting from the information.

(5) AGREEMENTS WITH EMPLOYMENT AGENCIES.—A participating State may establish procedures for facilitating the conduct of background checks on prospective direct patient access employees that are hired by a long-term care facility or provider through an employment agency (including a temporary employment agency).

(6) PENALTIES.—A participating State may impose such penalties as the State determines appropriate to enforce the requirements of the pilot program conducted in that State.

(c) PARTICIPATING STATES.—

(1) IN GENERAL.—The Secretary shall enter into agreements with not more than 10 States to conduct the pilot program under this section in such States. Contracts.

(2) REQUIREMENTS FOR STATES.—An agreement entered into under paragraph (1) shall require that a participating State—

(A) be responsible for monitoring compliance with the requirements of the pilot program;

(B) have procedures by which a provisional employee or an employee may appeal or dispute the accuracy of the information obtained in a background check performed under the pilot program; and

(C) agree to—

(i) review the results of any State or national criminal history background checks conducted regarding a prospective direct patient access employee to determine whether the employee has any conviction for a relevant crime;

(ii) immediately report to the entity that requested the criminal history background checks the results of such review; and

(iii) in the case of an employee with a conviction for a relevant crime that is subject to reporting under section 1128E of the Social Security Act (42 U.S.C. 1320a-7e), report the existence of such conviction to the database established under that section.

(3) APPLICATION AND SELECTION CRITERIA.—

(A) APPLICATION.—A State seeking to participate in the pilot program established under this section, shall submit an application to the Secretary containing such information and at such time as the Secretary may specify.

(B) SELECTION CRITERIA.—

(i) IN GENERAL.—In selecting States to participate in the pilot program, the Secretary shall establish criteria to ensure—

(I) geographic diversity;

(II) the inclusion of a variety of long-term care facilities or providers;

(III) the evaluation of a variety of payment mechanisms for covering the costs of conducting the background checks required under the pilot program; and

(IV) the evaluation of a variety of penalties (monetary and otherwise) used by participating States to enforce the requirements of the pilot program in such States.

(ii) ADDITIONAL CRITERIA.—The Secretary shall, to the greatest extent practicable, select States to participate in the pilot program in accordance with the following:

(I) At least one participating State should permit long-term care facilities or providers to provide for a provisional period of employment pending completion of a background check and at least one such State should not permit such a period of employment.

(II) At least one participating State should establish procedures under which employment

agencies (including temporary employment agencies) may contact the State directly to conduct background checks on prospective direct patient access employees.

(III) At least one participating State should include patient abuse prevention training (including behavior training and interventions) for managers and employees of long-term care facilities and providers as part of the pilot program conducted in that State.

(iii) INCLUSION OF STATES WITH EXISTING PROGRAMS.—Nothing in this section shall be construed as prohibiting any State which, as of the date of the enactment of this Act, has procedures for conducting background checks on behalf of any entity described in subsection (g)(5) from being selected to participate in the pilot program conducted under this section.

(d) PAYMENTS.—Of the amounts made available under subsection (f) to conduct the pilot program under this section, the Secretary shall—

(1) make payments to participating States for the costs of conducting the pilot program in such States; and

(2) reserve up to 4 percent of such amounts to conduct the evaluation required under subsection (e).

(e) EVALUATION.—The Secretary, in consultation with the Attorney General, shall conduct by grant, contract, or interagency agreement an evaluation of the pilot program conducted under this section. Such evaluation shall—

(1) review the various procedures implemented by participating States for long-term care facilities or providers to conduct background checks of direct patient access employees and identify the most efficient, effective, and economical procedures for conducting such background checks;

(2) assess the costs of conducting such background checks (including start-up and administrative costs);

(3) consider the benefits and problems associated with requiring employees or facilities or providers to pay the costs of conducting such background checks;

(4) consider whether the costs of conducting such background checks should be allocated between the medicare and medicaid programs and if so, identify an equitable methodology for doing so;

(5) determine the extent to which conducting such background checks leads to any unintended consequences, including a reduction in the available workforce for such facilities or providers;

(6) review forms used by participating States in order to develop, in consultation with the Attorney General, a model form for such background checks;

(7) determine the effectiveness of background checks conducted by employment agencies; and

(8) recommend appropriate procedures and payment mechanisms for implementing a national criminal background check program for such facilities and providers.

(f) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out

Grants.
Contracts.

the pilot program under this section for the period of fiscal years 2004 through 2007, \$25,000,000.

(g) DEFINITIONS.—In this section:

(1) CONVICTION FOR A RELEVANT CRIME.—The term “conviction for a relevant crime” means any Federal or State criminal conviction for—

(A) any offense described in section 1128(a) of the Social Security Act (42 U.S.C. 1320a–7); and

(B) such other types of offenses as a participating State may specify for purposes of conducting the pilot program in such State.

(2) DISQUALIFYING INFORMATION.—The term “disqualifying information” means a conviction for a relevant crime or a finding of patient or resident abuse.

(3) FINDING OF PATIENT OR RESIDENT ABUSE.—The term “finding of patient or resident abuse” means any substantiated finding by a State agency under section 1819(g)(1)(C) or 1919(g)(1)(C) of the Social Security Act (42 U.S.C. 1395i–3(g)(1)(C), 1396r(g)(1)(C)) or a Federal agency that a direct patient access employee has committed—

(A) an act of patient or resident abuse or neglect or a misappropriation of patient or resident property; or

(B) such other types of acts as a participating State may specify for purposes of conducting the pilot program in such State.

(4) DIRECT PATIENT ACCESS EMPLOYEE.—The term “direct patient access employee” means any individual (other than a volunteer) that has access to a patient or resident of a long-term care facility or provider through employment or through a contract with such facility or provider, as determined by a participating State for purposes of conducting the pilot program in such State.

(5) LONG-TERM CARE FACILITY OR PROVIDER.—

(A) IN GENERAL.—The term “long-term care facility or provider” means the following facilities or providers which receive payment for services under title XVIII or XIX of the Social Security Act:

(i) A skilled nursing facility (as defined in section 1819(a) of the Social Security Act) (42 U.S.C. 1395i–3(a)).

(ii) A nursing facility (as defined in section 1919(a) in such Act) (42 U.S.C. 1396r(a)).

(iii) A home health agency.

(iv) A provider of hospice care (as defined in section 1861(dd)(1) of such Act) (42 U.S.C. 1395x(dd)(1)).

(v) A long-term care hospital (as described in section 1886(d)(1)(B)(iv) of such Act) (42 U.S.C. 1395ww(d)(1)(B)(iv)).

(vi) A provider of personal care services.

(vii) A residential care provider that arranges for, or directly provides, long-term care services.

(viii) An intermediate care facility for the mentally retarded (as defined in section 1905(d) of such Act) (42 U.S.C. 1396d(d)).

(B) ADDITIONAL FACILITIES OR PROVIDERS.—During the first year in which a pilot program under this section is conducted in a participating State, the State may expand

the list of facilities or providers under subparagraph (A) (on a phased-in basis or otherwise) to include such other facilities or providers of long-term care services under such titles as the participating State determines appropriate.

(C) EXCEPTIONS.—Such term does not include—

(i) any facility or entity that provides, or is a provider of, services described in subparagraph (A) that are exclusively provided to an individual pursuant to a self-directed arrangement that meets such requirements as the participating State may establish in accordance with guidance from the Secretary; or

(ii) any such arrangement that is obtained by a patient or resident functioning as an employer.

(6) PARTICIPATING STATE.—The term “participating State” means a State with an agreement under subsection (c)(1).

TITLE IV—RURAL PROVISIONS

Subtitle A—Provisions Relating to Part A Only

SEC. 401. EQUALIZING URBAN AND RURAL STANDARDIZED PAYMENT AMOUNTS UNDER THE MEDICARE INPATIENT HOSPITAL PROSPECTIVE PAYMENT SYSTEM.

(a) IN GENERAL.—Section 1886(d)(3)(A)(iv) (42 U.S.C. 1395ww(d)(3)(A)(iv)) is amended—

(1) by striking “(iv) For discharges” and inserting “(iv)(I) Subject to subclause (II), for discharges”; and

(2) by adding at the end the following new subclause:
 “(II) For discharges occurring in a fiscal year (beginning with fiscal year 2004), the Secretary shall compute a standardized amount for hospitals located in any area within the United States and within each region equal to the standardized amount computed for the previous fiscal year under this subparagraph for hospitals located in a large urban area (or, beginning with fiscal year 2005, for all hospitals in the previous fiscal year) increased by the applicable percentage increase under subsection (b)(3)(B)(i) for the fiscal year involved.”.

(b) CONFORMING AMENDMENTS.—

(1) COMPUTING DRG-SPECIFIC RATES.—Section 1886(d)(3)(D) (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(A) in the heading, by striking “IN DIFFERENT AREAS”;

(B) in the matter preceding clause (i), by striking “, each of”;

(C) in clause (i)—

(i) in the matter preceding subclause (I), by inserting “for fiscal years before fiscal year 2004,” before “for hospitals”; and

(ii) in subclause (II), by striking “and” after the semicolon at the end;

(D) in clause (ii)—

(i) in the matter preceding subclause (I), by inserting “for fiscal years before fiscal year 2004,” before “for hospitals”; and

(ii) in subclause (II), by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following new clause:

“(iii) for a fiscal year beginning after fiscal year 2003, for hospitals located in all areas, to the product of—

“(I) the applicable standardized amount (computed under subparagraph (A)), reduced under subparagraph (B), and adjusted or reduced under subparagraph (C) for the fiscal year; and

“(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.”.

(2) TECHNICAL CONFORMING SUNSET.—Section 1886(d)(3) (42 U.S.C. 1395ww(d)(3)) is amended—

(A) in the matter preceding subparagraph (A), by inserting “, for fiscal years before fiscal year 1997,” before “a regional adjusted DRG prospective payment rate”; and

(B) in subparagraph (D), in the matter preceding clause (i), by inserting “, for fiscal years before fiscal year 1997,” before “a regional DRG prospective payment rate for each region,”.

(3) ADDITIONAL TECHNICAL AMENDMENT.—Section 1886(d)(3)(A)(iii) (42 U.S.C. 1395ww(d)(3)(A)(iii)) is amended by striking “in an other urban area” and inserting “in an urban area”.

(c) EQUALIZING URBAN AND RURAL STANDARDIZED PAYMENT AMOUNTS UNDER THE MEDICARE INPATIENT HOSPITAL PROSPECTIVE PAYMENT SYSTEM FOR HOSPITALS IN PUERTO RICO.—

(1) IN GENERAL.—Section 1886(d)(9)(A) (42 U.S.C. 1395ww(d)(9)(A)), as amended by section 504, is amended—

(A) in clause (i), by striking “and” after the comma at the end; and

(B) by striking clause (ii) and inserting the following new clause:

“(ii) the applicable Federal percentage (specified in subparagraph (E)) of—

“(I) for discharges beginning in a fiscal year beginning on or after October 1, 1997, and before October 1, 2003, the discharge-weighted average of—

“(aa) the national adjusted DRG prospective payment rate (determined under paragraph (3)(D)) for hospitals located in a large urban area,

“(bb) such rate for hospitals located in other urban areas, and

“(cc) such rate for hospitals located in a rural area,

for such discharges, adjusted in the manner provided in paragraph (3)(E) for different area wage levels; and

“(II) for discharges in a fiscal year beginning on or after October 1, 2003, the national DRG prospective payment rate determined under paragraph (3)(D)(iii) for hospitals located in any area for such discharges, adjusted in the manner provided in paragraph (3)(E) for different area wage levels.

As used in this section, the term ‘subsection (d) Puerto Rico hospital’ means a hospital that is located in Puerto Rico and that would be a subsection (d) hospital (as defined in paragraph (1)(B)) if it were located in one of the 50 States.”.

(2) APPLICATION OF PUERTO RICO STANDARDIZED AMOUNT BASED ON LARGE URBAN AREAS.—Section 1886(d)(9)(C) (42 U.S.C. 1395ww(d)(9)(C)) is amended—

(A) in clause (i)—

(i) by striking “(i) The Secretary” and inserting “(i)(I) For discharges in a fiscal year after fiscal year 1988 and before fiscal year 2004, the Secretary”; and

(ii) by adding at the end the following new subclause:

“(II) For discharges occurring in a fiscal year (beginning with fiscal year 2004), the Secretary shall compute an average standardized amount for hospitals located in any area of Puerto Rico that is equal to the average standardized amount computed under subclause (I) for fiscal year 2003 for hospitals in a large urban area (or, beginning with fiscal year 2005, for all hospitals in the previous fiscal year) increased by the applicable percentage increase under subsection (b)(3)(B) for the fiscal year involved.”;

(B) in clause (ii), by inserting “(or for fiscal year 2004 and thereafter, the average standardized amount)” after “each of the average standardized amounts”; and

(C) in clause (iii)(I), by striking “for hospitals located in an urban or rural area, respectively”.

(d) IMPLEMENTATION.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (c)(1) of this section shall have no effect on the authority of the Secretary, under subsection (b)(2) of section 402 of Public Law 108–89, to delay implementation of the extension of provisions equalizing urban and rural standardized inpatient hospital payments under subsection (a) of such section 402.

(2) APPLICATION OF PUERTO RICO STANDARDIZED AMOUNT BASED ON LARGE URBAN AREAS.—The authority of the Secretary referred to in paragraph (1) shall apply with respect to the amendments made by subsection (c)(2) of this section in the same manner as that authority applies with respect to the extension of provisions equalizing urban and rural standardized inpatient hospital payments under subsection (a) of such section 402, except that any reference in subsection (b)(2)(A) of such section 402 is deemed to be a reference to April 1, 2004.

SEC. 402. ENHANCED DISPROPORTIONATE SHARE HOSPITAL (DSH) TREATMENT FOR RURAL HOSPITALS AND URBAN HOSPITALS WITH FEWER THAN 100 BEDS.

(a) DOUBLING THE CAP.—Section 1886(d)(5)(F) (42 U.S.C. 1395ww(d)(5)(F)) is amended by adding at the end the following new clause:

“(xiv)(I) In the case of discharges occurring on or after April 1, 2004, subject to subclause (II), there shall be substituted for the disproportionate share adjustment percentage otherwise determined under clause (iv) (other than subclause (I)) or under clause (viii), (x), (xi), (xii), or (xiii), the disproportionate share adjustment percentage determined under clause (vii) (relating to large, urban hospitals).

“(II) Under subclause (I), the disproportionate share adjustment percentage shall not exceed 12 percent for a hospital that is not classified as a rural referral center under subparagraph (C).”.

(b) CONFORMING AMENDMENTS.—Section 1886(d) (42 U.S.C. 1395ww(d)) is amended—

(1) in paragraph (5)(F)—

(A) in each of subclauses (II), (III), (IV), (V), and (VI) of clause (iv), by inserting “subject to clause (xiv) and” before “for discharges occurring”;

(B) in clause (viii), by striking “The formula” and inserting “Subject to clause (xiv), the formula”; and

(C) in each of clauses (x), (xi), (xii), and (xiii), by striking “For purposes” and inserting “Subject to clause (xiv), for purposes”; and

(2) in paragraph (2)(C)(iv)—

(A) by striking “or” before “the enactment of section 303”; and

(B) by inserting before the period at the end the following: “, or the enactment of section 402(a)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003”.

SEC. 403. ADJUSTMENT TO THE MEDICARE INPATIENT HOSPITAL PROSPECTIVE PAYMENT SYSTEM WAGE INDEX TO REVISE THE LABOR-RELATED SHARE OF SUCH INDEX.

(a) ADJUSTMENT.—

(1) IN GENERAL.—Section 1886(d)(3)(E) (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(A) by striking “WAGE LEVELS.—The Secretary” and inserting “WAGE LEVELS.—

“(i) IN GENERAL.—Except as provided in clause (ii), the Secretary”; and

(B) by adding at the end the following new clause:

“(ii) ALTERNATIVE PROPORTION TO BE ADJUSTED BEGINNING IN FISCAL YEAR 2005.—For discharges occurring on or after October 1, 2004, the Secretary shall substitute ‘62 percent’ for the proportion described in the first sentence of clause (i), unless the application of this clause would result in lower payments to a hospital than would otherwise be made.”.

(2) WAIVING BUDGET NEUTRALITY.—Section 1886(d)(3)(E) (42 U.S.C. 1395ww(d)(3)(E)), as amended by subsection (a), is amended by adding at the end of clause (i) the following new sentence: “The Secretary shall apply the previous sentence for any period as if the amendments made by section 403(a)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 had not been enacted.”.

(b) APPLICATION TO PUERTO RICO HOSPITALS.—Section 1886(d)(9)(C)(iv) (42 U.S.C. 1395ww(d)(9)(C)(iv)) is amended—

(1) by inserting “(I)” after “(iv)”;

(2) by striking “paragraph (3)(E)” and inserting “paragraph (3)(E)(i)”; and

(3) by adding at the end the following new subclause:

“(II) For discharges occurring on or after October 1, 2004, the Secretary shall substitute ‘62 percent’ for the proportion described in the first sentence of clause (i), unless the application of this subclause would result in lower payments to a hospital than would otherwise be made.”.

42 USC 1395ww
note.

SEC. 404. MORE FREQUENT UPDATE IN WEIGHTS USED IN HOSPITAL MARKET BASKET.

(a) **MORE FREQUENT UPDATES IN WEIGHTS.**—After revising the weights used in the hospital market basket under section 1886(b)(3)(B)(iii) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(iii)) to reflect the most current data available, the Secretary shall establish a frequency for revising such weights, including the labor share, in such market basket to reflect the most current data available more frequently than once every 5 years.

(b) **INCORPORATION OF EXPLANATION IN RULEMAKING.**—The Secretary shall include in the publication of the final rule for payment for inpatient hospital services under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) for fiscal year 2006, an explanation of the reasons for, and options considered, in determining frequency established under subsection (a).

SEC. 405. IMPROVEMENTS TO CRITICAL ACCESS HOSPITAL PROGRAM.

(a) **INCREASE IN PAYMENT AMOUNTS.**—

(1) **IN GENERAL.**—Sections 1814(l), 1834(g)(1), and 1883(a)(3) (42 U.S.C. 1395f(l), 1395m(g)(1), and 1395tt(a)(3)) are each amended by inserting “equal to 101 percent of” before “the reasonable costs”.

42 USC 1395f
note.

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall apply to payments for services furnished during cost reporting periods beginning on or after January 1, 2004.

(b) **COVERAGE OF COSTS FOR CERTAIN EMERGENCY ROOM ON-CALL PROVIDERS.**—

(1) **IN GENERAL.**—Section 1834(g)(5) (42 U.S.C. 1395m(g)(5)) is amended—

(A) in the heading—

(i) by inserting “CERTAIN” before “EMERGENCY”; and

(ii) by striking “PHYSICIANS” and inserting “PROVIDERS”;

(B) by striking “emergency room physicians who are on-call (as defined by the Secretary)” and inserting “physicians, physician assistants, nurse practitioners, and clinical nurse specialists who are on-call (as defined by the Secretary) to provide emergency services”; and

(C) by striking “physicians’ services” and inserting “services covered under this title”.

42 USC 1395m
note.

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall apply with respect to costs incurred for services furnished on or after January 1, 2005.

(c) **AUTHORIZATION OF PERIODIC INTERIM PAYMENT (PIP).**—

(1) **IN GENERAL.**—Section 1815(e)(2) (42 U.S.C. 1395g(e)(2)) is amended—

(A) in the matter before subparagraph (A), by inserting “, in the cases described in subparagraphs (A) through (D)” after “1986”;

(B) by striking “and” at the end of subparagraph (C);

(C) by adding “and” at the end of subparagraph (D);

and

(D) by inserting after subparagraph (D) the following new subparagraph:

“(E) inpatient critical access hospital services;”.

(2) DEVELOPMENT OF ALTERNATIVE TIMING METHODS OF PERIODIC INTERIM PAYMENTS.—With respect to periodic interim payments to critical access hospitals for inpatient critical access hospital services under section 1815(e)(2)(E) of the Social Security Act, as added by paragraph (1), the Secretary shall develop alternative methods for the timing of such payments.

42 USC 1395g
note.

(3) AUTHORIZATION OF PIP.—The amendments made by paragraph (1) shall apply to payments made on or after July 1, 2004.

Effective date.
42 USC 1395g
note.

(d) CONDITION FOR APPLICATION OF SPECIAL PROFESSIONAL SERVICE PAYMENT ADJUSTMENT.—

(1) IN GENERAL.—Section 1834(g)(2) (42 U.S.C. 1395m(g)(2)) is amended by adding after and below subparagraph (B) the following:

“The Secretary may not require, as a condition for applying subparagraph (B) with respect to a critical access hospital, that each physician or other practitioner providing professional services in the hospital must assign billing rights with respect to such services, except that such subparagraph shall not apply to those physicians and practitioners who have not assigned such billing rights.”.

(2) EFFECTIVE DATE.—

42 USC 1395m
note.

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after July 1, 2004.

(B) RULE OF APPLICATION.—In the case of a critical access hospital that made an election under section 1834(g)(2) of the Social Security Act (42 U.S.C. 1395m(g)(2)) before November 1, 2003, the amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after July 1, 2001.

(e) REVISION OF BED LIMITATION FOR HOSPITALS.—

(1) IN GENERAL.—Section 1820(c)(2)(B)(iii) (42 U.S.C. 1395i–4(c)(2)(B)(iii)) is amended by striking “15 (or, in the case of a facility under an agreement described in subsection (f), 25)” and inserting “25”.

(2) CONFORMING AMENDMENT.—Section 1820(f) (42 U.S.C. 1395i–4(f)) is amended by striking “and the number of beds used at any time for acute care inpatient services does not exceed 15 beds”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to designations made before, on, or after January 1, 2004, but any election made pursuant to regulations promulgated to carry out such amendments shall only apply prospectively.

Applicability.
42 USC 1395i–4
note.

(f) PROVISIONS RELATING TO FLEX GRANTS.—

(1) ADDITIONAL 4-YEAR PERIOD OF FUNDING.—Section 1820(j) (42 U.S.C. 1395i–4(j)) is amended by inserting before the period at the end the following: “, and for making grants to all States under paragraphs (1) and (2) of subsection (g), \$35,000,000 in each of fiscal years 2005 through 2008”.

(2) ADDITIONAL REQUIREMENTS AND ADMINISTRATION.—Section 1820(g) (42 U.S.C. 1395i–4(g)) is amended by adding at the end the following new paragraphs:

“(4) ADDITIONAL REQUIREMENTS WITH RESPECT TO FLEX GRANTS.—With respect to grants awarded under paragraph (1)

or (2) from funds appropriated for fiscal year 2005 and subsequent fiscal years—

“(A) CONSULTATION WITH THE STATE HOSPITAL ASSOCIATION AND RURAL HOSPITALS ON THE MOST APPROPRIATE WAYS TO USE GRANTS.—A State shall consult with the hospital association of such State and rural hospitals located in such State on the most appropriate ways to use the funds under such grant.

“(B) LIMITATION ON USE OF GRANT FUNDS FOR ADMINISTRATIVE EXPENSES.—A State may not expend more than the lesser of—

“(i) 15 percent of the amount of the grant for administrative expenses; or

“(ii) the State’s federally negotiated indirect rate for administering the grant.

“(5) USE OF FUNDS FOR FEDERAL ADMINISTRATIVE EXPENSES.—Of the total amount appropriated for grants under paragraphs (1) and (2) for a fiscal year (beginning with fiscal year 2005), up to 5 percent of such amount shall be available to the Health Resources and Services Administration for purposes of administering such grants.”

(g) AUTHORITY TO ESTABLISH PSYCHIATRIC AND REHABILITATION DISTINCT PART UNITS.—

(1) IN GENERAL.—Section 1820(c)(2) (42 U.S.C. 1395i–4(c)(2)) is amended by adding at the end the following:

“(E) AUTHORITY TO ESTABLISH PSYCHIATRIC AND REHABILITATION DISTINCT PART UNITS.—

“(i) IN GENERAL.—Subject to the succeeding provisions of this subparagraph, a critical access hospital may establish—

“(I) a psychiatric unit of the hospital that is a distinct part of the hospital; and

“(II) a rehabilitation unit of the hospital that is a distinct part of the hospital,

if the distinct part meets the requirements (including conditions of participation) that would otherwise apply to the distinct part if the distinct part were established by a subsection (d) hospital in accordance with the matter following clause (v) of section 1886(d)(1)(B), including any regulations adopted by the Secretary under such section.

“(ii) LIMITATION ON NUMBER OF BEDS.—The total number of beds that may be established under clause (i) for a distinct part unit may not exceed 10.

“(iii) EXCLUSION OF BEDS FROM BED COUNT.—In determining the number of beds of a critical access hospital for purposes of applying the bed limitations referred to in subparagraph (B)(iii) and subsection (f), the Secretary shall not take into account any bed established under clause (i).

“(iv) EFFECT OF FAILURE TO MEET REQUIREMENTS.—If a psychiatric or rehabilitation unit established under clause (i) does not meet the requirements described in such clause with respect to a cost reporting period, no payment may be made under this title to the hospital for services furnished in such unit during such period. Payment to the hospital for services furnished

in the unit may resume only after the hospital has demonstrated to the Secretary that the unit meets such requirements.”.

(2) PAYMENT ON A PROSPECTIVE PAYMENT BASIS.—Section 1814(l) (42 U.S.C. 1395f(l)) is amended—

(A) by striking “(l) The amount” and inserting “(l)(1)

Except as provided in paragraph (2), the amount”; and

(B) by adding at the end the following new paragraph:

“(2) In the case of a distinct part psychiatric or rehabilitation unit of a critical access hospital described in section 1820(c)(2)(E), the amount of payment for inpatient critical access hospital services of such unit shall be equal to the amount of the payment that would otherwise be made if such services were inpatient hospital services of a distinct part psychiatric or rehabilitation unit, respectively, described in the matter following clause (v) of section 1886(d)(1)(B).”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to cost reporting periods beginning on or after October 1, 2004.

42 USC 1395f
note.

(h) WAIVER AUTHORITY.—

(1) IN GENERAL.—Section 1820(c)(2)(B)(i)(II) (42 U.S.C. 1395i–4(c)(2)(B)(i)(II)) is amended by inserting “before January 1, 2006,” after “is certified”.

(2) GRANDFATHERING WAIVER AUTHORITY FOR CERTAIN FACILITIES.—Section 1820(h) (42 U.S.C. 1395i–4(h)) is amended—

(A) in the heading preceding paragraph (1), by striking “OF CERTAIN FACILITIES” and inserting “PROVISIONS”; and

(B) by adding at the end the following new paragraph:

“(3) STATE AUTHORITY TO WAIVE 35-MILE RULE.—In the case of a facility that was designated as a critical access hospital before January 1, 2006, and was certified by the State as being a necessary provider of health care services to residents in the area under subsection (c)(2)(B)(i)(II), as in effect before such date, the authority under such subsection with respect to any redesignation of such facility shall continue to apply notwithstanding the amendment made by section 405(h)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.”.

Applicability.

SEC. 406. MEDICARE INPATIENT HOSPITAL PAYMENT ADJUSTMENT FOR LOW-VOLUME HOSPITALS.

(a) IN GENERAL.—Section 1886(d) (42 U.S.C. 1395ww(d)) is amended by adding at the end the following new paragraph:

“(12) PAYMENT ADJUSTMENT FOR LOW-VOLUME HOSPITALS.—

“(A) IN GENERAL.—In addition to any payments calculated under this section for a subsection (d) hospital, for discharges occurring during a fiscal year (beginning with fiscal year 2005), the Secretary shall provide for an additional payment amount to each low-volume hospital (as defined in subparagraph (C)(i)) for discharges occurring during that fiscal year that is equal to the applicable percentage increase (determined under subparagraph (B) for the hospital involved) in the amount paid to such hospital under this section for such discharges (determined without regard to this paragraph).

“(B) APPLICABLE PERCENTAGE INCREASE.—The Secretary shall determine an applicable percentage increase for purposes of subparagraph (A) as follows:

“(i) The Secretary shall determine the empirical relationship for subsection (d) hospitals between the standardized cost-per-case for such hospitals and the total number of discharges of such hospitals and the amount of the additional incremental costs (if any) that are associated with such number of discharges.

“(ii) The applicable percentage increase shall be determined based upon such relationship in a manner that reflects, based upon the number of such discharges for a subsection (d) hospital, such additional incremental costs.

“(iii) In no case shall the applicable percentage increase exceed 25 percent.

“(C) DEFINITIONS.—

“(i) LOW-VOLUME HOSPITAL.—For purposes of this paragraph, the term ‘low-volume hospital’ means, for a fiscal year, a subsection (d) hospital (as defined in paragraph (1)(B)) that the Secretary determines is located more than 25 road miles from another subsection (d) hospital and has less than 800 discharges during the fiscal year.

“(ii) DISCHARGE.—For purposes of subparagraph (B) and clause (i), the term ‘discharge’ means an inpatient acute care discharge of an individual regardless of whether the individual is entitled to benefits under part A.”

(b) JUDICIAL REVIEW.—Section 1886(d)(7)(A) (42 U.S.C. 1395ww(d)(7)(A)) is amended by inserting after “to subsection (e)(1)” the following: “or the determination of the applicable percentage increase under paragraph (12)(A)(ii)”.

SEC. 407. TREATMENT OF MISSING COST REPORTING PERIODS FOR SOLE COMMUNITY HOSPITALS.

(a) IN GENERAL.—Section 1886(b)(3)(I) (42 U.S.C. 1395ww(b)(3)(I)) is amended by adding at the end the following new clause:

“(iii) In no case shall a hospital be denied treatment as a sole community hospital or payment (on the basis of a target rate as such as a hospital) because data are unavailable for any cost reporting period due to changes in ownership, changes in fiscal intermediaries, or other extraordinary circumstances, so long as data for at least one applicable base cost reporting period is available.”

42 USC 1395ww
note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost reporting periods beginning on or after January 1, 2004.

SEC. 408. RECOGNITION OF ATTENDING NURSE PRACTITIONERS AS ATTENDING PHYSICIANS TO SERVE HOSPICE PATIENTS.

(a) IN GENERAL.—Section 1861(dd)(3)(B) (42 U.S.C. 1395x(dd)(3)(B)) is amended by inserting “or nurse practitioner (as defined in subsection (aa)(5))” after “the physician (as defined in subsection (r)(1))”.

(b) CLARIFICATION OF HOSPICE ROLE OF NURSE PRACTITIONERS.—Section 1814(a)(7)(A)(i)(I) (42 U.S.C. 1395f(a)(7)(A)(i)(I))

is amended by inserting “(which for purposes of this subparagraph does not include a nurse practitioner)” after “attending physician (as defined in section 1861(dd)(3)(B))”.

SEC. 409. RURAL HOSPICE DEMONSTRATION PROJECT.

42 USC 1395d
note.

(a) **IN GENERAL.**—The Secretary shall conduct a demonstration project for the delivery of hospice care to medicare beneficiaries in rural areas. Under the project medicare beneficiaries who are unable to receive hospice care in the facility for lack of an appropriate caregiver are provided such care in a facility of 20 or fewer beds which offers, within its walls, the full range of services provided by hospice programs under section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)).

(b) **SCOPE OF PROJECT.**—The Secretary shall conduct the project under this section with respect to no more than 3 hospice programs over a period of not longer than 5 years each.

(c) **COMPLIANCE WITH CONDITIONS.**—Under the demonstration project—

(1) the hospice program shall comply with otherwise applicable requirements, except that it shall not be required to offer services outside of the home or to meet the requirements of section 1861(dd)(2)(A)(iii) of the Social Security Act; and

(2) payments for hospice care shall be made at the rates otherwise applicable to such care under title XVIII of such Act.

The Secretary may require the program to comply with such additional quality assurance standards for its provision of services in its facility as the Secretary deems appropriate.

(d) **REPORT.**—Upon completion of the project, the Secretary shall submit a report to Congress on the project and shall include in the report recommendations regarding extension of such project to hospice programs serving rural areas.

SEC. 410. EXCLUSION OF CERTAIN RURAL HEALTH CLINIC AND FEDERALLY QUALIFIED HEALTH CENTER SERVICES FROM THE PROSPECTIVE PAYMENT SYSTEM FOR SKILLED NURSING FACILITIES.

(a) **IN GENERAL.**—Section 1888(e)(2)(A) (42 U.S.C. 1395yy(e)(2)(A)) is amended—

(1) in clause (i)(II), by striking “clauses (ii) and (iii)” and inserting “clauses (ii), (iii), and (iv)”;

(2) by adding at the end the following new clause:

“(iv) **EXCLUSION OF CERTAIN RURAL HEALTH CLINIC AND FEDERALLY QUALIFIED HEALTH CENTER SERVICES.**—Services described in this clause are—

“(I) rural health clinic services (as defined in paragraph (1) of section 1861(aa)); and

“(II) federally qualified health center services (as defined in paragraph (3) of such section); that would be described in clause (ii) if such services were furnished by an individual not affiliated with a rural health clinic or a federally qualified health center.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 2005.

42 USC 1395yy
note.

42 USC 1395ww
note.

SEC. 410A. RURAL COMMUNITY HOSPITAL DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT OF RURAL COMMUNITY HOSPITAL (RCH) DEMONSTRATION PROGRAM.—

(1) **IN GENERAL.**—The Secretary shall establish a demonstration program to test the feasibility and advisability of the establishment of rural community hospitals (as defined in subsection (f)(1)) to furnish covered inpatient hospital services (as defined in subsection (f)(2)) to medicare beneficiaries.

(2) **DEMONSTRATION AREAS.**—The program shall be conducted in rural areas selected by the Secretary in States with low population densities, as determined by the Secretary.

(3) **APPLICATION.**—Each rural community hospital that is located in a demonstration area selected under paragraph (2) that desires to participate in the demonstration program under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(4) **SELECTION OF HOSPITALS.**—The Secretary shall select from among rural community hospitals submitting applications under paragraph (3) not more than 15 of such hospitals to participate in the demonstration program under this section.

(5) **DURATION.**—The Secretary shall conduct the demonstration program under this section for a 5-year period.

(6) **IMPLEMENTATION.**—The Secretary shall implement the demonstration program not later than January 1, 2005, but may not implement the program before October 1, 2004.

(b) PAYMENT.—

(1) **IN GENERAL.**—The amount of payment under the demonstration program for covered inpatient hospital services furnished in a rural community hospital, other than such services furnished in a psychiatric or rehabilitation unit of the hospital which is a distinct part, is—

(A) for discharges occurring in the first cost reporting period beginning on or after the implementation of the demonstration program, the reasonable costs of providing such services; and

(B) for discharges occurring in a subsequent cost reporting period under the demonstration program, the lesser of—

(i) the reasonable costs of providing such services in the cost reporting period involved; or

(ii) the target amount (as defined in paragraph (2), applicable to the cost reporting period involved.

(2) **TARGET AMOUNT.**—For purposes of paragraph (1)(B)(ii), the term “target amount” means, with respect to a rural community hospital for a particular 12-month cost reporting period—

(A) in the case of the second such reporting period for which this subsection is in effect, the reasonable costs of providing such covered inpatient hospital services as determined under paragraph (1)(A), and

(B) in the case of a later reporting period, the target amount for the preceding 12-month cost reporting period, increased by the applicable percentage increase (under clause (i) of section 1886(b)(3)(B) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B))) in the market basket percentage increase

Deadline.

(as defined in clause (iii) of such section) for that particular cost reporting period.

(c) FUNDING.—

(1) IN GENERAL.—The Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) of such funds as are necessary for the costs of carrying out the demonstration program under this section.

(2) BUDGET NEUTRALITY.—In conducting the demonstration program under this section, the Secretary shall ensure that the aggregate payments made by the Secretary do not exceed the amount which the Secretary would have paid if the demonstration program under this section was not implemented.

(d) WAIVER AUTHORITY.—The Secretary may waive such requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as may be necessary for the purpose of carrying out the demonstration program under this section.

(e) REPORT.—Not later than 6 months after the completion of the demonstration program under this section, the Secretary shall submit to Congress a report on such program, together with recommendations for such legislation and administrative action as the Secretary determines to be appropriate. Deadline.

(f) DEFINITIONS.—In this section:

(1) RURAL COMMUNITY HOSPITAL DEFINED.—

(A) IN GENERAL.—The term “rural community hospital” means a hospital (as defined in section 1861(e) of the Social Security Act (42 U.S.C. 1395x(e))) that—

(i) is located in a rural area (as defined in section 1886(d)(2)(D) of such Act (42 U.S.C. 1395ww(d)(2)(D))) or treated as being so located pursuant to section 1886(d)(8)(E) of such Act (42 U.S.C. 1395ww(d)(8)(E));

(ii) subject to paragraph (2), has fewer than 51 acute care inpatient beds, as reported in its most recent cost report;

(iii) makes available 24-hour emergency care services; and

(iv) is not eligible for designation, or has not been designated, as a critical access hospital under section 1820.

(B) TREATMENT OF PSYCHIATRIC AND REHABILITATION UNITS.—For purposes of paragraph (1)(B), beds in a psychiatric or rehabilitation unit of the hospital which is a distinct part of the hospital shall not be counted.

(2) COVERED INPATIENT HOSPITAL SERVICES.—The term “covered inpatient hospital services” means inpatient hospital services, and includes extended care services furnished under an agreement under section 1883 of the Social Security Act (42 U.S.C. 1395tt).

Subtitle B—Provisions Relating to Part B Only

SEC. 411. TWO-YEAR EXTENSION OF HOLD HARMLESS PROVISIONS FOR SMALL RURAL HOSPITALS AND SOLE COMMUNITY HOS- PITALS UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES.

(a) HOLD HARMLESS PROVISIONS.—

(1) IN GENERAL.—Section 1833(t)(7)(D)(i) (42 U.S.C. 1395l(t)(7)(D)(i)) is amended—

(A) in the heading, by striking “SMALL” and inserting “CERTAIN”;

(B) by inserting “or a sole community hospital (as defined in section 1886(d)(5)(D)(iii)) located in a rural area” after “100 beds”; and

(C) by striking “2004” and inserting “2006”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1)(B) shall apply with respect to cost reporting periods beginning on and after January 1, 2004.

(b) STUDY; AUTHORIZATION OF ADJUSTMENT.—Section 1833(t) (42 U.S.C. 1395l(t)) is amended—

(1) by redesignating paragraph (13) as paragraph (16); and

(2) by inserting after paragraph (12) the following new paragraph:

“(13) AUTHORIZATION OF ADJUSTMENT FOR RURAL HOSPITALS.—

“(A) STUDY.—The Secretary shall conduct a study to determine if, under the system under this subsection, costs incurred by hospitals located in rural areas by ambulatory payment classification groups (APCs) exceed those costs incurred by hospitals located in urban areas.

“(B) AUTHORIZATION OF ADJUSTMENT.—Insofar as the Secretary determines under subparagraph (A) that costs incurred by hospitals located in rural areas exceed those costs incurred by hospitals located in urban areas, the Secretary shall provide for an appropriate adjustment under paragraph (2)(E) to reflect those higher costs by January 1, 2006.”.

SEC. 412. ESTABLISHMENT OF FLOOR ON WORK GEOGRAPHIC ADJUST- MENT.

Section 1848(e)(1) (42 U.S.C. 1395w–4(e)(1)) is amended—

(1) in subparagraph (A), by striking “subparagraphs (B) and (C)” and inserting “subparagraphs (B), (C), and (E)”; and

(2) by adding at the end the following new subparagraph:

“(E) FLOOR AT 1.0 ON WORK GEOGRAPHIC INDEX.—After calculating the work geographic index in subparagraph (A)(iii), for purposes of payment for services furnished on or after January 1, 2004, and before January 1, 2007, the Secretary shall increase the work geographic index to 1.00 for any locality for which such work geographic index is less than 1.00.”.

42 USC 1395/
note.

SEC. 413. MEDICARE INCENTIVE PAYMENT PROGRAM IMPROVEMENTS FOR PHYSICIAN SCARCITY.

(a) **ADDITIONAL INCENTIVE PAYMENT FOR CERTAIN PHYSICIAN SCARCITY AREAS.**—Section 1833 (42 U.S.C. 1395l) is amended by adding at the end the following new subsection:

“(u) **INCENTIVE PAYMENTS FOR PHYSICIAN SCARCITY AREAS.**—

“(1) **IN GENERAL.**—In the case of physicians’ services furnished on or after January 1, 2005, and before January 1, 2008—

“(A) by a primary care physician in a primary care scarcity county (identified under paragraph (4)); or

“(B) by a physician who is not a primary care physician in a specialist care scarcity county (as so identified), in addition to the amount of payment that would otherwise be made for such services under this part, there also shall be paid an amount equal to 5 percent of the payment amount for the service under this part.

“(2) **DETERMINATION OF RATIOS OF PHYSICIANS TO MEDICARE BENEFICIARIES IN AREA.**—Based upon available data, the Secretary shall establish for each county or equivalent area in the United States, the following:

“(A) **NUMBER OF PHYSICIANS PRACTICING IN THE AREA.**—

The number of physicians who furnish physicians’ services in the active practice of medicine or osteopathy in that county or area, other than physicians whose practice is exclusively for the Federal Government, physicians who are retired, or physicians who only provide administrative services. Of such number, the number of such physicians who are—

“(i) primary care physicians; or

“(ii) physicians who are not primary care physicians.

“(B) **NUMBER OF MEDICARE BENEFICIARIES RESIDING IN THE AREA.**—The number of individuals who are residing in the county and are entitled to benefits under part A or enrolled under this part, or both (in this subsection referred to as ‘individuals’).

“(C) **DETERMINATION OF RATIOS.**—

“(i) **PRIMARY CARE RATIO.**—The ratio (in this paragraph referred to as the ‘primary care ratio’) of the number of primary care physicians (determined under subparagraph (A)(i)), to the number of individuals determined under subparagraph (B).

“(ii) **SPECIALIST CARE RATIO.**—The ratio (in this paragraph referred to as the ‘specialist care ratio’) of the number of other physicians (determined under subparagraph (A)(ii)), to the number of individuals determined under subparagraph (B).

“(3) **RANKING OF COUNTIES.**—The Secretary shall rank each such county or area based separately on its primary care ratio and its specialist care ratio.

“(4) **IDENTIFICATION OF COUNTIES.**—

“(A) **IN GENERAL.**—The Secretary shall identify—

“(i) those counties and areas (in this paragraph referred to as ‘primary care scarcity counties’) with the lowest primary care ratios that represent, if each such county or area were weighted by the number

of individuals determined under paragraph (2)(B), an aggregate total of 20 percent of the total of the individuals determined under such paragraph; and

“(ii) those counties and areas (in this subsection referred to as ‘specialist care scarcity counties’) with the lowest specialist care ratios that represent, if each such county or area were weighted by the number of individuals determined under paragraph (2)(B), an aggregate total of 20 percent of the total of the individuals determined under such paragraph.

“(B) PERIODIC REVISIONS.—The Secretary shall periodically revise the counties or areas identified in subparagraph (A) (but not less often than once every three years) unless the Secretary determines that there is no new data available on the number of physicians practicing in the county or area or the number of individuals residing in the county or area, as identified in paragraph (2).

“(C) IDENTIFICATION OF COUNTIES WHERE SERVICE IS FURNISHED.—For purposes of paying the additional amount specified in paragraph (1), if the Secretary uses the 5-digit postal ZIP Code where the service is furnished, the dominant county of the postal ZIP Code (as determined by the United States Postal Service, or otherwise) shall be used to determine whether the postal ZIP Code is in a scarcity county identified in subparagraph (A) or revised in subparagraph (B).

“(D) JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, 1878, or otherwise, respecting—

“(i) the identification of a county or area;

“(ii) the assignment of a specialty of any physician under this paragraph;

“(iii) the assignment of a physician to a county under paragraph (2); or

“(iv) the assignment of a postal ZIP Code to a county or other area under this subsection.

“(5) RURAL CENSUS TRACTS.—To the extent feasible, the Secretary shall treat a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)), as an equivalent area for purposes of qualifying as a primary care scarcity county or specialist care scarcity county under this subsection.

“(6) PHYSICIAN DEFINED.—For purposes of this paragraph, the term ‘physician’ means a physician described in section 1861(r)(1) and the term ‘primary care physician’ means a physician who is identified in the available data as a general practitioner, family practice practitioner, general internist, or obstetrician or gynecologist.

“(7) PUBLICATION OF LIST OF COUNTIES; POSTING ON WEBSITE.—With respect to a year for which a county or area is identified or revised under paragraph (4), the Secretary shall identify such counties or areas as part of the proposed and final rule to implement the physician fee schedule under section 1848 for the applicable year. The Secretary shall post the list of counties identified or revised under paragraph (4) on

the Internet website of the Centers for Medicare & Medicaid Services.”.

(b) IMPROVEMENT TO MEDICARE INCENTIVE PAYMENT PROGRAM.—

(1) IN GENERAL.—Section 1833(m) (42 U.S.C. 1395l(m)) is amended—

(A) by inserting “(1)” after “(m)”;

(B) in paragraph (1), as designated by subparagraph

(A)—

(i) by inserting “in a year” after “In the case of physicians’ services furnished”; and

(ii) by inserting “as identified by the Secretary prior to the beginning of such year” after “as a health professional shortage area”; and

(C) by adding at the end the following new paragraphs:

“(2) For each health professional shortage area identified in paragraph (1) that consists of an entire county, the Secretary shall provide for the additional payment under paragraph (1) without any requirement on the physician to identify the health professional shortage area involved. The Secretary may implement the previous sentence using the method specified in subsection (u)(4)(C).

“(3) The Secretary shall post on the Internet website of the Centers for Medicare & Medicaid Services a list of the health professional shortage areas identified in paragraph (1) that consist of a partial county to facilitate the additional payment under paragraph (1) in such areas.

“(4) There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, respecting—

“(A) the identification of a county or area;

“(B) the assignment of a specialty of any physician under this paragraph;

“(C) the assignment of a physician to a county under this subsection; or

“(D) the assignment of a postal ZIP Code to a county or other area under this subsection.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to physicians’ services furnished on or after January 1, 2005. 42 USC 1395l note.

(c) GAO STUDY OF GEOGRAPHIC DIFFERENCES IN PAYMENTS FOR PHYSICIANS’ SERVICES.— 42 USC 1395w–4 note.

(1) STUDY.—The Comptroller General of the United States shall conduct a study of differences in payment amounts under the physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for physicians’ services in different geographic areas. Such study shall include—

(A) an assessment of the validity of the geographic adjustment factors used for each component of the fee schedule;

(B) an evaluation of the measures used for such adjustment, including the frequency of revisions;

(C) an evaluation of the methods used to determine professional liability insurance costs used in computing the malpractice component, including a review of increases in professional liability insurance premiums and variation in such increases by State and physician specialty and methods used to update the geographic cost of practice

index and relative weights for the malpractice component; and

(D) an evaluation of the effect of the adjustment to the physician work geographic index under section 1848(e)(1)(E) of the Social Security Act, as added by section 412, on physician location and retention in areas affected by such adjustment, taking into account—

(i) differences in recruitment costs and retention rates for physicians, including specialists, between large urban areas and other areas; and

(ii) the mobility of physicians, including specialists, over the last decade.

Deadline.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations regarding the use of more current data in computing geographic cost of practice indices as well as the use of data directly representative of physicians' costs (rather than proxy measures of such costs).

SEC. 414. PAYMENT FOR RURAL AND URBAN AMBULANCE SERVICES.

(a) PHASE-IN PROVIDING FLOOR USING BLEND OF FEE SCHEDULE AND REGIONAL FEE SCHEDULES.—Section 1834(l) (42 U.S.C. 1395m(l)) is amended—

(1) in paragraph (2)(E), by inserting “consistent with paragraph (11)” after “in an efficient and fair manner”; and

(2) by redesignating paragraph (8), as added by section 221(a) of BIPA (114 Stat. 2763A–486), as paragraph (9); and

(3) by adding at the end the following new paragraph:

“(10) PHASE-IN PROVIDING FLOOR USING BLEND OF FEE SCHEDULE AND REGIONAL FEE SCHEDULES.—In carrying out the phase-in under paragraph (2)(E) for each level of ground service furnished in a year, the portion of the payment amount that is based on the fee schedule shall be the greater of the amount determined under such fee schedule (without regard to this paragraph) or the following blended rate of the fee schedule under paragraph (1) and of a regional fee schedule for the region involved:

“(A) For 2004 (for services furnished on or after July 1, 2004), the blended rate shall be based 20 percent on the fee schedule under paragraph (1) and 80 percent on the regional fee schedule.

“(B) For 2005, the blended rate shall be based 40 percent on the fee schedule under paragraph (1) and 60 percent on the regional fee schedule.

“(C) For 2006, the blended rate shall be based 60 percent on the fee schedule under paragraph (1) and 40 percent on the regional fee schedule.

“(D) For 2007, 2008, and 2009, the blended rate shall be based 80 percent on the fee schedule under paragraph (1) and 20 percent on the regional fee schedule.

“(E) For 2010 and each succeeding year, the blended rate shall be based 100 percent on the fee schedule under paragraph (1).

For purposes of this paragraph, the Secretary shall establish a regional fee schedule for each of the nine census divisions (referred to in section 1886(d)(2)) using the methodology (used

in establishing the fee schedule under paragraph (1)) to calculate a regional conversion factor and a regional mileage payment rate and using the same payment adjustments and the same relative value units as used in the fee schedule under such paragraph.”.

(b) ADJUSTMENT IN PAYMENT FOR CERTAIN LONG TRIPS.—Section 1834(l), as amended by subsection (a), is amended by adding at the end the following new paragraph:

“(11) ADJUSTMENT IN PAYMENT FOR CERTAIN LONG TRIPS.—In the case of ground ambulance services furnished on or after July 1, 2004, and before January 1, 2009, regardless of where the transportation originates, the fee schedule established under this subsection shall provide that, with respect to the payment rate for mileage for a trip above 50 miles the per mile rate otherwise established shall be increased by $\frac{1}{4}$ of the payment per mile otherwise applicable to miles in excess of 50 miles in such trip.”.

(c) IMPROVEMENT IN PAYMENTS TO RETAIN EMERGENCY CAPACITY FOR AMBULANCE SERVICES IN RURAL AREAS.—

(1) IN GENERAL.—Section 1834(l) (42 U.S.C. 1395m(l)), as amended by subsections (a) and (b), is amended by adding at the end the following new paragraph:

“(12) ASSISTANCE FOR RURAL PROVIDERS FURNISHING SERVICES IN LOW POPULATION DENSITY AREAS.—

“(A) IN GENERAL.—In the case of ground ambulance services furnished on or after July 1, 2004, and before January 1, 2010, for which the transportation originates in a qualified rural area (identified under subparagraph (B)(iii)), the Secretary shall provide for a percent increase in the base rate of the fee schedule for a trip established under this subsection. In establishing such percent increase, the Secretary shall estimate the average cost per trip for such services (not taking into account mileage) in the lowest quartile as compared to the average cost per trip for such services (not taking into account mileage) in the highest quartile of all rural county populations.

“(B) IDENTIFICATION OF QUALIFIED RURAL AREAS.—

“(i) DETERMINATION OF POPULATION DENSITY IN AREA.—Based upon data from the United States decennial census for the year 2000, the Secretary shall determine, for each rural area, the population density for that area.

“(ii) RANKING OF AREAS.—The Secretary shall rank each such area based on such population density.

“(iii) IDENTIFICATION OF QUALIFIED RURAL AREAS.—The Secretary shall identify those areas (in subparagraph (A) referred to as ‘qualified rural areas’) with the lowest population densities that represent, if each such area were weighted by the population of such area (as used in computing such population densities), an aggregate total of 25 percent of the total of the population of all such areas.

“(iv) RURAL AREA.—For purposes of this paragraph, the term ‘rural area’ has the meaning given such term in section 1886(d)(2)(D). If feasible, the Secretary shall treat a rural census tract of a metropolitan statistical area (as determined under the most recent modification

of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725) as a rural area for purposes of this paragraph.

“(v) JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, 1878, or otherwise, respecting the identification of an area under this subparagraph.”.

42 USC 1395m
note.

(2) USE OF DATA.—In order to promptly implement section 1834(l)(12) of the Social Security Act, as added by paragraph (1), the Secretary may use data furnished by the Comptroller General of the United States.

(d) TEMPORARY INCREASE FOR GROUND AMBULANCE SERVICES.—Section 1834(l) (42 U.S.C. 1395m(l)), as amended by subsections (a), (b), and (c), is amended by adding at the end the following new paragraph:

“(13) TEMPORARY INCREASE FOR GROUND AMBULANCE SERVICES.—

“(A) IN GENERAL.—After computing the rates with respect to ground ambulance services under the other applicable provisions of this subsection, in the case of such services furnished on or after July 1, 2004, and before January 1, 2007, for which the transportation originates in—

“(i) a rural area described in paragraph (9) or in a rural census tract described in such paragraph, the fee schedule established under this section shall provide that the rate for the service otherwise established, after the application of any increase under paragraphs (11) and (12), shall be increased by 2 percent; and

“(ii) an area not described in clause (i), the fee schedule established under this subsection shall provide that the rate for the service otherwise established, after the application of any increase under paragraph (11), shall be increased by 1 percent.

“(B) APPLICATION OF INCREASED PAYMENTS AFTER 2006.—The increased payments under subparagraph (A) shall not be taken into account in calculating payments for services furnished after the period specified in such subparagraph.”.

42 USC 1395m
note.

(e) IMPLEMENTATION.—The Secretary may implement the amendments made by this section, and revise the conversion factor applicable under section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) for purposes of implementing such amendments, on an interim final basis, or by program instruction.

Deadlines.
42 USC 1395m
note.

(f) GAO REPORT ON COSTS AND ACCESS.—Not later than December 31, 2005, the Comptroller General of the United States shall submit to Congress an initial report on how costs differ among the types of ambulance providers and on access, supply, and quality of ambulance services in those regions and States that have a reduction in payment under the medicare ambulance fee schedule (under section 1834(l) of the Social Security Act, as amended by this Act). Not later than December 31, 2007, the Comptroller General shall submit to Congress a final report on such access and supply.

(g) TECHNICAL AMENDMENTS.—(1) Section 221(c) of BIPA (114 Stat. 2763A–487) is amended by striking “subsection (b)(2)” and inserting “subsection (b)(3)”.

42 USC 1395m
note.

(2) Section 1861(v)(1) (42 U.S.C. 1395x(v)(1)) is amended by moving subparagraph (U) 4 ems to the left.

SEC. 415. PROVIDING APPROPRIATE COVERAGE OF RURAL AIR AMBULANCE SERVICES.

(a) COVERAGE.—Section 1834(l) (42 U.S.C. 1395m(l)), as amended by subsections (a), (b), (c), and (d) of section 414, is amended by adding at the end the following new paragraph:

“(14) PROVIDING APPROPRIATE COVERAGE OF RURAL AIR AMBULANCE SERVICES.—

“(A) IN GENERAL.—The regulations described in section 1861(s)(7) shall provide, to the extent that any ambulance services (whether ground or air) may be covered under such section, that a rural air ambulance service (as defined in subparagraph (C)) is reimbursed under this subsection at the air ambulance rate if the air ambulance service—

“(i) is reasonable and necessary based on the health condition of the individual being transported at or immediately prior to the time of the transport; and

“(ii) complies with equipment and crew requirements established by the Secretary.

“(B) SATISFACTION OF REQUIREMENT OF MEDICALLY NECESSARY.—The requirement of subparagraph (A)(i) is deemed to be met for a rural air ambulance service if—

“(i) subject to subparagraph (D), such service is requested by a physician or other qualified medical personnel (as specified by the Secretary) who reasonably determines or certifies that the individual’s condition is such that the time needed to transport the individual by land or the instability of transportation by land poses a threat to the individual’s survival or seriously endangers the individual’s health; or

“(ii) such service is furnished pursuant to a protocol that is established by a State or regional emergency medical service (EMS) agency and recognized or approved by the Secretary under which the use of an air ambulance is recommended, if such agency does not have an ownership interest in the entity furnishing such service.

“(C) RURAL AIR AMBULANCE SERVICE DEFINED.—For purposes of this paragraph, the term ‘rural air ambulance service’ means fixed wing and rotary wing air ambulance service in which the point of pick up of the individual occurs in a rural area (as defined in section 1886(d)(2)(D)) or in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)).

“(D) LIMITATION.—

“(i) IN GENERAL.—Subparagraph (B)(i) shall not apply if there is a financial or employment relationship between the person requesting the rural air ambulance service and the entity furnishing the ambulance

service, or an entity under common ownership with the entity furnishing the air ambulance service, or a financial relationship between an immediate family member of such requester and such an entity.

“(ii) EXCEPTION.—Where a hospital and the entity furnishing rural air ambulance services are under common ownership, clause (i) shall not apply to remuneration (through employment or other relationship) by the hospital of the requester or immediate family member if the remuneration is for provider-based physician services furnished in a hospital (as described in section 1887) which are reimbursed under part A and the amount of the remuneration is unrelated directly or indirectly to the provision of rural air ambulance services.”.

(b) CONFORMING AMENDMENT.—Section 1861(s)(7) (42 U.S.C. 1395x(s)(7)) is amended by inserting “, subject to section 1834(l)(14),” after “but”.

42 USC 1395b–1.

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services furnished on or after January 1, 2005.

42 USC 1395l–4.

SEC. 416. TREATMENT OF CERTAIN CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED TO HOSPITAL OUTPATIENTS IN CERTAIN RURAL AREAS.

(a) IN GENERAL.—Notwithstanding subsections (a), (b), and (h) of section 1833 of the Social Security Act (42 U.S.C. 1395l) and section 1834(d)(1) of such Act (42 U.S.C. 1395m(d)(1)), in the case of a clinical diagnostic laboratory test covered under part B of title XVIII of such Act that is furnished during a cost reporting period described in subsection (b) by a hospital with fewer than 50 beds that is located in a qualified rural area (identified under paragraph (12)(B)(iii) of section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)), as added by section 414(c)) as part of outpatient services of the hospital, the amount of payment for such test shall be 100 percent of the reasonable costs of the hospital in furnishing such test.

(b) APPLICATION.—A cost reporting period described in this subsection is a cost reporting period beginning during the 2-year period beginning on July 1, 2004.

Applicability.

(c) PROVISION AS PART OF OUTPATIENT HOSPITAL SERVICES.—For purposes of subsection (a), in determining whether clinical diagnostic laboratory services are furnished as part of outpatient services of a hospital, the Secretary shall apply the same rules that are used to determine whether clinical diagnostic laboratory services are furnished as an outpatient critical access hospital service under section 1834(g)(4) of the Social Security Act (42 U.S.C. 1395m(g)(4)).

SEC. 417. EXTENSION OF TELEMEDICINE DEMONSTRATION PROJECT.

42 USC 1395b–1
note.

Section 4207 of the Balanced Budget Act of 1997 (Public Law 105–33) is amended—

(1) in subsection (a)(4), by striking “4-year” and inserting “8-year”; and

(2) in subsection (d)(3), by striking “\$30,000,000” and inserting “\$60,000,000”.

SEC. 418. REPORT ON DEMONSTRATION PROJECT PERMITTING SKILLED NURSING FACILITIES TO BE ORIGINATING TELEHEALTH SITES; AUTHORITY TO IMPLEMENT.

42 USC 1395m
note.

(a) **EVALUATION.**—The Secretary, acting through the Administrator of the Health Resources and Services Administration in consultation with the Administrator of the Centers for Medicare & Medicaid Services, shall evaluate demonstration projects conducted by the Secretary under which skilled nursing facilities (as defined in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a)) are treated as originating sites for telehealth services.

(b) **REPORT.**—Not later than January 1, 2005, the Secretary shall submit to Congress a report on the evaluation conducted under subsection (a). Such report shall include recommendations on mechanisms to ensure that permitting a skilled nursing facility to serve as an originating site for the use of telehealth services or any other service delivered via a telecommunications system does not serve as a substitute for in-person visits furnished by a physician, or for in-person visits furnished by a physician assistant, nurse practitioner or clinical nurse specialist, as is otherwise required by the Secretary.

Deadline.

(c) **AUTHORITY TO EXPAND ORIGINATING TELEHEALTH SITES TO INCLUDE SKILLED NURSING FACILITIES.**—Insofar as the Secretary concludes in the report required under subsection (b) that it is advisable to permit a skilled nursing facility to be an originating site for telehealth services under section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)), and that the Secretary can establish the mechanisms to ensure such permission does not serve as a substitute for in-person visits furnished by a physician, or for in-person visits furnished by a physician assistant, nurse practitioner or clinical nurse specialist, the Secretary may deem a skilled nursing facility to be an originating site under paragraph (4)(C)(ii) of such section beginning on January 1, 2006.

Subtitle C—Provisions Relating to Parts A and B

SEC. 421. ONE-YEAR INCREASE FOR HOME HEALTH SERVICES FURNISHED IN A RURAL AREA.

42 USC 1395fff
note.

(a) **IN GENERAL.**—With respect to episodes and visits ending on or after April 1, 2004, and before April 1, 2005, in the case of home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D))), the Secretary shall increase the payment amount otherwise made under section 1895 of such Act (42 U.S.C. 1395fff) for such services by 5 percent.

(b) **WAIVING BUDGET NEUTRALITY.**—The Secretary shall not reduce the standard prospective payment amount (or amounts) under section 1895 of the Social Security Act (42 U.S.C. 1395fff) applicable to home health services furnished during a period to offset the increase in payments resulting from the application of subsection (a).

(c) **NO EFFECT ON SUBSEQUENT PERIODS.**—The payment increase provided under subsection (a) for a period under such subsection—

(1) shall not apply to episodes and visits ending after such period; and

(2) shall not be taken into account in calculating the payment amounts applicable for episodes and visits occurring after such period.

SEC. 422. REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.

(a) IN GENERAL.—Section 1886(h) (42 U.S.C. 1395ww(h)(4)) is amended—

(1) in paragraph (4)(F)(i), by inserting “subject to paragraph (7),” after “October 1, 1997,”;

(2) in paragraph (4)(H)(i), by inserting “and subject to paragraph (7)” after “subparagraphs (F) and (G)”; and

(3) by adding at the end the following new paragraph:

“(7) REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.—

“(A) REDUCTION IN LIMIT BASED ON UNUSED POSITIONS.—

“(i) PROGRAMS SUBJECT TO REDUCTION.—

“(I) IN GENERAL.—Except as provided in subclause (II), if a hospital’s reference resident level (specified in clause (ii)) is less than the otherwise applicable resident limit (as defined in subparagraph (C)(ii)), effective for portions of cost reporting periods occurring on or after July 1, 2005, the otherwise applicable resident limit shall be reduced by 75 percent of the difference between such otherwise applicable resident limit and such reference resident level.

“(II) EXCEPTION FOR SMALL RURAL HOSPITALS.—This subparagraph shall not apply to a hospital located in a rural area (as defined in subsection (d)(2)(D)(ii)) with fewer than 250 acute care inpatient beds.

“(ii) REFERENCE RESIDENT LEVEL.—

“(I) IN GENERAL.—Except as otherwise provided in subclauses (II) and (III), the reference resident level specified in this clause for a hospital is the resident level for the most recent cost reporting period of the hospital ending on or before September 30, 2002, for which a cost report has been settled (or, if not, submitted (subject to audit)), as determined by the Secretary.

“(II) USE OF MOST RECENT ACCOUNTING PERIOD TO RECOGNIZE EXPANSION OF EXISTING PROGRAMS.—If a hospital submits a timely request to increase its resident level due to an expansion of an existing residency training program that is not reflected on the most recent settled cost report, after audit and subject to the discretion of the Secretary, the reference resident level for such hospital is the resident level for the cost reporting period that includes July 1, 2003, as determined by the Secretary.

“(III) EXPANSIONS UNDER NEWLY APPROVED PROGRAMS.—Upon the timely request of a hospital, the Secretary shall adjust the reference resident level specified under subclause (I) or (II) to include

the number of medical residents that were approved in an application for a medical residency training program that was approved by an appropriate accrediting organization (as determined by the Secretary) before January 1, 2002, but which was not in operation during the cost reporting period used under subclause (I) or (II), as the case may be, as determined by the Secretary.

“(iii) AFFILIATION.—The provisions of clause (i) shall be applied to hospitals which are members of the same affiliated group (as defined by the Secretary under paragraph (4)(H)(ii)) as of July 1, 2003.

“(B) REDISTRIBUTION.—

“(i) IN GENERAL.—The Secretary is authorized to increase the otherwise applicable resident limit for each qualifying hospital that submits a timely application under this subparagraph by such number as the Secretary may approve for portions of cost reporting periods occurring on or after July 1, 2005. The aggregate number of increases in the otherwise applicable resident limits under this subparagraph may not exceed the Secretary’s estimate of the aggregate reduction in such limits attributable to subparagraph (A).

“(ii) CONSIDERATIONS IN REDISTRIBUTION.—In determining for which hospitals the increase in the otherwise applicable resident limit is provided under clause (i), the Secretary shall take into account the demonstrated likelihood of the hospital filling the positions within the first 3 cost reporting periods beginning on or after July 1, 2005, made available under this subparagraph, as determined by the Secretary.

“(iii) PRIORITY FOR RURAL AND SMALL URBAN AREAS.—In determining for which hospitals and residency training programs an increase in the otherwise applicable resident limit is provided under clause (i), the Secretary shall distribute the increase to programs of hospitals located in the following priority order:

“(I) First, to hospitals located in rural areas (as defined in subsection (d)(2)(D)(ii)).

“(II) Second, to hospitals located in urban areas that are not large urban areas (as defined for purposes of subsection (d)).

“(III) Third, to other hospitals in a State if the residency training program involved is in a specialty for which there are not other residency training programs in the State.

Increases of residency limits within the same priority category under this clause shall be determined by the Secretary.

“(iv) LIMITATION.—In no case shall more than 25 full-time equivalent additional residency positions be made available under this subparagraph with respect to any hospital.

“(v) APPLICATION OF LOCALITY ADJUSTED NATIONAL AVERAGE PER RESIDENT AMOUNT.—With respect to additional residency positions in a hospital attributable

to the increase provided under this subparagraph, notwithstanding any other provision of this subsection, the approved FTE resident amount is deemed to be equal to the locality adjusted national average per resident amount computed under paragraph (4)(E) for that hospital.

“(vi) CONSTRUCTION.—Nothing in this subparagraph shall be construed as permitting the redistribution of reductions in residency positions attributable to voluntary reduction programs under paragraph (6), under a demonstration project approved as of October 31, 2003, under the authority of section 402 of Public Law 90–248, or as affecting the ability of a hospital to establish new medical residency training programs under paragraph (4)(H).

“(C) RESIDENT LEVEL AND LIMIT DEFINED.—In this paragraph:

“(i) RESIDENT LEVEL.—The term ‘resident level’ means, with respect to a hospital, the total number of full-time equivalent residents, before the application of weighting factors (as determined under paragraph (4)), in the fields of allopathic and osteopathic medicine for the hospital.

“(ii) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term ‘otherwise applicable resident limit’ means, with respect to a hospital, the limit otherwise applicable under subparagraphs (F)(i) and (H) of paragraph (4) on the resident level for the hospital determined without regard to this paragraph.

“(D) JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, 1878, or otherwise, with respect to determinations made under this paragraph.”.

(b) CONFORMING PROVISIONS.—(1) Section 1886(d)(5)(B) (42 U.S.C. 1395ww(d)(5)(B)) is amended—

(A) in the second sentence of clause (ii), by striking “For discharges” and inserting “Subject to clause (ix), for discharges”;

(B) in clause (v), by adding at the end the following: “The provisions of subsection (h)(7) shall apply with respect to the first sentence of this clause in the same manner as it applies with respect to subsection (h)(4)(F)(i).”; and

(C) by adding at the end the following new clause:

“(ix) For discharges occurring on or after July 1, 2005, insofar as an additional payment amount under this subparagraph is attributable to resident positions redistributed to a hospital under subsection (h)(7)(B), in computing the indirect teaching adjustment factor under clause (ii) the adjustment shall be computed in a manner as if ‘c’ were equal to 0.66 with respect to such resident positions.”.

(2) Chapter 35 of title 44, United States Code, shall not apply with respect to applications under section 1886(h)(7) of the Social Security Act, as added by subsection (a)(3).

(c) REPORT ON EXTENSION OF APPLICATIONS UNDER REDISTRIBUTION PROGRAM.—Not later than July 1, 2005, the Secretary shall submit to Congress a report containing recommendations regarding whether to extend the deadline for applications for an increase

Applicability.

42 USC 1395ww
note.

Deadline.
42 USC 1395ww
note.

in resident limits under section 1886(h)(4)(I)(ii)(II) of the Social Security Act (as added by subsection (a)).

Subtitle D—Other Provisions

SEC. 431. PROVIDING SAFE HARBOR FOR CERTAIN COLLABORATIVE EFFORTS THAT BENEFIT MEDICALLY UNDERSERVED POPULATIONS.

(a) IN GENERAL.—Section 1128B(b)(3) (42 U.S.C. 1320a–7(b)(3)), as amended by section 101(e)(2), is amended—

42 USC
1320a–7b.

(1) in subparagraph (F), by striking “and” after the semicolon at the end;

(2) in subparagraph (G), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(H) any remuneration between a health center entity described under clause (i) or (ii) of section 1905(l)(2)(B) and any individual or entity providing goods, items, services, donations, loans, or a combination thereof, to such health center entity pursuant to a contract, lease, grant, loan, or other agreement, if such agreement contributes to the ability of the health center entity to maintain or increase the availability, or enhance the quality, of services provided to a medically underserved population served by the health center entity.”.

(b) RULEMAKING FOR EXCEPTION FOR HEALTH CENTER ENTITY ARRANGEMENTS.—

42 USC
1320a–7b note.

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary shall establish, on an expedited basis, standards relating to the exception described in section 1128B(b)(3)(H) of the Social Security Act, as added by subsection (a), for health center entity arrangements to the antikickback penalties.

(B) FACTORS TO CONSIDER.—The Secretary shall consider the following factors, among others, in establishing standards relating to the exception for health center entity arrangements under subparagraph (A):

(i) Whether the arrangement between the health center entity and the other party results in savings of Federal grant funds or increased revenues to the health center entity.

(ii) Whether the arrangement between the health center entity and the other party restricts or limits an individual’s freedom of choice.

(iii) Whether the arrangement between the health center entity and the other party protects a health care professional’s independent medical judgment regarding medically appropriate treatment.

The Secretary may also include other standards and criteria that are consistent with the intent of Congress in enacting the exception established under this section.

(2) DEADLINE.—Not later than 1 year after the date of the enactment of this Act the Secretary shall publish final regulations establishing the standards described in paragraph (1).

Regulations.

SEC. 432. OFFICE OF RURAL HEALTH POLICY IMPROVEMENTS.

Section 711(b) (42 U.S.C. 912(b)) is amended—

(1) in paragraph (3), by striking “and” after the comma at the end;

(2) in paragraph (4), by striking the period at the end and inserting “, and”; and

(3) by inserting after paragraph (4) the following new paragraph:

“(5) administer grants, cooperative agreements, and contracts to provide technical assistance and other activities as necessary to support activities related to improving health care in rural areas.”.

42 USC 1395ww
note.

SEC. 433. MEDPAC STUDY ON RURAL HOSPITAL PAYMENT ADJUSTMENTS.

(a) **IN GENERAL.**—The Medicare Payment Advisory Commission shall conduct a study of the impact of sections 401 through 406, 411, 416, and 505. The Commission shall analyze the effect on total payments, growth in costs, capital spending, and such other payment effects under those sections.

Deadlines.

(b) **REPORTS.**—

(1) **INTERIM REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress an interim report on the matters studied under subsection (a) with respect only to changes to the critical access hospital provisions under section 405.

(2) **FINAL REPORT.**—Not later than 3 years after the date of the enactment of this Act, the Commission shall submit to Congress a final report on all matters studied under subsection (a).

42 USC 1395x
note.

SEC. 434. FRONTIER EXTENDED STAY CLINIC DEMONSTRATION PROJECT.

(a) **AUTHORITY TO CONDUCT DEMONSTRATION PROJECT.**—The Secretary shall waive such provisions of the medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as are necessary to conduct a demonstration project under which frontier extended stay clinics described in subsection (b) in isolated rural areas are treated as providers of items and services under the medicare program.

(b) **CLINICS DESCRIBED.**—A frontier extended stay clinic is described in this subsection if the clinic—

(1) is located in a community where the closest short-term acute care hospital or critical access hospital is at least 75 miles away from the community or is inaccessible by public road; and

(2) is designed to address the needs of—

(A) seriously or critically ill or injured patients who, due to adverse weather conditions or other reasons, cannot be transferred quickly to acute care referral centers; or

(B) patients who need monitoring and observation for a limited period of time.

(c) **SPECIFICATION OF CODES.**—The Secretary shall determine the appropriate life-safety codes for such clinics that treat patients for needs referred to in subsection (b)(2).

(d) **FUNDING.**—

(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated, in appropriate part from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, such sums as are necessary to conduct the demonstration project under this section.

(2) BUDGET NEUTRAL IMPLEMENTATION.—In conducting the demonstration project under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under the medicare program do not exceed the amount which the Secretary would have paid under the medicare program if the demonstration project under this section was not implemented.

(e) THREE-YEAR PERIOD.—The Secretary shall conduct the demonstration under this section for a 3-year period.

(f) REPORT.—Not later than the date that is 1 year after the date on which the demonstration project concludes, the Secretary shall submit to Congress a report on the demonstration project, together with such recommendations for legislation or administrative action as the Secretary determines appropriate.

Deadline.

(g) DEFINITIONS.—In this section, the terms “hospital” and “critical access hospital” have the meanings given such terms in subsections (e) and (mm), respectively, of section 1861 of the Social Security Act (42 U.S.C. 1395x).

TITLE V—PROVISIONS RELATING TO PART A

Subtitle A—Inpatient Hospital Services

SEC. 501. REVISION OF ACUTE CARE HOSPITAL PAYMENT UPDATES.

(a) IN GENERAL.—Section 1886(b)(3)(B)(i) (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(1) by striking “and” at the end of subclause (XVIII);

(2) by striking subclause (XIX); and

(3) by inserting after subclause (XVIII) the following new subclauses:

“(XIX) for each of fiscal years 2004 through 2007, subject to clause (vii), the market basket percentage increase for hospitals in all areas; and

“(XX) for fiscal year 2008 and each subsequent fiscal year, the market basket percentage increase for hospitals in all areas.”.

(b) SUBMISSION OF HOSPITAL QUALITY DATA.—Section 1886(b)(3)(B) (42 U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

“(vii)(I) For purposes of clause (i)(XIX) for each of fiscal years 2005 through 2007, in a case of a subsection (d) hospital that does not submit data to the Secretary in accordance with subclause (II) with respect to such a fiscal year, the applicable percentage increase under such clause for such fiscal year shall be reduced by 0.4 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the applicable

Applicability.

percentage increase under clause (i)(XIX) for a subsequent fiscal year.

“(II) Each subsection (d) hospital shall submit to the Secretary quality data (for a set of 10 indicators established by the Secretary as of November 1, 2003) that relate to the quality of care furnished by the hospital in inpatient settings in a form and manner, and at a time, specified by the Secretary for purposes of this clause, but with respect to fiscal year 2005, the Secretary shall provide for a 30-day grace period for the submission of data by a hospital.”.

42 USC 1395ww
note.

(c) GAO STUDY AND REPORT ON APPROPRIATENESS OF PAYMENTS UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT HOSPITAL SERVICES.—

(1) STUDY.—The Comptroller General of the United States, using the most current data available, shall conduct a study to determine—

(A) the appropriate level and distribution of payments in relation to costs under the prospective payment system under section 1886 of the Social Security Act (42 U.S.C. 1395ww) for inpatient hospital services furnished by subsection (d) hospitals (as defined in subsection (d)(1)(B) of such section); and

(B) whether there is a need to adjust such payments under such system to reflect legitimate differences in costs across different geographic areas, kinds of hospitals, and types of cases.

Deadline.

(2) REPORT.—Not later than 24 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under paragraph (1) together with such recommendations for legislative and administrative action as the Comptroller General determines appropriate.

SEC. 502. REVISION OF THE INDIRECT MEDICAL EDUCATION (IME) ADJUSTMENT PERCENTAGE.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended—

(1) in subclause (VI), by striking “and” after the semicolon at the end;

(2) in subclause (VII)—

(A) by inserting “and before April 1, 2004,” after “on or after October 1, 2002,”; and

(B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new subclauses:

“(VIII) on or after April 1, 2004, and before October 1, 2004, ‘c’ is equal to 1.47;

“(IX) during fiscal year 2005, ‘c’ is equal to 1.42;

“(X) during fiscal year 2006, ‘c’ is equal to 1.37;

“(XI) during fiscal year 2007, ‘c’ is equal to 1.32; and

“(XII) on or after October 1, 2007, ‘c’ is equal to 1.35.”.

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF STANDARDIZED AMOUNT.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)) is amended—

(1) by striking “1999 or” and inserting “1999,”; and

(2) by inserting “, or the Medicare Prescription Drug, Improvement, and Modernization Act of 2003” after “2000”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to discharges occurring on or after April 1, 2004. 42 USC 1395ww note.

SEC. 503. RECOGNITION OF NEW MEDICAL TECHNOLOGIES UNDER INPATIENT HOSPITAL PROSPECTIVE PAYMENT SYSTEM.

(a) **IMPROVING TIMELINESS OF DATA COLLECTION.**—Section 1886(d)(5)(K) (42 U.S.C. 1395ww(d)(5)(K)) is amended by adding at the end the following new clause:

“(vii) Under the mechanism under this subparagraph, the Secretary shall provide for the addition of new diagnosis and procedure codes in April 1 of each year, but the addition of such codes shall not require the Secretary to adjust the payment (or diagnosis-related group classification) under this subsection until the fiscal year that begins after such date.”.

(b) **ELIGIBILITY STANDARD FOR TECHNOLOGY OUTLIERS.**—

(1) **ADJUSTMENT OF THRESHOLD.**—Section 1886(d)(5)(K)(ii)(I) (42 U.S.C. 1395ww(d)(5)(K)(ii)(I)) is amended by inserting “(applying a threshold specified by the Secretary that is the lesser of 75 percent of the standardized amount (increased to reflect the difference between cost and charges) or 75 percent of one standard deviation for the diagnosis-related group involved)” after “is inadequate”.

(2) **PROCESS FOR PUBLIC INPUT.**—Section 1886(d)(5)(K) (42 U.S.C. 1395ww(d)(5)(K)), as amended by subsection (a), is amended—

(A) in clause (i), by adding at the end the following: “Such mechanism shall be modified to meet the requirements of clause (viii).”; and

(B) by adding at the end the following new clause: “(viii) The mechanism established pursuant to clause (i) shall be adjusted to provide, before publication of a proposed rule, for public input regarding whether a new service or technology represents an advance in medical technology that substantially improves the diagnosis or treatment of individuals entitled to benefits under part A as follows:

“(I) The Secretary shall make public and periodically update a list of all the services and technologies for which an application for additional payment under this subparagraph is pending.

“(II) The Secretary shall accept comments, recommendations, and data from the public regarding whether the service or technology represents a substantial improvement.

“(III) The Secretary shall provide for a meeting at which organizations representing hospitals, physicians, such individuals, manufacturers, and any other interested party may present comments, recommendations, and data to the clinical staff of the Centers for Medicare & Medicaid Services before publication of a notice of proposed rulemaking regarding whether service or technology represents a substantial improvement.”.

(c) **PREFERENCE FOR USE OF DRG ADJUSTMENT.**—Section 1886(d)(5)(K) (42 U.S.C. 1395ww(d)(5)(K)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

“(ix) Before establishing any add-on payment under this subparagraph with respect to a new technology, the Secretary shall seek to identify one or more diagnosis-related groups associated

Public
information.
Records.

with such technology, based on similar clinical or anatomical characteristics and the cost of the technology. Within such groups the Secretary shall assign an eligible new technology into a diagnosis-related group where the average costs of care most closely approximate the costs of care of using the new technology. No add-on payment under this subparagraph shall be made with respect to such new technology and this clause shall not affect the application of paragraph (4)(C)(iii).”.

(d) ESTABLISHMENT OF NEW FUNDING FOR HOSPITAL INPATIENT TECHNOLOGY.—

(1) IN GENERAL.—Section 1886(d)(5)(K)(ii)(III) (42 U.S.C. 1395ww(d)(5)(K)(ii)(III)) is amended by striking “subject to paragraph (4)(C)(iii).”.

42 USC 1395ww
note.

(2) NOT BUDGET NEUTRAL.—There shall be no reduction or other adjustment in payments under section 1886 of the Social Security Act because an additional payment is provided under subsection (d)(5)(K)(ii)(III) of such section.

42 USC 1395ww
note.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The Secretary shall implement the amendments made by this section so that they apply to classification for fiscal years beginning with fiscal year 2005.

(2) RECONSIDERATIONS OF APPLICATIONS FOR FISCAL YEAR 2004 THAT ARE DENIED.—In the case of an application for a classification of a medical service or technology as a new medical service or technology under section 1886(d)(5)(K) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(K)) that was filed for fiscal year 2004 and that is denied—

(A) the Secretary shall automatically reconsider the application as an application for fiscal year 2005 under the amendments made by this section; and

Extension date.

(B) the maximum time period otherwise permitted for such classification of the service or technology shall be extended by 12 months.

SEC. 504. INCREASE IN FEDERAL RATE FOR HOSPITALS IN PUERTO RICO.

Section 1886(d)(9) (42 U.S.C. 1395ww(d)(9)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking “for discharges beginning on or after October 1, 1997, 50 percent (and for discharges between October 1, 1987, and September 30, 1997, 75 percent)” and inserting “the applicable Puerto Rico percentage (specified in subparagraph (E))”; and

(B) in clause (ii), by striking “for discharges beginning in a fiscal year beginning on or after October 1, 1997, 50 percent (and for discharges between October 1, 1987, and September 30, 1997, 25 percent)” and inserting “the applicable Federal percentage (specified in subparagraph (E))”; and

(2) by adding at the end the following new subparagraph:

“(E) For purposes of subparagraph (A), for discharges occurring—

“(i) on or after October 1, 1987, and before October 1, 1997, the applicable Puerto Rico percentage is 75 percent and the applicable Federal percentage is 25 percent;

“(ii) on or after October 1, 1997, and before April 1, 2004, the applicable Puerto Rico percentage is 50 percent and the applicable Federal percentage is 50 percent;

“(iii) on or after April 1, 2004, and before October 1, 2004, the applicable Puerto Rico percentage is 37.5 percent and the applicable Federal percentage is 62.5 percent; and

“(iv) on or after October 1, 2004, the applicable Puerto Rico percentage is 25 percent and the applicable Federal percentage is 75 percent.”.

SEC. 505. WAGE INDEX ADJUSTMENT RECLASSIFICATION REFORM.

(a) IN GENERAL.—Section 1886(d) (42 U.S.C. 1395ww(d)), as amended by section 406, is amended by adding at the end the following new paragraph:

“(13)(A) In order to recognize commuting patterns among geographic areas, the Secretary shall establish a process through application or otherwise for an increase of the wage index applied under paragraph (3)(E) for subsection (d) hospitals located in a qualifying county described in subparagraph (B) in the amount computed under subparagraph (D) based on out-migration of hospital employees who reside in that county to any higher wage index area.

Procedures.

“(B) The Secretary shall establish criteria for a qualifying county under this subparagraph based on the out-migration referred to in subparagraph (A) and differences in the area wage indices. Under such criteria the Secretary shall, utilizing such data as the Secretary determines to be appropriate, establish—

Guidelines.

“(i) a threshold percentage, established by the Secretary, of the weighted average of the area wage index or indices for the higher wage index areas involved;

“(ii) a threshold (of not less than 10 percent) for minimum out-migration to a higher wage index area or areas; and

“(iii) a requirement that the average hourly wage of the hospitals in the qualifying county equals or exceeds the average hourly wage of all the hospitals in the area in which the qualifying county is located.

“(C) For purposes of this paragraph, the term ‘higher wage index area’ means, with respect to a county, an area with a wage index that exceeds that of the county.

“(D) The increase in the wage index under subparagraph (A) for a qualifying county shall be equal to the percentage of the hospital employees residing in the qualifying county who are employed in any higher wage index area multiplied by the sum of the products, for each higher wage index area of—

“(i) the difference between—

“(I) the wage index for such higher wage index area, and

“(II) the wage index of the qualifying county; and

“(ii) the number of hospital employees residing in the qualifying county who are employed in such higher wage index area divided by the total number of hospital employees residing in the qualifying county who are employed in any higher wage index area.

“(E) The process under this paragraph may be based upon the process used by the Medicare Geographic Classification Review Board under paragraph (10). As the Secretary determines to be appropriate to carry out such process, the Secretary may require

hospitals (including subsection (d) hospitals and other hospitals) and critical access hospitals, as required under section 1866(a)(1)(T), to submit data regarding the location of residence, or the Secretary may use data from other sources.

“(F) A wage index increase under this paragraph shall be effective for a period of 3 fiscal years, except that the Secretary shall establish procedures under which a subsection (d) hospital may elect to waive the application of such wage index increase.

“(G) A hospital in a county that has a wage index increase under this paragraph for a period and that has not waived the application of such an increase under subparagraph (F) is not eligible for reclassification under paragraph (8) or (10) during that period.

“(H) Any increase in a wage index under this paragraph for a county shall not be taken into account for purposes of—

“(i) computing the wage index for portions of the wage index area (not including the county) in which the county is located; or

“(ii) applying any budget neutrality adjustment with respect to such index under paragraph (8)(D).

“(I) The thresholds described in subparagraph (B), data on hospital employees used under this paragraph, and any determination of the Secretary under the process described in subparagraph (E) shall be final and shall not be subject to judicial review.”.

(b) CONFORMING AMENDMENTS.—Section 1866(a)(1) (42 U.S.C. 1395cc(a)(1)) is amended—

(1) in subparagraph (R), by striking “and” at the end;

(2) in subparagraph (S), by striking the period at the end and inserting “, and”; and

(3) by inserting after subparagraph (S) the following new subparagraph:

“(T) in the case of hospitals and critical access hospitals, to furnish to the Secretary such data as the Secretary determines appropriate pursuant to subparagraph (E) of section 1886(d)(12) to carry out such section.”.

42 USC 1395ww
note.

(c) EFFECTIVE DATE.—The amendments made by this section shall first apply to the wage index for discharges occurring on or after October 1, 2004. In initially implementing such amendments, the Secretary may modify the deadlines otherwise applicable under clauses (ii) and (iii)(I) of section 1886(d)(10)(C) of the Social Security Act (42 U.S.C. 1395ww(d)(10)(C)), for submission of, and actions on, applications relating to changes in hospital geographic reclassification.

SEC. 506. LIMITATION ON CHARGES FOR INPATIENT HOSPITAL CONTRACT HEALTH SERVICES PROVIDED TO INDIANS BY MEDICARE PARTICIPATING HOSPITALS.

(a) IN GENERAL.—Section 1866(a)(1) (42 U.S.C. 1395cc(a)(1)), as amended by section 505(b), is amended—

(1) in subparagraph (S), by striking “and” at the end;

(2) in subparagraph (T), by striking the period and inserting “, and”; and

(3) by inserting after subparagraph (T) the following new subparagraph:

“(U) in the case of hospitals which furnish inpatient hospital services for which payment may be made under this title, to be a participating provider of medical care both—

“(i) under the contract health services program funded by the Indian Health Service and operated by the Indian Health Service, an Indian tribe, or tribal organization (as those terms are defined in section 4 of the Indian Health Care Improvement Act), with respect to items and services that are covered under such program and furnished to an individual eligible for such items and services under such program; and

“(ii) under any program funded by the Indian Health Service and operated by an urban Indian organization with respect to the purchase of items and services for an eligible urban Indian (as those terms are defined in such section 4),

in accordance with regulations promulgated by the Secretary regarding admission practices, payment methodology, and rates of payment (including the acceptance of no more than such payment rate as payment in full for such items and services.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply as of a date specified by the Secretary of Health and Human Services (but in no case later than 1 year after the date of enactment of this Act) to medicare participation agreements in effect (or entered into) on or after such date.

42 USC 1395cc
note.

(c) **PROMULGATION OF REGULATIONS.**—The Secretary shall promulgate regulations to carry out the amendments made by subsection (a).

42 USC 1395cc
note.

SEC. 507. CLARIFICATIONS TO CERTAIN EXCEPTIONS TO MEDICARE LIMITS ON PHYSICIAN REFERRALS.

(a) **LIMITS ON PHYSICIAN REFERRALS.**—

(1) **OWNERSHIP AND INVESTMENT INTERESTS IN WHOLE HOSPITALS.**—

(A) **IN GENERAL.**—Section 1877(d)(3) (42 U.S.C. 1395nn(d)(3)) is amended—

(i) by striking “, and” at the end of subparagraph (A) and inserting a semicolon; and

(ii) by redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following new subparagraph:

“(B) effective for the 18-month period beginning on the date of the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the hospital is not a specialty hospital (as defined in subsection (h)(7)); and”.

Effective date.

(B) **DEFINITION.**—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by adding at the end the following:

“(7) **SPECIALTY HOSPITAL.**—

“(A) **IN GENERAL.**—For purposes of this section, except as provided in subparagraph (B), the term ‘specialty hospital’ means a subsection (d) hospital (as defined in section 1886(d)(1)(B)) that is primarily or exclusively engaged in the care and treatment of one of the following categories:

“(i) Patients with a cardiac condition.

“(ii) Patients with an orthopedic condition.

“(iii) Patients receiving a surgical procedure.

“(iv) Any other specialized category of services that the Secretary designates as inconsistent with the purpose of permitting physician ownership and investment interests in a hospital under this section.

“(B) EXCEPTION.—For purposes of this section, the term ‘specialty hospital’ does not include any hospital—

“(i) determined by the Secretary—

“(I) to be in operation before November 18, 2003; or

“(II) under development as of such date;

“(ii) for which the number of physician investors at any time on or after such date is no greater than the number of such investors as of such date;

“(iii) for which the type of categories described in subparagraph (A) at any time on or after such date is no different than the type of such categories as of such date;

“(iv) for which any increase in the number of beds occurs only in the facilities on the main campus of the hospital and does not exceed 50 percent of the number of beds in the hospital as of November 18, 2003, or 5 beds, whichever is greater; and

“(v) that meets such other requirements as the Secretary may specify.”.

(2) OWNERSHIP AND INVESTMENT INTERESTS IN A RURAL PROVIDER.—Section 1877(d)(2) (42 U.S.C. 1395nn(d)(2)) is amended to read as follows:

“(2) RURAL PROVIDERS.—In the case of designated health services furnished in a rural area (as defined in section 1886(d)(2)(D)) by an entity, if—

“(A) substantially all of the designated health services furnished by the entity are furnished to individuals residing in such a rural area; and

“(B) effective for the 18-month period beginning on the date of the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the entity is not a specialty hospital (as defined in subsection (h)(7)).”.

Effective date.

42 USC 1395nn
note.

(b) APPLICATION OF EXCEPTION FOR HOSPITALS UNDER DEVELOPMENT.—For purposes of section 1877(h)(7)(B)(i)(II) of the Social Security Act, as added by subsection (a)(1)(B), in determining whether a hospital is under development as of November 18, 2003, the Secretary shall consider—

(1) whether architectural plans have been completed, funding has been received, zoning requirements have been met, and necessary approvals from appropriate State agencies have been received; and

(2) any other evidence the Secretary determines would indicate whether a hospital is under development as of such date.

(c) STUDIES.—

(1) MEDPAC STUDY.—The Medicare Payment Advisory Commission, in consultation with the Comptroller General of the United States, shall conduct a study to determine—

(A) any differences in the costs of health care services furnished to patients by physician-owned specialty hospitals and the costs of such services furnished by local

full-service community hospitals within specific diagnosis-related groups;

(B) the extent to which specialty hospitals, relative to local full-service community hospitals, treat patients in certain diagnosis-related groups within a category, such as cardiology, and an analysis of the selection;

(C) the financial impact of physician-owned specialty hospitals on local full-service community hospitals;

(D) how the current diagnosis-related group system should be updated to better reflect the cost of delivering care in a hospital setting; and

(E) the proportions of payments received, by type of payer, between the specialty hospitals and local full-service community hospitals.

(2) HHS STUDY.—The Secretary shall conduct a study of a representative sample of specialty hospitals—

(A) to determine the percentage of patients admitted to physician-owned specialty hospitals who are referred by physicians with an ownership interest;

(B) to determine the referral patterns of physician owners, including the percentage of patients they referred to physician-owned specialty hospitals and the percentage of patients they referred to local full-service community hospitals for the same condition;

(C) to compare the quality of care furnished in physician-owned specialty hospitals and in local full-service community hospitals for similar conditions and patient satisfaction with such care; and

(D) to assess the differences in uncompensated care, as defined by the Secretary, between the specialty hospital and local full-service community hospitals, and the relative value of any tax exemption available to such hospitals.

(3) REPORTS.—Not later than 15 months after the date of the enactment of this Act, the Commission and the Secretary, respectively, shall each submit to Congress a report on the studies conducted under paragraphs (1) and (2), respectively, and shall include any recommendations for legislation or administrative changes. Deadline.

SEC. 508. ONE-TIME APPEALS PROCESS FOR HOSPITAL WAGE INDEX CLASSIFICATION.

42 USC 1395ww note.

(a) ESTABLISHMENT OF PROCESS.—

(1) IN GENERAL.—The Secretary shall establish not later than January 1, 2004, by instruction or otherwise a process under which a hospital may appeal the wage index classification otherwise applicable to the hospital and select another area within the State (or, at the discretion of the Secretary, within a contiguous State) to which to be reclassified. Deadline.

(2) PROCESS REQUIREMENTS.—The process established under paragraph (1) shall be consistent with the following:

(A) Such an appeal may be filed as soon as possible after the date of the enactment of this Act but shall be filed by not later than February 15, 2004. Deadline.

(B) Such an appeal shall be heard by the Medicare Geographic Reclassification Review Board.

(C) There shall be no further administrative or judicial review of a decision of such Board.

Effective date. (3) RECLASSIFICATION UPON SUCCESSFUL APPEAL.—If the Medicare Geographic Reclassification Review Board determines that the hospital is a qualifying hospital (as defined in subsection (c)), the hospital shall be reclassified to the area selected under paragraph (1). Such reclassification shall apply with respect to discharges occurring during the 3-year period beginning with April 1, 2004.

(4) INAPPLICABILITY OF CERTAIN PROVISIONS.—Except as the Secretary may provide, the provisions of paragraphs (8) and (10) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) shall not apply to an appeal under this section.

(b) APPLICATION OF RECLASSIFICATION.—In the case of an appeal decided in favor of a qualifying hospital under subsection (a), the wage index reclassification shall not affect the wage index computation for any area or for any other hospital and shall not be effected in a budget neutral manner. The provisions of this section shall not affect payment for discharges occurring after the end of the 3-year-period referred to in subsection (a).

(c) QUALIFYING HOSPITAL DEFINED.—For purposes of this section, the term “qualifying hospital” means a subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act, 42 U.S.C. 1395ww(d)(1)(B)) that—

(1) does not qualify for a change in wage index classification under paragraph (8) or (10) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) on the basis of requirements relating to distance or commuting; and

(2) meets such other criteria, such as quality, as the Secretary may specify by instruction or otherwise.

The Secretary may modify the wage comparison guidelines promulgated under section 1886(d)(10)(D) of such Act (42 U.S.C. 1395ww(d)(10)(D)) in carrying out this section.

(d) WAGE INDEX CLASSIFICATION.—For purposes of this section, the term “wage index classification” means the geographic area in which it is classified for purposes of determining for a fiscal year the factor used to adjust the DRG prospective payment rate under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) for area differences in hospital wage levels that applies to such hospital under paragraph (3)(E) of such section.

(e) LIMITATION ON EXPENDITURES.—The aggregate amount of additional expenditures resulting from the application of this section shall not exceed \$900,000,000.

Effective date.
Termination
date.

(f) TRANSITIONAL EXTENSION.—Any reclassification of a county or other area made by Act of Congress for purposes of making payments under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) that expired on September 30, 2003, shall be deemed to be in effect during the period beginning on January 1, 2004, and ending on September 30, 2004.

Subtitle B—Other Provisions

SEC. 511. PAYMENT FOR COVERED SKILLED NURSING FACILITY SERVICES.

(a) ADJUSTMENT TO RUGS FOR AIDS RESIDENTS.—Paragraph (12) of section 1888(e) (42 U.S.C. 1395yy(e)) is amended to read as follows:

“(12) ADJUSTMENT FOR RESIDENTS WITH AIDS.—

“(A) IN GENERAL.—Subject to subparagraph (B), in the case of a resident of a skilled nursing facility who is afflicted with acquired immune deficiency syndrome (AIDS), the per diem amount of payment otherwise applicable (determined without regard to any increase under section 101 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, or under section 314(a) of Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000), shall be increased by 128 percent to reflect increased costs associated with such residents.

“(B) SUNSET.—Subparagraph (A) shall not apply on and after such date as the Secretary certifies that there is an appropriate adjustment in the case mix under paragraph (4)(G)(i) to compensate for the increased costs associated with residents described in such subparagraph.”.

(b) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after October 1, 2004.

42 USC 1395yy
note.

SEC. 512. COVERAGE OF HOSPICE CONSULTATION SERVICES.

(a) COVERAGE OF HOSPICE CONSULTATION SERVICES.—Section 1812(a) (42 U.S.C. 1395d(a)) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting “; and”; and

(3) by inserting after paragraph (4) the following new paragraph:

“(5) for individuals who are terminally ill, have not made an election under subsection (d)(1), and have not previously received services under this paragraph, services that are furnished by a physician (as defined in section 1861(r)(1)) who is either the medical director or an employee of a hospice program and that—

“(A) consist of—

“(i) an evaluation of the individual’s need for pain and symptom management, including the individual’s need for hospice care; and

“(ii) counseling the individual with respect to hospice care and other care options; and

“(B) may include advising the individual regarding advanced care planning.”.

(b) PAYMENT.—Section 1814(i) (42 U.S.C. 1395f(i)) is amended by adding at the end the following new paragraph:

“(4) The amount paid to a hospice program with respect to the services under section 1812(a)(5) for which payment may be made under this part shall be equal to an amount established for an office or other outpatient visit for evaluation and management associated with presenting problems of moderate severity and requiring medical decisionmaking of low complexity under the fee schedule established under section 1848(b), other than the portion of such amount attributable to the practice expense component.”.

(c) CONFORMING AMENDMENT.—Section 1861(dd)(2)(A)(i) (42 U.S.C. 1395x(dd)(2)(A)(i)) is amended by inserting before the comma at the end the following: “and services described in section 1812(a)(5)”.

42 USC 1395d
note.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to services provided by a hospice program on or after January 1, 2005.

42 USC 1395yy
note.

SEC. 513. STUDY ON PORTABLE DIAGNOSTIC ULTRASOUND SERVICES FOR BENEFICIARIES IN SKILLED NURSING FACILITIES.

(a) **STUDY.**—The Comptroller General of the United States shall conduct a study of portable diagnostic ultrasound services furnished to medicare beneficiaries in skilled nursing facilities. Such study shall consider the following:

(1) **TYPES OF EQUIPMENT; TRAINING.**—The types of portable diagnostic ultrasound services furnished to such beneficiaries, the types of portable ultrasound equipment used to furnish such services, and the technical skills, or training, or both, required for technicians to furnish such services.

(2) **CLINICAL APPROPRIATENESS.**—The clinical appropriateness of transporting portable diagnostic ultrasound diagnostic and technicians to patients in skilled nursing facilities as opposed to transporting such patients to a hospital or other facility that furnishes diagnostic ultrasound services.

(3) **FINANCIAL IMPACT.**—The financial impact if Medicare were make a separate payment for portable ultrasound diagnostic services, including the impact of separate payments—

(A) for transportation and technician services for residents during a resident in a part A stay, that would otherwise be paid for under the prospective payment system for covered skilled nursing facility services (under section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)); and

(B) for such services for residents in a skilled nursing facility after a part A stay.

(4) **CREDENTIALING REQUIREMENTS.**—Whether the Secretary should establish credentialing or other requirements for technicians that furnish diagnostic ultrasound services to medicare beneficiaries.

Deadline.

(b) **REPORT.**—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a), and shall include any recommendations for legislation or administrative change as the Comptroller General determines appropriate.

TITLE VI—PROVISIONS RELATING TO PART B

Subtitle A—Provisions Relating to Physicians' Services

SEC. 601. REVISION OF UPDATES FOR PHYSICIANS' SERVICES.

(a) **UPDATE FOR 2004 AND 2005.**—

(1) **IN GENERAL.**—Section 1848(d) (42 U.S.C. 1395w–4(d)) is amended by adding at the end the following new paragraph:

“(5) **UPDATE FOR 2004 AND 2005.**—The update to the single conversion factor established in paragraph (1)(C) for each of 2004 and 2005 shall be not less than 1.5 percent.”.

(2) CONFORMING AMENDMENT.—Paragraph (4)(B) of such section is amended, in the matter before clause (i), by inserting “and paragraph (5)” after “subparagraph (D)”.

(3) NOT TREATED AS CHANGE IN LAW AND REGULATION IN SUSTAINABLE GROWTH RATE DETERMINATION.—The amendments made by this subsection shall not be treated as a change in law for purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4(f)(2)(D)).

42 USC 1395w–4
note.

(b) USE OF 10-YEAR ROLLING AVERAGE IN COMPUTING GROSS DOMESTIC PRODUCT.—

(1) IN GENERAL.—Section 1848(f)(2)(C) (42 U.S.C. 1395w–4(f)(2)(C)) is amended—

(A) by striking “projected” and inserting “annual average”; and

(B) by striking “from the previous applicable period to the applicable period involved” and inserting “during the 10-year period ending with the applicable period involved”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to computations of the sustainable growth rate for years beginning with 2003.

42 USC 1395w–4
note.

SEC. 602. TREATMENT OF PHYSICIANS’ SERVICES FURNISHED IN ALASKA.

Section 1848(e)(1) (42 U.S.C. 1395w–4(e)(1)), as amended by section 421, is amended—

(1) in subparagraph (A), by striking “subparagraphs (B), (C), (E), and (F)” and inserting “subparagraphs (B), (C), (E), (F) and (G)”; and

(2) by adding at the end the following new subparagraph:

“(G) FLOOR FOR PRACTICE EXPENSE, MALPRACTICE, AND WORK GEOGRAPHIC INDICES FOR SERVICES FURNISHED IN ALASKA.—For purposes of payment for services furnished in Alaska on or after January 1, 2004, and before January 1, 2006, after calculating the practice expense, malpractice, and work geographic indices in clauses (i), (ii), and (iii) of subparagraph (A) and in subparagraph (B), the Secretary shall increase any such index to 1.67 if such index would otherwise be less than 1.67.”.

SEC. 603. INCLUSION OF PODIATRISTS, DENTISTS, AND OPTOMETRISTS UNDER PRIVATE CONTRACTING AUTHORITY.

Section 1802(b)(5)(B) (42 U.S.C. 1395a(b)(5)(B)) is amended by striking “section 1861(r)(1)” and inserting “paragraphs (1), (2), (3), and (4) of section 1861(r)”.

SEC. 604. GAO STUDY ON ACCESS TO PHYSICIANS’ SERVICES.

42 USC 1395ll
note.

(a) STUDY.—The Comptroller General of the United States shall conduct a study on access of medicare beneficiaries to physicians’ services under the medicare program. The study shall include—

(1) an assessment of the use by beneficiaries of such services through an analysis of claims submitted by physicians for such services under part B of the medicare program;

(2) an examination of changes in the use by beneficiaries of physicians’ services over time; and

(3) an examination of the extent to which physicians are not accepting new medicare beneficiaries as patients.

Deadline.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a). The report shall include a determination whether—

(1) data from claims submitted by physicians under part B of the medicare program indicate potential access problems for medicare beneficiaries in certain geographic areas; and

(2) access by medicare beneficiaries to physicians' services may have improved, remained constant, or deteriorated over time.

Deadlines.
42 USC 1395w-4
note.

SEC. 605. COLLABORATIVE DEMONSTRATION-BASED REVIEW OF PHYSICIAN PRACTICE EXPENSE GEOGRAPHIC ADJUSTMENT DATA.

(a) IN GENERAL.—Not later than January 1, 2005, the Secretary shall, in collaboration with State and other appropriate organizations representing physicians, and other appropriate persons, review and consider alternative data sources than those currently used in establishing the geographic index for the practice expense component under the medicare physician fee schedule under section 1848(e)(1)(A)(i) of the Social Security Act (42 U.S.C. 1395w-4(e)(1)(A)(i)).

(b) SITES.—The Secretary shall select two physician payment localities in which to carry out subsection (a). One locality shall include rural areas and at least one locality shall be a statewide locality that includes both urban and rural areas.

(c) REPORT AND RECOMMENDATIONS.—

(1) REPORT.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the review and consideration conducted under subsection (a). Such report shall include information on the alternative developed data sources considered by the Secretary under subsection (a), including the accuracy and validity of the data as measures of the elements of the geographic index for practice expenses under the medicare physician fee schedule as well as the feasibility of using such alternative data nationwide in lieu of current proxy data used in such index, and the estimated impacts of using such alternative data.

(2) RECOMMENDATIONS.—The report submitted under paragraph (1) shall contain recommendations on which data sources reviewed and considered under subsection (a) are appropriate for use in calculating the geographic index for practice expenses under the medicare physician fee schedule.

Deadlines.
42 USC 1395w-4
note.

SEC. 606. MEDPAC REPORT ON PAYMENT FOR PHYSICIANS' SERVICES.

(a) PRACTICE EXPENSE COMPONENT.—Not later than 1 year after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on the effect of refinements to the practice expense component of payments for physicians' services, after the transition to a full resource-based payment system in 2002, under section 1848 of the Social Security Act (42 U.S.C. 1395w-4). Such report shall examine the following matters by physician specialty:

(1) The effect of such refinements on payment for physicians' services.

(2) The interaction of the practice expense component with other components of and adjustments to payment for physicians' services under such section.

(3) The appropriateness of the amount of compensation by reason of such refinements.

(4) The effect of such refinements on access to care by medicare beneficiaries to physicians' services.

(5) The effect of such refinements on physician participation under the medicare program.

(b) VOLUME OF PHYSICIANS' SERVICES.—Not later than 1 year after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on the extent to which increases in the volume of physicians' services under part B of the medicare program are a result of care that improves the health and well-being of medicare beneficiaries. The study shall include the following:

Deadline.
Reports.

(1) An analysis of recent and historic growth in the components that the Secretary includes under the sustainable growth rate (under section 1848(f) of the Social Security Act (42 U.S.C. 1395w–4(f))).

(2) An examination of the relative growth of volume in physicians' services between medicare beneficiaries and other populations.

(3) An analysis of the degree to which new technology, including coverage determinations of the Centers for Medicare & Medicaid Services, has affected the volume of physicians' services.

(4) An examination of the impact on volume of demographic changes.

(5) An examination of shifts in the site of service or services that influence the number and intensity of services furnished in physicians' offices and the extent to which changes in reimbursement rates to other providers have effected these changes.

(6) An evaluation of the extent to which the Centers for Medicare & Medicaid Services takes into account the impact of law and regulations on the sustainable growth rate.

Subtitle B—Preventive Services

SEC. 611. COVERAGE OF AN INITIAL PREVENTIVE PHYSICAL EXAMINATION.

(a) COVERAGE.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(1) in subparagraph (U), by striking “and” at the end;

(2) in subparagraph (V)(iii), by inserting “and” at the end;

and

(3) by adding at the end the following new subparagraph:

“(W) an initial preventive physical examination (as defined in subsection (ww));”.

(b) SERVICES DESCRIBED.—Section 1861 (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

“Initial Preventive Physical Examination

“(ww)(1) The term ‘initial preventive physical examination’ means physicians' services consisting of a physical examination (including measurement of height, weight, and blood pressure, and an electrocardiogram) with the goal of health promotion and disease

detection and includes education, counseling, and referral with respect to screening and other preventive services described in paragraph (2), but does not include clinical laboratory tests.

“(2) The screening and other preventive services described in this paragraph include the following:

“(A) Pneumococcal, influenza, and hepatitis B vaccine and administration under subsection (s)(10).

“(B) Screening mammography as defined in subsection (jj).

“(C) Screening pap smear and screening pelvic exam as defined in subsection (nn).

“(D) Prostate cancer screening tests as defined in subsection (oo).

“(E) Colorectal cancer screening tests as defined in subsection (pp).

“(F) Diabetes outpatient self-management training services as defined in subsection (qq)(1).

“(G) Bone mass measurement as defined in subsection (rr).

“(H) Screening for glaucoma as defined in subsection (uu).

“(I) Medical nutrition therapy services as defined in subsection (vv).

“(J) Cardiovascular screening blood tests as defined in subsection (xx)(1).

“(K) Diabetes screening tests as defined in subsection (yy).”.

(c) PAYMENT AS PHYSICIANS’ SERVICES.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting “(2)(W),” after “(2)(S),”.

(d) OTHER CONFORMING AMENDMENTS.—(1) Section 1862(a) (42 U.S.C. 1395y(a)), as amended by section 303(i)(3)(B), is amended—

(A) in paragraph (1)—

(i) by striking “and” at the end of subparagraph (I);

(ii) by striking the semicolon at the end of subparagraph (J) and inserting “, and”; and

(iii) by adding at the end the following new subparagraph:

“(K) in the case of an initial preventive physical examination, which is performed not later than 6 months after the date the individual’s first coverage period begins under part B;”;

(B) in paragraph (7), by striking “or (H)” and inserting “(H), or (K)”.

(2) Clauses (i) and (ii) of section 1861(s)(2)(K) (42 U.S.C. 1395x(s)(2)(K)) are each amended by inserting “and services described in subsection (ww)(1)” after “services which would be physicians’ services”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 2005, but only for individuals whose coverage period under part B begins on or after such date.

SEC. 612. COVERAGE OF CARDIOVASCULAR SCREENING BLOOD TESTS.

(a) COVERAGE.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)), as amended by section 611(a), is amended—

(1) in subparagraph (V)(iii), by striking “and” at the end;

(2) in subparagraph (W), by inserting “and” at the end;

and

(3) by adding at the end the following new subparagraph:

Applicability.
42 USC 1395w–4
note.

“(X) cardiovascular screening blood tests (as defined in subsection (xx)(1));”.

(b) SERVICES DESCRIBED.—Section 1861 (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

“Cardiovascular Screening Blood Test

“(xx)(1) The term ‘cardiovascular screening blood test’ means a blood test for the early detection of cardiovascular disease (or abnormalities associated with an elevated risk of cardiovascular disease) that tests for the following:

“(A) Cholesterol levels and other lipid or triglyceride levels.

“(B) Such other indications associated with the presence of, or an elevated risk for, cardiovascular disease as the Secretary may approve for all individuals (or for some individuals determined by the Secretary to be at risk for cardiovascular disease), including indications measured by noninvasive testing. The Secretary may not approve an indication under subparagraph (B) for any individual unless a blood test for such is recommended by the United States Preventive Services Task Force.

“(2) The Secretary shall establish standards, in consultation with appropriate organizations, regarding the frequency for each type of cardiovascular screening blood tests, except that such frequency may not be more often than once every 2 years.”.

Standards.

(c) FREQUENCY.—Section 1862(a)(1) (42 U.S.C. 1395y(a)(1)), as amended by section 611(d), is amended—

(1) by striking “and” at the end of subparagraph (J);

(2) by striking the semicolon at the end of subparagraph

(K) and inserting “, and”; and

(3) by adding at the end the following new subparagraph:

“(L) in the case of cardiovascular screening blood tests (as defined in section 1861(xx)(1)), which are performed more frequently than is covered under section 1861(xx)(2);”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to tests furnished on or after January 1, 2005.

42 USC 1395x
note.

SEC. 613. COVERAGE OF DIABETES SCREENING TESTS.

(a) COVERAGE.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)), as amended by section 612(a), is amended—

(1) in subparagraph (W), by striking “and” at the end;

(2) in subparagraph (X), by adding “and” at the end; and

(3) by adding at the end the following new subparagraph:

“(Y) diabetes screening tests (as defined in subsection (yy));”.

(b) SERVICES DESCRIBED.—Section 1861 (42 U.S.C. 1395x), as amended by section 612(b), is amended by adding at the end the following new subsection:

“Diabetes Screening Tests

“(yy)(1) The term ‘diabetes screening tests’ means testing furnished to an individual at risk for diabetes (as defined in paragraph (2)) for the purpose of early detection of diabetes, including—

“(A) a fasting plasma glucose test; and

“(B) such other tests, and modifications to tests, as the Secretary determines appropriate, in consultation with appropriate organizations.

“(2) For purposes of paragraph (1), the term ‘individual at risk for diabetes’ means an individual who has any of the following risk factors for diabetes:

“(A) Hypertension.

“(B) Dyslipidemia.

“(C) Obesity, defined as a body mass index greater than or equal to 30 kg/m².

“(D) Previous identification of an elevated impaired fasting glucose.

“(E) Previous identification of impaired glucose tolerance.

“(F) A risk factor consisting of at least 2 of the following characteristics:

“(i) Overweight, defined as a body mass index greater than 25, but less than 30, kg/m².

“(ii) A family history of diabetes.

“(iii) A history of gestational diabetes mellitus or delivery of a baby weighing greater than 9 pounds.

“(iv) 65 years of age or older.

Standards.

“(3) The Secretary shall establish standards, in consultation with appropriate organizations, regarding the frequency of diabetes screening tests, except that such frequency may not be more often than twice within the 12-month period following the date of the most recent diabetes screening test of that individual.”.

(c) FREQUENCY.—Section 1862(a)(1) (42 U.S.C. 1395y(a)(1)), as amended by section 612(c), is amended—

(1) by striking “and” at the end of subparagraph (K);

(2) by striking the semicolon at the end of subparagraph (L) and inserting “, and”; and

(3) by adding at the end the following new subparagraph:

“(M) in the case of a diabetes screening test (as defined in section 1861(yy)(1)), which is performed more frequently than is covered under section 1861(yy)(3);”.

42 USC 1395x
note.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to tests furnished on or after January 1, 2005.

SEC. 614. IMPROVED PAYMENT FOR CERTAIN MAMMOGRAPHY SERVICES.

(a) EXCLUSION FROM OPD FEE SCHEDULE.—Section 1833(t)(1)(B)(iv) (42 U.S.C. 1395l(t)(1)(B)(iv)) is amended by inserting before the period at the end the following: “and does not include screening mammography (as defined in section 1861(jj)) and diagnostic mammography”.

(b) CONFORMING AMENDMENT.—Section 1833(a)(2)(E)(i) (42 U.S.C. 1395l(a)(2)(E)(i)) is amended by inserting “and, for services furnished on or after January 1, 2005, diagnostic mammography” after “screening mammography”.

Applicability.
42 USC 1395l
note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply—

(1) in the case of screening mammography, to services furnished on or after the date of the enactment of this Act; and

(2) in the case of diagnostic mammography, to services furnished on or after January 1, 2005.

Subtitle C—Other Provisions

SEC. 621. HOSPITAL OUTPATIENT DEPARTMENT (HOPD) PAYMENT REFORM.

(a) PAYMENT FOR DRUGS.—

(1) SPECIAL RULES FOR CERTAIN DRUGS AND BIOLOGICALS.—Section 1833(t) (42 U.S.C. 1395l(t)), as amended by section 411(b), is amended by inserting after paragraph (13) the following new paragraphs:

“(14) DRUG APC PAYMENT RATES.—

“(A) IN GENERAL.—The amount of payment under this subsection for a specified covered outpatient drug (defined in subparagraph (B)) that is furnished as part of a covered OPD service (or group of services)—

“(i) in 2004, in the case of—

“(I) a sole source drug shall in no case be less than 88 percent, or exceed 95 percent, of the reference average wholesale price for the drug;

“(II) an innovator multiple source drug shall in no case exceed 68 percent of the reference average wholesale price for the drug; or

“(III) a noninnovator multiple source drug shall in no case exceed 46 percent of the reference average wholesale price for the drug;

“(ii) in 2005, in the case of—

“(I) a sole source drug shall in no case be less than 83 percent, or exceed 95 percent, of the reference average wholesale price for the drug;

“(II) an innovator multiple source drug shall in no case exceed 68 percent of the reference average wholesale price for the drug; or

“(III) a noninnovator multiple source drug shall in no case exceed 46 percent of the reference average wholesale price for the drug; or

“(iii) in a subsequent year, shall be equal, subject to subparagraph (E)—

“(I) to the average acquisition cost for the drug for that year (which, at the option of the Secretary, may vary by hospital group (as defined by the Secretary based on volume of covered OPD services or other relevant characteristics)), as determined by the Secretary taking into account the hospital acquisition cost survey data under subparagraph (D); or

“(II) if hospital acquisition cost data are not available, the average price for the drug in the year established under section 1842(o), section 1847A, or section 1847B, as the case may be, as calculated and adjusted by the Secretary as necessary for purposes of this paragraph.

“(B) SPECIFIED COVERED OUTPATIENT DRUG DEFINED.—

“(i) IN GENERAL.—In this paragraph, the term ‘specified covered outpatient drug’ means, subject to clause (ii), a covered outpatient drug (as defined in section 1927(k)(2)) for which a separate ambulatory

payment classification group (APC) has been established and that is—

“(I) a radiopharmaceutical; or

“(II) a drug or biological for which payment was made under paragraph (6) (relating to pass-through payments) on or before December 31, 2002.

“(ii) EXCEPTION.—Such term does not include—

“(I) a drug or biological for which payment is first made on or after January 1, 2003, under paragraph (6);

“(II) a drug or biological for which a temporary HCPCS code has not been assigned; or

“(III) during 2004 and 2005, an orphan drug (as designated by the Secretary).

“(C) PAYMENT FOR DESIGNATED ORPHAN DRUGS DURING 2004 AND 2005.—The amount of payment under this subsection for an orphan drug designated by the Secretary under subparagraph (B)(ii)(III) that is furnished as part of a covered OPD service (or group of services) during 2004 and 2005 shall equal such amount as the Secretary may specify.

“(D) ACQUISITION COST SURVEY FOR HOSPITAL OUTPATIENT DRUGS.—

“(i) ANNUAL GAO SURVEYS IN 2004 AND 2005.—

“(I) IN GENERAL.—The Comptroller General of the United States shall conduct a survey in each of 2004 and 2005 to determine the hospital acquisition cost for each specified covered outpatient drug. Not later than April 1, 2005, the Comptroller General shall furnish data from such surveys to the Secretary for use in setting the payment rates under subparagraph (A) for 2006.

“(II) RECOMMENDATIONS.—Upon the completion of such surveys, the Comptroller General shall recommend to the Secretary the frequency and methodology of subsequent surveys to be conducted by the Secretary under clause (ii).

“(ii) SUBSEQUENT SECRETARIAL SURVEYS.—The Secretary, taking into account such recommendations, shall conduct periodic subsequent surveys to determine the hospital acquisition cost for each specified covered outpatient drug for use in setting the payment rates under subparagraph (A).

“(iii) SURVEY REQUIREMENTS.—The surveys conducted under clauses (i) and (ii) shall have a large sample of hospitals that is sufficient to generate a statistically significant estimate of the average hospital acquisition cost for each specified covered outpatient drug. With respect to the surveys conducted under clause (i), the Comptroller General shall report to Congress on the justification for the size of the sample used in order to assure the validity of such estimates.

“(iv) DIFFERENTIATION IN COST.—In conducting surveys under clause (i), the Comptroller General shall determine and report to Congress if there is (and the extent of any) variation in hospital acquisition costs

Deadline.

Reports.

Reports.

for drugs among hospitals based on the volume of covered OPD services performed by such hospitals or other relevant characteristics of such hospitals (as defined by the Comptroller General).

“(v) COMMENT ON PROPOSED RATES.—Not later than 30 days after the date the Secretary promulgated proposed rules setting forth the payment rates under subparagraph (A) for 2006, the Comptroller General shall evaluate such proposed rates and submit to Congress a report regarding the appropriateness of such rates based on the surveys the Comptroller General has conducted under clause (i).

Deadline.
Reports.

“(E) ADJUSTMENT IN PAYMENT RATES FOR OVERHEAD COSTS.—

“(i) MEDPAC REPORT ON DRUG APC DESIGN.—The Medicare Payment Advisory Commission shall submit to the Secretary, not later than July 1, 2005, a report on adjustment of payment for ambulatory payment classifications for specified covered outpatient drugs to take into account overhead and related expenses, such as pharmacy services and handling costs. Such report shall include—

Deadline.

“(I) a description and analysis of the data available with regard to such expenses;

“(II) a recommendation as to whether such a payment adjustment should be made; and

“(III) if such adjustment should be made, a recommendation regarding the methodology for making such an adjustment.

“(ii) ADJUSTMENT AUTHORIZED.—The Secretary may adjust the weights for ambulatory payment classifications for specified covered outpatient drugs to take into account the recommendations contained in the report submitted under clause (i).

“(F) CLASSES OF DRUGS.—For purposes of this paragraph:

“(i) SOLE SOURCE DRUGS.—The term ‘sole source drug’ means—

“(I) a biological product (as defined under section 1861(t)(1)); or

“(II) a single source drug (as defined in section 1927(k)(7)(A)(iv)).

“(ii) INNOVATOR MULTIPLE SOURCE DRUGS.—The term ‘innovator multiple source drug’ has the meaning given such term in section 1927(k)(7)(A)(ii).

“(iii) NONINNOVATOR MULTIPLE SOURCE DRUGS.—The term ‘noninnovator multiple source drug’ has the meaning given such term in section 1927(k)(7)(A)(iii).

“(G) REFERENCE AVERAGE WHOLESALE PRICE.—The term ‘reference average wholesale price’ means, with respect to a specified covered outpatient drug, the average wholesale price for the drug as determined under section 1842(o) as of May 1, 2003.

“(H) INAPPLICABILITY OF EXPENDITURES IN DETERMINING CONVERSION, WEIGHTING, AND OTHER ADJUSTMENT FACTORS.—Additional expenditures resulting from this paragraph shall not be taken into account in establishing

the conversion, weighting, and other adjustment factors for 2004 and 2005 under paragraph (9), but shall be taken into account for subsequent years.

“(15) PAYMENT FOR NEW DRUGS AND BIOLOGICALS UNTIL HCPCS CODE ASSIGNED.—With respect to payment under this part for an outpatient drug or biological that is covered under this part and is furnished as part of covered OPD services for which a HCPCS code has not been assigned, the amount provided for payment for such drug or biological under this part shall be equal to 95 percent of the average wholesale price for the drug or biological.”.

42 USC 1935l.

(2) REDUCTION IN THRESHOLD FOR SEPARATE APCs FOR DRUGS.—Section 1833(t)(16), as redesignated section 411(b), is amended by adding at the end the following new subparagraph:

“(B) THRESHOLD FOR ESTABLISHMENT OF SEPARATE APCs FOR DRUGS.—The Secretary shall reduce the threshold for the establishment of separate ambulatory payment classification groups (APCs) with respect to drugs or biologicals to \$50 per administration for drugs and biologicals furnished in 2005 and 2006.”.

(3) EXCLUSION OF SEPARATE DRUG APCs FROM OUTLIER PAYMENTS.—Section 1833(t)(5) is amended by adding at the end the following new subparagraph:

“(E) EXCLUSION OF SEPARATE DRUG AND BIOLOGICAL APCs FROM OUTLIER PAYMENTS.—No additional payment shall be made under subparagraph (A) in the case of ambulatory payment classification groups established separately for drugs or biologicals.”.

(4) PAYMENT FOR PASS THROUGH DRUGS.—Section 1833(t)(6)(D)(i) (42 U.S.C. 1395l(t)(6)(D)(i)) is amended by inserting after “under section 1842(o)” the following: “(or if the drug or biological is covered under a competitive acquisition contract under section 1847B, an amount determined by the Secretary equal to the average price for the drug or biological for all competitive acquisition areas and year established under such section as calculated and adjusted by the Secretary for purposes of this paragraph)”.

(5) CONFORMING AMENDMENT TO BUDGET NEUTRALITY REQUIREMENT.—Section 1833(t)(9)(B) (42 U.S.C. 1395l(t)(9)(B)) is amended by adding at the end the following: “In determining adjustments under the preceding sentence for 2004 and 2005, the Secretary shall not take into account under this subparagraph or paragraph (2)(E) any expenditures that would not have been made but for the application of paragraph (14).”.

42 USC 1395l
note.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services furnished on or after January 1, 2004.

(b) SPECIAL PAYMENT FOR BRACHYTHERAPY.—

(1) IN GENERAL.—Section 1833(t)(16), as redesignated by section 411(b) and as amended by subsection (a)(2), is amended by adding at the end the following new subparagraph:

“(C) PAYMENT FOR DEVICES OF BRACHYTHERAPY AT CHARGES ADJUSTED TO COST.—Notwithstanding the preceding provisions of this subsection, for a device of brachytherapy consisting of a seed or seeds (or radioactive source) furnished on or after January 1, 2004, and before January 1, 2007, the payment basis for the device under

this subsection shall be equal to the hospital's charges for each device furnished, adjusted to cost. Charges for such devices shall not be included in determining any outlier payment under this subsection.”.

(2) SPECIFICATION OF GROUPS FOR BRACHYTHERAPY DEVICES.—Section 1833(t)(2) (42 U.S.C. 1395l(t)(2)) is amended—

(A) in subparagraph (F), by striking “and” at the end;

(B) in subparagraph (G), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(H) with respect to devices of brachytherapy consisting of a seed or seeds (or radioactive source), the Secretary shall create additional groups of covered OPD services that classify such devices separately from the other services (or group of services) paid for under this subsection in a manner reflecting the number, isotope, and radioactive intensity of such devices furnished, including separate groups for palladium-103 and iodine-125 devices.”.

(3) GAO REPORT.—The Comptroller General of the United States shall conduct a study to determine appropriate payment amounts under section 1833(t)(16)(C) of the Social Security Act, as added by paragraph (1), for devices of brachytherapy. Not later than January 1, 2005, the Comptroller General shall submit to Congress and the Secretary a report on the study conducted under this paragraph, and shall include specific recommendations for appropriate payments for such devices.

42 USC 1395l
note.

Deadline.

SEC. 622. LIMITATION OF APPLICATION OF FUNCTIONAL EQUIVALENCE STANDARD.

Section 1833(t)(6) (42 U.S.C. 1395l(t)(6)) is amended by adding at the end the following new subparagraph:

“(F) LIMITATION OF APPLICATION OF FUNCTIONAL EQUIVALENCE STANDARD.—

“(i) IN GENERAL.—The Secretary may not publish regulations that apply a functional equivalence standard to a drug or biological under this paragraph.

“(ii) APPLICATION.—Clause (i) shall apply to the application of a functional equivalence standard to a drug or biological on or after the date of enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 unless—

“(I) such application was being made to such drug or biological prior to such date of enactment; and

“(II) the Secretary applies such standard to such drug or biological only for the purpose of determining eligibility of such drug or biological for additional payments under this paragraph and not for the purpose of any other payments under this title.

“(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to effect the Secretary's authority to deem a particular drug to be

identical to another drug if the 2 products are pharmaceutically equivalent and bioequivalent, as determined by the Commissioner of Food and Drugs.”.

SEC. 623. PAYMENT FOR RENAL DIALYSIS SERVICES.

(a) INCREASE IN RENAL DIALYSIS COMPOSITE RATE FOR SERVICES FURNISHED.—The last sentence of section 1881(b)(7) (42 U.S.C. 1395rr(b)(7)) is amended—

(1) by striking “and” before “for such services” the second place it appears;

(2) by inserting “and before January 1, 2005,” after “January 1, 2001,”; and

(3) by inserting before the period at the end the following: “, and for such services furnished on or after January 1, 2005, by 1.6 percent above such composite rate payment amounts for such services furnished on December 31, 2004”.

(b) RESTORING COMPOSITE RATE EXCEPTIONS FOR PEDIATRIC FACILITIES.—

42 USC 1395rr
note.

(1) IN GENERAL.—Section 422(a)(2) of BIPA is amended—

(A) in subparagraph (A), by striking “and (C)” and inserting “, (C), and (D)”;

(B) in subparagraph (B), by striking “In the case” and inserting “Subject to subparagraph (D), in the case”; and

(C) by adding at the end the following new subparagraph:

“(D) INAPPLICABILITY TO PEDIATRIC FACILITIES.—Subparagraphs (A) and (B) shall not apply, as of October 1, 2002, to pediatric facilities that do not have an exception rate described in subparagraph (C) in effect on such date. For purposes of this subparagraph, the term ‘pediatric facility’ means a renal facility at least 50 percent of whose patients are individuals under 18 years of age.”.

(2) CONFORMING AMENDMENT.—The fourth sentence of section 1881(b)(7) (42 U.S.C. 1395rr(b)(7)) is amended by striking “The Secretary” and inserting “Subject to section 422(a)(2) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, the Secretary”.

(c) INSPECTOR GENERAL STUDIES ON ESRD DRUGS.—

42 USC 1395rr
note.

(1) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct two studies with respect to drugs and biologicals (including erythropoietin) furnished to end-stage renal disease patients under the medicare program which are separately billed by end stage renal disease facilities.

(2) STUDIES ON ESRD DRUGS.—

(A) EXISTING DRUGS.—The first study under paragraph (1) shall be conducted with respect to such drugs and biologicals for which a billing code exists prior to January 1, 2004.

(B) NEW DRUGS.—The second study under paragraph (1) shall be conducted with respect to such drugs and biologicals for which a billing code does not exist prior to January 1, 2004.

(3) MATTERS STUDIED.—Under each study conducted under paragraph (1), the Inspector General shall—

(A) determine the difference between the amount of payment made to end stage renal disease facilities under

title XVIII of the Social Security Act for such drugs and biologicals and the acquisition costs of such facilities for such drugs and biologicals and which are separately billed by end stage renal disease facilities, and

(B) estimate the rates of growth of expenditures for such drugs and biologicals billed by such facilities.

(4) REPORTS.—

(A) EXISTING ESRD DRUGS.—Not later than April 1, 2004, the Inspector General shall report to the Secretary on the study described in paragraph (2)(A).

(B) NEW ESRD DRUGS.—Not later than April 1, 2006, the Inspector General shall report to the Secretary on the study described in paragraph (2)(B).

(d) BASIC CASE-MIX ADJUSTED COMPOSITE RATE FOR RENAL DIALYSIS FACILITY SERVICES.—(1) Section 1881(b) (42 U.S.C. 1395rr(b)) is amended by adding at the end the following new paragraphs:

“(12)(A) In lieu of payment under paragraph (7) beginning with services furnished on January 1, 2005, the Secretary shall establish a basic case-mix adjusted prospective payment system for dialysis services furnished by providers of services and renal dialysis facilities in a year to individuals in a facility and to such individuals at home. The case-mix under such system shall be for a limited number of patient characteristics.

“(B) The system described in subparagraph (A) shall include—

“(i) the services comprising the composite rate established under paragraph (7); and

“(ii) the difference between payment amounts under this title for separately billed drugs and biologicals (including erythropoietin) and acquisition costs of such drugs and biologicals, as determined by the Inspector General reports to the Secretary as required by section 623(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003—

“(I) beginning with 2005, for such drugs and biologicals for which a billing code exists prior to January 1, 2004; and

“(II) beginning with 2007, for such drugs and biologicals for which a billing code does not exist prior to January 1, 2004,

adjusted to 2005, or 2007, respectively, as determined to be appropriate by the Secretary.

“(C)(i) In applying subparagraph (B)(ii) for 2005, such payment amounts under this title shall be determined using the methodology specified in paragraph (13)(A)(i).

“(ii) For 2006, the Secretary shall provide for an adjustment to the payments under clause (i) to reflect the difference between the payment amounts using the methodology under paragraph (13)(A)(i) and the payment amount determined using the methodology applied by the Secretary under paragraph (13)(A)(iii) of such paragraph, as estimated by the Secretary.

“(D) The Secretary shall adjust the payment rates under such system by a geographic index as the Secretary determines to be appropriate. If the Secretary applies a geographic index under this paragraph that differs from the index applied under paragraph (7) the Secretary shall phase-in the application of the index under this paragraph over a multiyear period.

Deadlines.

Effective dates.

Applicability.

“(E)(i) Such system shall be designed to result in the same aggregate amount of expenditures for such services, as estimated by the Secretary, as would have been made for 2005 if this paragraph did not apply.

“(ii) The adjustment made under subparagraph (B)(ii)(II) shall be done in a manner to result in the same aggregate amount of expenditures after such adjustment as would otherwise have been made for such services for 2006 or 2007, respectively, as estimated by the Secretary, if this paragraph did not apply.

“(F) Beginning with 2006, the Secretary shall annually increase the basic case-mix adjusted payment amounts established under this paragraph, by an amount determined by—

“(i) applying the estimated growth in expenditures for drugs and biologicals (including erythropoietin) that are separately billable to the component of the basic case-mix adjusted system described in subparagraph (B)(ii); and

“(ii) converting the amount determined in clause (i) to an increase applicable to the basic case-mix adjusted payment amounts established under subparagraph (B).

Nothing in this paragraph shall be construed as providing for an update to the composite rate component of the basic case-mix adjusted system under subparagraph (B).

“(G) There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of the case-mix system, relative weights, payment amounts, the geographic adjustment factor, or the update for the system established under this paragraph, or the determination of the difference between medicare payment amounts and acquisition costs for separately billed drugs and biologicals (including erythropoietin) under this paragraph and paragraph (13).

“(13)(A) The payment amounts under this title for separately billed drugs and biologicals furnished in a year, beginning with 2004, are as follows:

“(i) For such drugs and biologicals (other than erythropoietin) furnished in 2004, the amount determined under section 1842(o)(1)(A)(v) for the drug or biological.

“(ii) For such drugs and biologicals (including erythropoietin) furnished in 2005, the acquisition cost of the drug or biological, as determined by the Inspector General reports to the Secretary as required by section 623(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Insofar as the Inspector General has not determined the acquisition cost with respect to a drug or biological, the Secretary shall determine the payment amount for such drug or biological.

“(iii) For such drugs and biologicals (including erythropoietin) furnished in 2006 and subsequent years, such acquisition cost or the amount determined under section 1847A for the drug or biological, as the Secretary may specify.

“(B)(i) Drugs and biologicals (including erythropoietin) which were separately billed under this subsection on the day before the date of the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 shall continue to be separately billed on and after such date.

“(ii) Nothing in this paragraph, section 1842(o), section 1847A, or section 1847B shall be construed as requiring or authorizing

the bundling of payment for drugs and biologicals into the basic case-mix adjusted payment system under this paragraph.”.

(2) Paragraph (7) of such section is amended in the first sentence by striking “The Secretary” and inserting “Subject to paragraph (12), the Secretary”.

(3) Paragraph (11)(B) of such section is amended by inserting “subject to paragraphs (12) and (13)” before “payment for such item”.

(e) DEMONSTRATION OF BUNDLED CASE-MIX ADJUSTED PAYMENT SYSTEM FOR ESRD SERVICES.—

42 USC 1395rr
note.

(1) IN GENERAL.—The Secretary shall establish a demonstration project of the use of a fully case-mix adjusted payment system for end stage renal disease services under section 1881 of the Social Security Act (42 U.S.C. 1395rr) for patient characteristics identified in the report under subsection (f) that bundles into such payment rates amounts for—

(A) drugs and biologicals (including erythropoietin) furnished to end stage renal disease patients under the medicare program which are separately billed by end stage renal disease facilities (as of the date of the enactment of this Act); and

(B) clinical laboratory tests related to such drugs and biologicals.

(2) FACILITIES INCLUDED IN THE DEMONSTRATION.—In conducting the demonstration under this subsection, the Secretary shall ensure the participation of a sufficient number of providers of dialysis services and renal dialysis facilities, but in no case to exceed 500. In selecting such providers and facilities, the Secretary shall ensure that the following types of providers are included in the demonstration:

(A) Urban providers and facilities.

(B) Rural providers and facilities.

(C) Not-for-profit providers and facilities.

(D) For-profit providers and facilities.

(E) Independent providers and facilities.

(F) Specialty providers and facilities, including pediatric providers and facilities and small providers and facilities.

(3) TEMPORARY ADD-ON PAYMENT FOR DIALYSIS SERVICES FURNISHED UNDER THE DEMONSTRATION.—

(A) IN GENERAL.—During the period of the demonstration project, the Secretary shall increase payment rates that would otherwise apply under section 1881(b) of such Act (42 U.S.C. 1395rr(b)) by 1.6 percent for dialysis services furnished in facilities in the demonstration site.

(B) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed as—

(i) as an annual update under section 1881(b) of the Social Security Act (42 U.S.C. 1395rr(b));

(ii) as increasing the baseline for payments under such section; or

(iii) requiring the budget neutral implementation of the demonstration project under this subsection.

(4) 3-YEAR PERIOD.—The Secretary shall conduct the demonstration under this subsection for the 3-year period beginning on January 1, 2006.

Effective date.

(5) USE OF ADVISORY BOARD.—

Establishment.

(A) IN GENERAL.—In carrying out the demonstration under this subsection, the Secretary shall establish an advisory board comprised of representatives described in subparagraph (B) to provide advice and recommendations with respect to the establishment and operation of such demonstration.

(B) REPRESENTATIVES.—Representatives referred to in subparagraph (A) include representatives of the following:

- (i) Patient organizations.
- (ii) Individuals with expertise in end stage renal dialysis services, such as clinicians, economists, and researchers.
- (iii) The Medicare Payment Advisory Commission, established under section 1805 of the Social Security Act (42 U.S.C. 1395b–6).
- (iv) The National Institutes of Health.
- (v) Network organizations under section 1881(c) of the Social Security Act (42 U.S.C. 1395rr(c)).
- (vi) Medicare contractors to monitor quality of care.
- (vii) Providers of services and renal dialysis facilities furnishing end stage renal disease services.

(C) TERMINATION OF ADVISORY PANEL.—The advisory panel shall terminate on December 31, 2008.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, in appropriate part from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, \$5,000,000 in fiscal year 2006 to conduct the demonstration under this subsection.

42 USC 1395rr
note.

(f) REPORT ON A BUNDLED PROSPECTIVE PAYMENT SYSTEM FOR
END STAGE RENAL DISEASE SERVICES.—

(1) REPORT.—

Deadline.

(A) IN GENERAL.—Not later than October 1, 2005, the Secretary shall submit to Congress a report detailing the elements and features for the design and implementation of a bundled prospective payment system for services furnished by end stage renal disease facilities including, to the maximum extent feasible, bundling of drugs, clinical laboratory tests, and other items that are separately billed by such facilities. The report shall include a description of the methodology to be used for the establishment of payment rates, including components of the new system described in paragraph (2).

(B) RECOMMENDATIONS.—The Secretary shall include in such report recommendations on elements, features, and methodology for a bundled prospective payment system or other issues related to such system as the Secretary determines to be appropriate.

(2) ELEMENTS AND FEATURES OF A BUNDLED PROSPECTIVE PAYMENT SYSTEM.—The report required under paragraph (1) shall include the following elements and features of a bundled prospective payment system:

(A) BUNDLE OF ITEMS AND SERVICES.—A description of the bundle of items and services to be included under the prospective payment system.

(B) CASE MIX.—A description of the case-mix adjustment to account for the relative resource use of different types of patients.

(C) **WAGE INDEX.**—A description of an adjustment to account for geographic differences in wages.

(D) **RURAL AREAS.**—The appropriateness of establishing a specific payment adjustment to account for additional costs incurred by rural facilities.

(E) **OTHER ADJUSTMENTS.**—Such other adjustments as may be necessary to reflect the variation in costs incurred by facilities in caring for patients with end stage renal disease.

(F) **UPDATE FRAMEWORK.**—A methodology for appropriate updates under the prospective payment system.

(G) **ADDITIONAL RECOMMENDATIONS.**—Such other matters as the Secretary determines to be appropriate.

SEC. 624. TWO-YEAR MORATORIUM ON THERAPY CAPS; PROVISIONS RELATING TO REPORTS.

(a) **ADDITIONAL MORATORIUM ON THERAPY CAPS.**—

(1) **2004 AND 2005.**—Section 1833(g)(4) (42 U.S.C. 1395l(g)(4)) is amended by striking “and 2002” and inserting “2002, 2004, and 2005”.

(2) **REMAINDER OF 2003.**—For the period beginning on the date of the enactment of this Act and ending of December 31, 2003, the Secretary shall not apply the provisions of paragraphs (1), (2), and (3) of section 1833(g) to expenses incurred with respect to services described in such paragraphs during such period. Nothing in the preceding sentence shall be construed as affecting the application of such paragraphs by the Secretary before the date of the enactment of this Act.

42 USC 1395l
note.

(b) **PROMPT SUBMISSION OF OVERDUE REPORTS ON PAYMENT AND UTILIZATION OF OUTPATIENT THERAPY SERVICES.**—Not later than March 31, 2004, the Secretary shall submit to Congress the reports required under section 4541(d)(2) of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 457) (relating to alternatives to a single annual dollar cap on outpatient therapy) and under section 221(d) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (Appendix F, 113 Stat. 1501A–352), as enacted into law by section 1000(a)(6) of Public Law 106–113 (relating to utilization patterns for outpatient therapy).

Deadline.
42 USC 1395l
note.

(c) **GAO REPORT IDENTIFYING CONDITIONS AND DISEASES JUSTIFYING WAIVER OF THERAPY CAP.**—

(1) **STUDY.**—The Comptroller General of the United States shall identify conditions or diseases that may justify waiving the application of the therapy caps under section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) with respect to such conditions or diseases.

(2) **REPORT TO CONGRESS.**—Not later than October 1, 2004, the Comptroller General shall submit to Congress a report on the conditions and diseases identified under paragraph (1), and shall include a recommendation of criteria, with respect to such conditions and disease, under which a waiver of the therapy caps would apply.

Deadline.

SEC. 625. WAIVER OF PART B LATE ENROLLMENT PENALTY FOR CERTAIN MILITARY RETIREES; SPECIAL ENROLLMENT PERIOD.

(a) **WAIVER OF PENALTY.**—

(1) IN GENERAL.—Section 1839(b) (42 U.S.C. 1395r(b)) is amended by adding at the end the following new sentence: “No increase in the premium shall be effected for a month in the case of an individual who enrolls under this part during 2001, 2002, 2003, or 2004 and who demonstrates to the Secretary before December 31, 2004, that the individual is a covered beneficiary (as defined in section 1072(5) of title 10, United States Code). The Secretary of Health and Human Services shall consult with the Secretary of Defense in identifying individuals described in the previous sentence.”.

42 USC 1395r
note.
Procedures.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to premiums for months beginning with January 2004. The Secretary shall establish a method for providing rebates of premium penalties paid for months on or after January 2004 for which a penalty does not apply under such amendment but for which a penalty was previously collected.

42 USC 1395p
note.

(b) MEDICARE PART B SPECIAL ENROLLMENT PERIOD.—

(1) IN GENERAL.—In the case of any individual who, as of the date of the enactment of this Act, is eligible to enroll but is not enrolled under part B of title XVIII of the Social Security Act and is a covered beneficiary (as defined in section 1072(5) of title 10, United States Code), the Secretary of Health and Human Services shall provide for a special enrollment period during which the individual may enroll under such part. Such period shall begin as soon as possible after the date of the enactment of this Act and shall end on December 31, 2004.

Effective date.
Termination
date.

(2) COVERAGE PERIOD.—In the case of an individual who enrolls during the special enrollment period provided under paragraph (1), the coverage period under part B of title XVIII of the Social Security Act shall begin on the first day of the month following the month in which the individual enrolls.

SEC. 626. PAYMENT FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.

(a) REDUCTIONS IN PAYMENT UPDATES.—Section 1833(i)(2)(C) (42 U.S.C. 1395l(i)(2)(C)) is amended to read as follows:

“(C)(i) Notwithstanding the second sentence of each of subparagraphs (A) and (B), except as otherwise specified in clauses (ii), (iii), and (iv), if the Secretary has not updated amounts established under such subparagraphs or under subparagraph (D), with respect to facility services furnished during a fiscal year (beginning with fiscal year 1986 or a calendar year (beginning with 2006)), such amounts shall be increased by the percentage increase in the Consumer Price Index for all urban consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the year involved.

“(ii) In each of the fiscal years 1998 through 2002, the increase under this subparagraph shall be reduced (but not below zero) by 2.0 percentage points.

Effective date.

“(iii) In fiscal year 2004, beginning with April 1, 2004, the increase under this subparagraph shall be the Consumer Price Index for all urban consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with March 31, 2003, minus 3.0 percentage points.

“(iv) In fiscal year 2005, the last quarter of calendar year 2005, and each of calendar years 2006 through 2009, the increase under this subparagraph shall be 0 percent.”.

(b) REPEAL OF SURVEY REQUIREMENT AND IMPLEMENTATION OF NEW SYSTEM.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking “The” and inserting “For services furnished prior to the implementation of the system described in subparagraph (D), the”; and

(B) in clause (i), by striking “taken not later than January 1, 1995, and every 5 years thereafter,”; and

(2) by adding at the end the following new subparagraph:

“(D)(i) Taking into account the recommendations in the report under section 626(d) of Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the Secretary shall implement a revised payment system for payment of surgical services furnished in ambulatory surgical centers.

“(ii) In the year the system described in clause (i) is implemented, such system shall be designed to result in the same aggregate amount of expenditures for such services as would be made if this subparagraph did not apply, as estimated by the Secretary.

“(iii) The Secretary shall implement the system described in clause (i) for periods in a manner so that it is first effective beginning on or after January 1, 2006, and not later than January 1, 2008.

Effective date.

“(iv) There shall be no administrative or judicial review under section 1869, 1878, or otherwise, of the classification system, the relative weights, payment amounts, and the geographic adjustment factor, if any, under this subparagraph.”.

(c) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended by adding the following new subparagraph:

“(G) with respect to facility services furnished in connection with a surgical procedure specified pursuant to subsection (i)(1)(A) and furnished to an individual in an ambulatory surgical center described in such subsection, for services furnished beginning with the implementation date of a revised payment system for such services in such facilities specified in subsection (i)(2)(D), the amounts paid shall be 80 percent of the lesser of the actual charge for the services or the amount determined by the Secretary under such revised payment system.”.

(d) GAO STUDY OF AMBULATORY SURGICAL CENTER PAYMENTS.—

42 USC 1395l note.

(1) STUDY.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study that compares the relative costs of procedures furnished in ambulatory surgical centers to the relative costs of procedures furnished in hospital outpatient departments under section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)). The study shall also examine how accurately ambulatory payment categories reflect procedures furnished in ambulatory surgical centers.

(B) CONSIDERATION OF ASC DATA.—In conducting the study under paragraph (1), the Comptroller General shall

consider data submitted by ambulatory surgical centers regarding the matters described in clauses (i) through (iii) of paragraph (2)(B).

(2) REPORT AND RECOMMENDATIONS.—

Deadline.

(A) REPORT.—Not later than January 1, 2005, the Comptroller General shall submit to Congress a report on the study conducted under paragraph (1).

(B) RECOMMENDATIONS.—The report submitted under subparagraph (A) shall include recommendations on the following matters:

(i) The appropriateness of using the groups of covered services and relative weights established under the outpatient prospective payment system as the basis of payment for ambulatory surgical centers.

(ii) If the relative weights under such hospital outpatient prospective payment system are appropriate for such purpose—

(I) whether the payment rates for ambulatory surgical centers should be based on a uniform percentage of the payment rates or weights under such outpatient system; or

(II) whether the payment rates for ambulatory surgical centers should vary, or the weights should be revised, based on specific procedures or types of services (such as ophthalmology and pain management services).

(iii) Whether a geographic adjustment should be used for payment of services furnished in ambulatory surgical centers, and if so, the labor and nonlabor shares of such payment.

SEC. 627. PAYMENT FOR CERTAIN SHOES AND INSERTS UNDER THE FEE SCHEDULE FOR ORTHOTICS AND PROSTHETICS.

(a) IN GENERAL.—Section 1833(o) (42 U.S.C. 1395l(o)) is amended—

(1) in paragraph (1)(B), by striking “no more than the limits established under paragraph (2)” and inserting “no more than the amount of payment applicable under paragraph (2)”; and

(2) in paragraph (2), to read as follows:

“(2)(A) Except as provided by the Secretary under subparagraphs (B) and (C), the amount of payment under this paragraph for custom molded shoes, extra-depth shoes, and inserts shall be the amount determined for such items by the Secretary under section 1834(h).

“(B) The Secretary may establish payment amounts for shoes and inserts that are lower than the amount established under section 1834(h) if the Secretary finds that shoes and inserts of an appropriate quality are readily available at or below the amount established under such section.

“(C) In accordance with procedures established by the Secretary, an individual entitled to benefits with respect to shoes described in section 1861(s)(12) may substitute modification of such shoes instead of obtaining one (or more, as specified by the Secretary) pair of inserts (other than the original pair of inserts with respect to such shoes). In such case, the Secretary shall substitute, for the payment amount established under section 1834(h), a payment

amount that the Secretary estimates will assure that there is no net increase in expenditures under this subsection as a result of this subparagraph.”.

(b) CONFORMING AMENDMENTS.—(1) Section 1834(h)(4)(C) (42 U.S.C. 1395m(h)(4)(C)) is amended by inserting “(and includes shoes described in section 1861(s)(12))” after “in section 1861(s)(9)”.

(2) Section 1842(s)(2) (42 U.S.C. 1395u(s)(2)) is amended by striking subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 2005. 42 USC 1395l note.

SEC. 628. PAYMENT FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

Section 1833(h)(2)(A)(ii)(IV) (42 U.S.C. 1395l(h)(2)(A)(ii)(IV)) is amended by striking “and 1998 through 2002” and inserting “, 1998 through 2002, and 2004 through 2008”.

SEC. 629. INDEXING PART B DEDUCTIBLE TO INFLATION.

The first sentence of section 1833(b) (42 U.S.C. 1395l(b)) is amended by striking “and \$100 for 1991 and subsequent years” and inserting the following: “, \$100 for 1991 through 2004, \$110 for 2005, and for a subsequent year the amount of such deductible for the previous year increased by the annual percentage increase in the monthly actuarial rate under section 1839(a)(1) ending with such subsequent year (rounded to the nearest \$1)”.

SEC. 630. FIVE-YEAR AUTHORIZATION OF REIMBURSEMENT FOR ALL MEDICARE PART B SERVICES FURNISHED BY CERTAIN INDIAN HOSPITALS AND CLINICS.

Section 1880(e)(1)(A) (42 U.S.C. 1395qq(e)(1)(A)) is amended by inserting “(and for items and services furnished during the 5-year period beginning on January 1, 2005, all items and services for which payment may be made under part B)” after “for services described in paragraph (2)”.

Subtitle D—Additional Demonstrations, Studies, and Other Provisions

SEC. 641. DEMONSTRATION PROJECT FOR COVERAGE OF CERTAIN PRESCRIPTION DRUGS AND BIOLOGICALS. 42 USC 1395l note.

(a) DEMONSTRATION PROJECT.—The Secretary shall conduct a demonstration project under part B of title XVIII of the Social Security Act under which payment is made for drugs or biologicals that are prescribed as replacements for drugs and biologicals described in section 1861(s)(2)(A) or 1861(s)(2)(Q) of such Act (42 U.S.C. 1395x(s)(2)(A), 1395x(s)(2)(Q)), or both, for which payment is made under such part. Such project shall provide for cost-sharing applicable with respect to such drugs or biologicals in the same manner as cost-sharing applies with respect to part D drugs under standard prescription drug coverage (as defined in section 1860D–2(b) of the Social Security Act, as added by section 101(a)).

(b) DEMONSTRATION PROJECT SITES.—The project established under this section shall be conducted in sites selected by the Secretary.

(c) DURATION.—The Secretary shall conduct the demonstration project for the 2-year period beginning on the date that is 90 Effective date.

days after the date of the enactment of this Act, but in no case may the project extend beyond December 31, 2005.

(d) **LIMITATION.**—Under the demonstration project over the duration of the project, the Secretary may not provide—

- (1) coverage for more than 50,000 patients; and
- (2) more than \$500,000,000 in funding.

Deadline.

(e) **REPORT.**—Not later than July 1, 2006, the Secretary shall submit to Congress a report on the project. The report shall include an evaluation of patient access to care and patient outcomes under the project, as well as an analysis of the cost effectiveness of the project, including an evaluation of the costs savings (if any) to the medicare program attributable to reduced physicians' services and hospital outpatient departments services for administration of the biological.

SEC. 642. EXTENSION OF COVERAGE OF INTRAVENOUS IMMUNE GLOBULIN (IVIG) FOR THE TREATMENT OF PRIMARY IMMUNE DEFICIENCY DISEASES IN THE HOME.

(a) **IN GENERAL.**—Section 1861 (42 U.S.C. 1395x), as amended by sections 611(a) and 612(a) is amended—

(1) in subsection (s)(2)—

(A) by striking “and” at the end of subparagraph (X);

(B) by adding “and” at the end of subparagraph (Y);

and

(C) by adding at the end the following new subparagraph:

“(Z) intravenous immune globulin for the treatment of primary immune deficiency diseases in the home (as defined in subsection (zz));”; and

(2) by adding at the end the following new subsection:

“Intravenous Immune Globulin

“(zz) The term ‘intravenous immune globulin’ means an approved pooled plasma derivative for the treatment in the patient’s home of a patient with a diagnosed primary immune deficiency disease, but not including items or services related to the administration of the derivative, if a physician determines administration of the derivative in the patient’s home is medically appropriate.”.

(b) **PAYMENT AS A DRUG OR BIOLOGICAL.**—Section 1833(a)(1)(S) (42 U.S.C. 1395l(a)(1)(S)) is amended by inserting “(including intravenous immune globulin (as defined in section 1861(zz)))” after “with respect to drugs and biologicals”.

42 USC 1395/
note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to items furnished administered on or after January 1, 2004.

SEC. 643. MEDPAC STUDY OF COVERAGE OF SURGICAL FIRST ASSISTING SERVICES OF CERTIFIED REGISTERED NURSE FIRST ASSISTANTS.

(a) **STUDY.**—The Medicare Payment Advisory Commission (in this section referred to as the “Commission”) shall conduct a study on the feasibility and advisability of providing for payment under part B of title XVIII of the Social Security Act for surgical first assisting services furnished by a certified registered nurse first assistant to medicare beneficiaries.

Deadline.
42 USC 1395x
note.

(b) **REPORT.**—Not later than January 1, 2005, the Commission shall submit to Congress a report on the study conducted under

subsection (a) together with recommendations for such legislation or administrative action as the Commission determines to be appropriate.

(c) DEFINITIONS.—In this section:

(1) SURGICAL FIRST ASSISTING SERVICES.—The term “surgical first assisting services” means services consisting of first assisting a physician with surgery and related preoperative, intraoperative, and postoperative care (as determined by the Secretary) furnished by a certified registered nurse first assistant (as defined in paragraph (2)) which the certified registered nurse first assistant is legally authorized to perform by the State in which the services are performed.

(2) CERTIFIED REGISTERED NURSE FIRST ASSISTANT.—The term “certified registered nurse first assistant” means an individual who—

(A) is a registered nurse and is licensed to practice nursing in the State in which the surgical first assisting services are performed;

(B) has completed a minimum of 2,000 hours of first assisting a physician with surgery and related preoperative, intraoperative, and postoperative care; and

(C) is certified as a registered nurse first assistant by an organization recognized by the Secretary.

SEC. 644. MEDPAC STUDY OF PAYMENT FOR CARDIO-THORACIC SURGEONS.

42 USC 1395w–4
note.

(a) STUDY.—The Medicare Payment Advisory Commission (in this section referred to as the “Commission”) shall conduct a study on the practice expense relative values established by the Secretary of Health and Human Services under the medicare physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for physicians in the specialties of thoracic and cardiac surgery to determine whether such values adequately take into account the attendant costs that such physicians incur in providing clinical staff for patient care in hospitals.

(b) REPORT.—Not later than January 1, 2005, the Commission shall submit to Congress a report on the study conducted under subsection (a) together with recommendations for such legislation or administrative action as the Commission determines to be appropriate.

Deadline.

SEC. 645. STUDIES RELATING TO VISION IMPAIRMENTS.

42 USC 1395x
note.

(a) COVERAGE OF OUTPATIENT VISION SERVICES FURNISHED BY VISION REHABILITATION PROFESSIONALS UNDER PART B.—

(1) STUDY.—The Secretary shall conduct a study to determine the feasibility and advisability of providing for payment for vision rehabilitation services furnished by vision rehabilitation professionals.

(2) REPORT.—Not later than January 1, 2005, the Secretary shall submit to Congress a report on the study conducted under paragraph (1) together with recommendations for such legislation or administrative action as the Secretary determines to be appropriate.

Deadline.

(3) VISION REHABILITATION PROFESSIONAL DEFINED.—In this subsection, the term “vision rehabilitation professional” means an orientation and mobility specialist, a rehabilitation teacher, or a low vision therapist.

Deadline.

(b) REPORT ON APPROPRIATENESS OF A DEMONSTRATION PROJECT TO TEST FEASIBILITY OF USING PPO NETWORKS TO REDUCE COSTS OF ACQUIRING EYEGLASSES FOR MEDICARE BENEFICIARIES AFTER CATARACT SURGERY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the feasibility of establishing a two-year demonstration project under which the Secretary enters into arrangements with vision care preferred provider organization networks to furnish and pay for conventional eyeglasses subsequent to each cataract surgery with insertion of an intraocular lens on behalf of Medicare beneficiaries. In such report, the Secretary shall include an estimate of potential cost savings to the Medicare program through the use of such networks, taking into consideration quality of service and beneficiary access to services offered by vision care preferred provider organization networks.

SEC. 646. MEDICARE HEALTH CARE QUALITY DEMONSTRATION PROGRAMS.

Title XVIII (42 U.S.C. 1395 et seq.) is amended by inserting after section 1866B the following new section:

“HEALTH CARE QUALITY DEMONSTRATION PROGRAM

42 USC
1395cc–3.

“SEC. 1866C. (a) DEFINITIONS.—In this section:

“(1) BENEFICIARY.—The term ‘beneficiary’ means an individual who is entitled to benefits under part A and enrolled under part B, including any individual who is enrolled in a Medicare Advantage plan under part C.

“(2) HEALTH CARE GROUP.—

“(A) IN GENERAL.—The term ‘health care group’ means—

“(i) a group of physicians that is organized at least in part for the purpose of providing physician’s services under this title;

“(ii) an integrated health care delivery system that delivers care through coordinated hospitals, clinics, home health agencies, ambulatory surgery centers, skilled nursing facilities, rehabilitation facilities and clinics, and employed, independent, or contracted physicians; or

“(iii) an organization representing regional coalitions of groups or systems described in clause (i) or (ii).

“(B) INCLUSION.—As the Secretary determines appropriate, a health care group may include a hospital or any other individual or entity furnishing items or services for which payment may be made under this title that is affiliated with the health care group under an arrangement structured so that such hospital, individual, or entity participates in a demonstration project under this section.

“(3) PHYSICIAN.—Except as otherwise provided for by the Secretary, the term ‘physician’ means any individual who furnishes services that may be paid for as physicians’ services under this title.

“(b) DEMONSTRATION PROJECTS.—The Secretary shall establish a 5-year demonstration program under which the Secretary shall approve demonstration projects that examine health delivery factors

that encourage the delivery of improved quality in patient care, including—

“(1) the provision of incentives to improve the safety of care provided to beneficiaries;

“(2) the appropriate use of best practice guidelines by providers and services by beneficiaries;

“(3) reduced scientific uncertainty in the delivery of care through the examination of variations in the utilization and allocation of services, and outcomes measurement and research;

“(4) encourage shared decision making between providers and patients;

“(5) the provision of incentives for improving the quality and safety of care and achieving the efficient allocation of resources;

“(6) the appropriate use of culturally and ethnically sensitive health care delivery; and

“(7) the financial effects on the health care marketplace of altering the incentives for care delivery and changing the allocation of resources.

“(c) ADMINISTRATION BY CONTRACT.—

“(1) IN GENERAL.—Except as otherwise provided in this section, the Secretary may administer the demonstration program established under this section in a manner that is similar to the manner in which the demonstration program established under section 1866A is administered in accordance with section 1866B.

“(2) ALTERNATIVE PAYMENT SYSTEMS.—A health care group that receives assistance under this section may, with respect to the demonstration project to be carried out with such assistance, include proposals for the use of alternative payment systems for items and services provided to beneficiaries by the group that are designed to—

“(A) encourage the delivery of high quality care while accomplishing the objectives described in subsection (b); and

“(B) streamline documentation and reporting requirements otherwise required under this title.

“(3) BENEFITS.—A health care group that receives assistance under this section may, with respect to the demonstration project to be carried out with such assistance, include modifications to the package of benefits available under the original medicare fee-for-service program under parts A and B or the package of benefits available through a Medicare Advantage plan under part C. The criteria employed under the demonstration program under this section to evaluate outcomes and determine best practice guidelines and incentives shall not be used as a basis for the denial of medicare benefits under the demonstration program to patients against their wishes (or if the patient is incompetent, against the wishes of the patient’s surrogate) on the basis of the patient’s age or expected length of life or of the patient’s present or predicted disability, degree of medical dependency, or quality of life.

“(d) ELIGIBILITY CRITERIA.—To be eligible to receive assistance under this section, an entity shall—

“(1) be a health care group;

“(2) meet quality standards established by the Secretary, including—

“(A) the implementation of continuous quality improvement mechanisms that are aimed at integrating community-based support services, primary care, and referral care;

“(B) the implementation of activities to increase the delivery of effective care to beneficiaries;

“(C) encouraging patient participation in preference-based decisions;

“(D) the implementation of activities to encourage the coordination and integration of medical service delivery; and

“(E) the implementation of activities to measure and document the financial impact on the health care marketplace of altering the incentives of health care delivery and changing the allocation of resources; and

“(3) meet such other requirements as the Secretary may establish.

“(e) **WAIVER AUTHORITY.**—The Secretary may waive such requirements of titles XI and XVIII as may be necessary to carry out the purposes of the demonstration program established under this section.

“(f) **BUDGET NEUTRALITY.**—With respect to the 5-year period of the demonstration program under subsection (b), the aggregate expenditures under this title for such period shall not exceed the aggregate expenditures that would have been expended under this title if the program established under this section had not been implemented.

“(g) **NOTICE REQUIREMENTS.**—In the case of an individual that receives health care items or services under a demonstration program carried out under this section, the Secretary shall ensure that such individual is notified of any waivers of coverage or payment rules that are applicable to such individual under this title as a result of the participation of the individual in such program.

“(h) **PARTICIPATION AND SUPPORT BY FEDERAL AGENCIES.**—In carrying out the demonstration program under this section, the Secretary may direct—

“(1) the Director of the National Institutes of Health to expand the efforts of the Institutes to evaluate current medical technologies and improve the foundation for evidence-based practice;

“(2) the Administrator of the Agency for Healthcare Research and Quality to, where possible and appropriate, use the program under this section as a laboratory for the study of quality improvement strategies and to evaluate, monitor, and disseminate information relevant to such program; and

“(3) the Administrator of the Centers for Medicare & Medicaid Services and the Administrator of the Center for Medicare Choices to support linkages of relevant medicare data to registry information from participating health care groups for the beneficiary populations served by the participating groups, for analysis supporting the purposes of the demonstration program, consistent with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996.”.

42 USC 1395n
note.

SEC. 647. MEDPAC STUDY ON DIRECT ACCESS TO PHYSICAL THERAPY SERVICES.

(a) **STUDY.**—The Medicare Payment Advisory Commission (in this section referred to as the “Commission”) shall conduct a study

on the feasibility and advisability of allowing medicare fee-for-service beneficiaries direct access to outpatient physical therapy services and physical therapy services furnished as comprehensive rehabilitation facility services.

(b) REPORT.—Not later than January 1, 2005, the Commission shall submit to Congress a report on the study conducted under subsection (a) together with recommendations for such legislation or administrative action as the Commission determines to be appropriate. Deadline.

(c) DIRECT ACCESS DEFINED.—The term “direct access” means, with respect to outpatient physical therapy services and physical therapy services furnished as comprehensive outpatient rehabilitation facility services, coverage of and payment for such services in accordance with the provisions of title XVIII of the Social Security Act, except that sections 1835(a)(2), 1861(p), and 1861(cc) of such Act (42 U.S.C. 1395n(a)(2), 1395x(p), and 1395x(cc), respectively) shall be applied—

(1) without regard to any requirement that—

(A) an individual be under the care of (or referred by) a physician; or

(B) services be provided under the supervision of a physician; and

(2) by allowing a physician or a qualified physical therapist to satisfy any requirement for—

(A) certification and recertification; and

(B) establishment and periodic review of a plan of care.

SEC. 648. DEMONSTRATION PROJECT FOR CONSUMER-DIRECTED CHRONIC OUTPATIENT SERVICES.

42 USC 1395b–8
note.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Subject to the succeeding provisions of this section, the Secretary shall establish demonstration projects (in this section referred to as “demonstration projects”) under which the Secretary shall evaluate methods that improve the quality of care provided to individuals with chronic conditions and that reduce expenditures that would otherwise be made under the medicare program on behalf of such individuals for such chronic conditions, such methods to include permitting those beneficiaries to direct their own health care needs and services.

(2) INDIVIDUALS WITH CHRONIC CONDITIONS DEFINED.—In this section, the term “individuals with chronic conditions” means an individual entitled to benefits under part A of title XVIII of the Social Security Act, and enrolled under part B of such title, but who is not enrolled under part C of such title who is diagnosed as having one or more chronic conditions (as defined by the Secretary), such as diabetes.

(b) DESIGN OF PROJECTS.—

(1) EVALUATION BEFORE IMPLEMENTATION OF PROJECT.—

(A) IN GENERAL.—In establishing the demonstration projects under this section, the Secretary shall evaluate best practices employed by group health plans and practices under State plans for medical assistance under the medicaid program under title XIX of the Social Security Act, as well as best practices in the private sector or other areas, of methods that permit patients to self-direct the

provision of personal care services. The Secretary shall evaluate such practices for a 1-year period and, based on such evaluation, shall design the demonstration project.

(B) REQUIREMENT FOR ESTIMATE OF BUDGET NEUTRAL COSTS.—As part of the evaluation under subparagraph (A), the Secretary shall evaluate the costs of furnishing care under the projects. The Secretary may not implement the demonstration projects under this section unless the Secretary determines that the costs of providing care to individuals with chronic conditions under the project will not exceed the costs, in the aggregate, of furnishing care to such individuals under title XVIII of the Social Security Act, that would otherwise be paid without regard to the demonstration projects for the period of the project.

(2) SCOPE OF SERVICES.—The Secretary shall determine the appropriate scope of personal care services that would apply under the demonstration projects.

(c) VOLUNTARY PARTICIPATION.—Participation of providers of services and suppliers, and of individuals with chronic conditions, in the demonstration projects shall be voluntary.

Deadline.

(d) DEMONSTRATION PROJECTS SITES.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall conduct a demonstration project in at least one area that the Secretary determines has a population of individuals entitled to benefits under part A of title XVIII of the Social Security Act, and enrolled under part B of such title, with a rate of incidence of diabetes that significantly exceeds the national average rate of all areas.

(e) EVALUATION AND REPORT.—

(1) EVALUATIONS.—The Secretary shall conduct evaluations of the clinical and cost effectiveness of the demonstration projects.

Deadlines.

(2) REPORTS.—Not later than 2 years after the commencement of the demonstration projects, and biannually thereafter, the Secretary shall submit to Congress a report on the evaluation, and shall include in the report the following:

(A) An analysis of the patient outcomes and costs of furnishing care to the individuals with chronic conditions participating in the projects as compared to such outcomes and costs to other individuals for the same health conditions.

(B) Evaluation of patient satisfaction under the demonstration projects.

(C) Such recommendations regarding the extension, expansion, or termination of the projects as the Secretary determines appropriate.

(f) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to such extent and for such period as the Secretary determines is necessary to conduct demonstration projects.

(g) AUTHORIZATION OF APPROPRIATIONS.—(1) Payments for the costs of carrying out the demonstration project under this section shall be made from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t).

(2) There are authorized to be appropriated from such Trust Fund such sums as may be necessary for the Secretary to enter

into contracts with appropriate organizations for the design, implementation, and evaluation of the demonstration project.

(3) In no case may expenditures under this section exceed the aggregate expenditures that would otherwise have been made for the provision of personal care services.

SEC. 649. MEDICARE CARE MANAGEMENT PERFORMANCE DEMONSTRATION.

42 USC 1395b–1
note.

(a) ESTABLISHMENT.—

(1) **IN GENERAL.**—The Secretary shall establish a pay-for-performance demonstration program with physicians to meet the needs of eligible beneficiaries through the adoption and use of health information technology and evidence-based outcomes measures for—

- (A) promoting continuity of care;
- (B) helping stabilize medical conditions;
- (C) preventing or minimizing acute exacerbations of chronic conditions; and
- (D) reducing adverse health outcomes, such as adverse drug interactions related to polypharmacy.

(2) **SITES.**—The Secretary shall designate no more than 4 sites at which to conduct the demonstration program under this section, of which—

- (A) two shall be in an urban area;
- (B) one shall be in a rural area; and
- (C) one shall be in a State with a medical school with a Department of Geriatrics that manages rural outreach sites and is capable of managing patients with multiple chronic conditions, one of which is dementia.

(3) **DURATION.**—The Secretary shall conduct the demonstration program under this section for a 3-year period.

(4) **CONSULTATION.**—In carrying out the demonstration program under this section, the Secretary shall consult with private sector and non-profit groups that are undertaking similar efforts to improve quality and reduce avoidable hospitalizations for chronically ill patients.

(b) PARTICIPATION.—

(1) **IN GENERAL.**—A physician who provides care for a minimum number of eligible beneficiaries (as specified by the Secretary) may participate in the demonstration program under this section if such physician agrees, to phase-in over the course of the 3-year demonstration period and with the assistance provided under subsection (d)(2)—

(A) the use of health information technology to manage the clinical care of eligible beneficiaries consistent with paragraph (3); and

(B) the electronic reporting of clinical quality and outcomes measures in accordance with requirements established by the Secretary under the demonstration program.

(2) **SPECIAL RULE.**—In the case of the sites referred to in subparagraphs (B) and (C) of subsection (a)(2), a physician who provides care for a minimum number of beneficiaries with two or more chronic conditions, including dementia (as specified by the Secretary), may participate in the program under this section if such physician agrees to the requirements in subparagraphs (A) and (B) of paragraph (1).

(3) PRACTICE STANDARDS.—Each physician participating in the demonstration program under this section must demonstrate the ability—

(A) to assess each eligible beneficiary for conditions other than chronic conditions, such as impaired cognitive ability and co-morbidities, for the purposes of developing care management requirements;

(B) to serve as the primary contact of eligible beneficiaries in accessing items and services for which payment may be made under the medicare program;

(C) to establish and maintain health care information system for such beneficiaries;

(D) to promote continuity of care across providers and settings;

(E) to use evidence-based guidelines and meet such clinical quality and outcome measures as the Secretary shall require;

(F) to promote self-care through the provision of patient education and support for patients or, where appropriate, family caregivers;

(G) when appropriate, to refer such beneficiaries to community service organizations; and

(H) to meet such other complex care management requirements as the Secretary may specify.

The guidelines and measures required under subparagraph (E) shall be designed to take into account beneficiaries with multiple chronic conditions.

(c) PAYMENT METHODOLOGY.—Under the demonstration program under this section the Secretary shall pay a per beneficiary amount to each participating physician who meets or exceeds specific performance standards established by the Secretary with respect to the clinical quality and outcome measures reported under subsection (b)(1)(B). Such amount may vary based on different levels of performance or improvement.

(d) ADMINISTRATION.—

(1) USE OF QUALITY IMPROVEMENT ORGANIZATIONS.—The Secretary shall contract with quality improvement organizations or such other entities as the Secretary deems appropriate to enroll physicians and evaluate their performance under the demonstration program under this section.

(2) TECHNICAL ASSISTANCE.—The Secretary shall require in such contracts that the contractor be responsible for technical assistance and education as needed to physicians enrolled in the demonstration program under this section for the purpose of aiding their adoption of health information technology, meeting practice standards, and implementing required clinical and outcomes measures.

(e) FUNDING.—

(1) IN GENERAL.—The Secretary shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund established under section 1841 of the Social Security Act (42 U.S.C. 1395t) of such funds as are necessary for the costs of carrying out the demonstration program under this section.

(2) BUDGET NEUTRALITY.—In conducting the demonstration program under this section, the Secretary shall ensure that the aggregate payments made by the Secretary do not exceed

the amount which the Secretary estimates would have been paid if the demonstration program under this section was not implemented.

(f) **WAIVER AUTHORITY.**—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act (42 U.S.C. 1301 et seq. and 1395 et seq.) as may be necessary for the purpose of carrying out the demonstration program under this section.

(g) **REPORT.**—Not later than 12 months after the date of completion of the demonstration program under this section, the Secretary shall submit to Congress a report on such program, together with recommendations for such legislation and administrative action as the Secretary determines to be appropriate. Deadline.

(h) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE BENEFICIARY.**—The term “eligible beneficiary” means any individual who—

(A) is entitled to benefits under part A and enrolled for benefits under part B of title XVIII of the Social Security Act and is not enrolled in a plan under part C of such title; and

(B) has one or more chronic medical conditions specified by the Secretary (one of which may be cognitive impairment).

(2) **HEALTH INFORMATION TECHNOLOGY.**—The term “health information technology” means email communication, clinical alerts and reminders, and other information technology that meets such functionality, interoperability, and other standards as prescribed by the Secretary.

SEC. 650. GAO STUDY AND REPORT ON THE PROPAGATION OF CONCIERGE CARE.

42 USC 1395cc
note.

(a) **STUDY.**—

(1) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study on concierge care (as defined in paragraph (2)) to determine the extent to which such care—

(A) is used by medicare beneficiaries (as defined in section 1802(b)(5)(A) of the Social Security Act (42 U.S.C. 1395a(b)(5)(A))); and

(B) has impacted upon the access of medicare beneficiaries (as so defined) to items and services for which reimbursement is provided under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(2) **CONCIERGE CARE.**—In this section, the term “concierge care” means an arrangement under which, as a prerequisite for the provision of a health care item or service to an individual, a physician, practitioner (as described in section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C))), or other individual—

(A) charges a membership fee or another incidental fee to an individual desiring to receive the health care item or service from such physician, practitioner, or other individual; or

(B) requires the individual desiring to receive the health care item or service from such physician, practitioner, or other individual to purchase an item or service.

(b) **REPORT.**—Not later than the date that is 12 months after the date of enactment of this Act, the Comptroller General of Deadline.

the United States shall submit to Congress a report on the study conducted under subsection (a)(1) together with such recommendations for legislative or administrative action as the Comptroller General determines to be appropriate.

42 USC 1395x
note.

SEC. 651. DEMONSTRATION OF COVERAGE OF CHIROPRACTIC SERVICES UNDER MEDICARE.

(a) DEFINITIONS.—In this section:

(1) CHIROPRACTIC SERVICES.—The term “chiropractic services” has the meaning given that term by the Secretary for purposes of the demonstration projects, but shall include, at a minimum—

(A) care for neuromusculoskeletal conditions typical among eligible beneficiaries; and

(B) diagnostic and other services that a chiropractor is legally authorized to perform by the State or jurisdiction in which such treatment is provided.

(2) DEMONSTRATION PROJECT.—The term “demonstration project” means a demonstration project established by the Secretary under subsection (b)(1).

(3) ELIGIBLE BENEFICIARY.—The term “eligible beneficiary” means an individual who is enrolled under part B of the medicare program.

(4) MEDICARE PROGRAM.—The term “medicare program” means the health benefits program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(b) DEMONSTRATION OF COVERAGE OF CHIROPRACTIC SERVICES UNDER MEDICARE.—

(1) ESTABLISHMENT.—The Secretary shall establish demonstration projects in accordance with the provisions of this section for the purpose of evaluating the feasibility and advisability of covering chiropractic services under the medicare program (in addition to the coverage provided for services consisting of treatment by means of manual manipulation of the spine to correct a subluxation described in section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))).

(2) NO PHYSICIAN APPROVAL REQUIRED.—In establishing the demonstration projects, the Secretary shall ensure that an eligible beneficiary who participates in a demonstration project, including an eligible beneficiary who is enrolled for coverage under a Medicare+Choice plan (or, on and after January 1, 2006, under a Medicare Advantage plan), is not required to receive approval from a physician or other health care provider in order to receive a chiropractic service under a demonstration project.

(3) CONSULTATION.—In establishing the demonstration projects, the Secretary shall consult with chiropractors, organizations representing chiropractors, eligible beneficiaries, and organizations representing eligible beneficiaries.

(4) PARTICIPATION.—Any eligible beneficiary may participate in the demonstration projects on a voluntary basis.

(c) CONDUCT OF DEMONSTRATION PROJECTS.—

(1) DEMONSTRATION SITES.—

(A) SELECTION OF DEMONSTRATION SITES.—The Secretary shall conduct demonstration projects at 4 demonstration sites.

(B) GEOGRAPHIC DIVERSITY.—Of the sites described in subparagraph (A)—

(i) two shall be in rural areas; and

(ii) two shall be in urban areas.

(C) SITES LOCATED IN HPSAS.—At least 1 site described in clause (i) of subparagraph (B) and at least 1 site described in clause (ii) of such subparagraph shall be located in an area that is designated under section 332(a)(1)(A) of the Public Health Service Act (42 U.S.C. 254e(a)(1)(A)) as a health professional shortage area.

(2) IMPLEMENTATION; DURATION.—

(A) IMPLEMENTATION.—The Secretary shall not implement the demonstration projects before October 1, 2004.

(B) DURATION.—The Secretary shall complete the demonstration projects by the date that is 2 years after the date on which the first demonstration project is implemented.

(d) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall conduct an evaluation of the demonstration projects—

(A) to determine whether eligible beneficiaries who use chiropractic services use a lesser overall amount of items and services for which payment is made under the medicare program than eligible beneficiaries who do not use such services;

(B) to determine the cost of providing payment for chiropractic services under the medicare program;

(C) to determine the satisfaction of eligible beneficiaries participating in the demonstration projects and the quality of care received by such beneficiaries; and

(D) to evaluate such other matters as the Secretary determines is appropriate.

(2) REPORT.—Not later than the date that is 1 year after the date on which the demonstration projects conclude, the Secretary shall submit to Congress a report on the evaluation conducted under paragraph (1) together with such recommendations for legislation or administrative action as the Secretary determines is appropriate.

Deadline.

(e) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary shall waive compliance with such requirements of the medicare program to the extent and for the period the Secretary finds necessary to conduct the demonstration projects.

(f) FUNDING.—

(1) DEMONSTRATION PROJECTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and paragraph (2), the Secretary shall provide for the transfer from the Federal Supplementary Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) of such funds as are necessary for the costs of carrying out the demonstration projects under this section.

(B) LIMITATION.—In conducting the demonstration projects under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under the medicare program do not exceed the amount which the Secretary would have paid under the medicare program if the demonstration projects under this section were not implemented.

Appropriation
authorization.

(2) EVALUATION AND REPORT.—There are authorized to be appropriated such sums as are necessary for the purpose of developing and submitting the report to Congress under subsection (d).

TITLE VII—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

SEC. 701. UPDATE IN HOME HEALTH SERVICES.

(a) CHANGE TO CALENDAR YEAR UPDATE.—Section 1895(b) (42 U.S.C. 1395fff(b)(3)) is amended—

(1) in paragraph (3)(B)(i)—

(A) by striking “each fiscal year (beginning with fiscal year 2002)” and inserting “fiscal year 2002 and for fiscal year 2003 and for each subsequent year (beginning with 2004)”; and

(B) by inserting “or year” after “the fiscal year”;

(2) in paragraph (3)(B)(ii)—

(A) in subclause (I), by striking “or” at the end;

(B) by redesignating subclause (II) as subclause (III);

(C) in subclause (III), as so redesignated, by striking “any subsequent fiscal year” and inserting “2004 and any subsequent year”; and

(D) by inserting after subclause (I) the following new subclause:

“(II) for the last calendar quarter of 2003 and the first calendar quarter of 2004, the home health market basket percentage increase; or”;

(3) in paragraph (3)(B)(iii), by inserting “or year” after “fiscal year” each place it appears; and

(4) in paragraph (3)(B)(iv)—

(A) by inserting “or year” after “fiscal year” each place it appears; and

(B) by inserting “or years” after “fiscal years”; and

(5) in paragraph (5), by inserting “or year” after “fiscal year”.

(b) ADJUSTMENT TO UPDATES FOR 2004, 2005, AND 2006.—Section 1895(b)(3)(B)(ii) (42 U.S.C. 1395fff(b)(3)(B)(ii)), as amended by subsection (a)(2), is amended—

(1) by striking “or” at the end of subclause (II);

(2) by redesignating subclause (III) as subclause (IV);

(3) in subclause (IV), as so redesignated, by striking “2004” and inserting “2007”; and

(4) by inserting after subclause (II) the following new subclause:

“(III) the last 3 calendar quarters of 2004, and each of 2005 and 2006 the home health market basket percentage increase minus 0.8 percentage points; or”.

SEC. 702. DEMONSTRATION PROJECT TO CLARIFY THE DEFINITION OF HOMEBOUND.42 USC 1395x
note.

(a) **DEMONSTRATION PROJECT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall conduct a 2-year demonstration project under part B of title XVIII of the Social Security Act under which medicare beneficiaries with chronic conditions described in subsection (b) are deemed to be homebound for purposes of receiving home health services under the medicare program.

Deadline.

(b) **MEDICARE BENEFICIARY DESCRIBED.**—For purposes of subsection (a), a medicare beneficiary is eligible to be deemed to be homebound, without regard to the purpose, frequency, or duration of absences from the home, if—

(1) the beneficiary has been certified by one physician as an individual who has a permanent and severe, disabling condition that is not expected to improve;

(2) the beneficiary is dependent upon assistance from another individual with at least 3 out of the 5 activities of daily living for the rest of the beneficiary's life;

(3) the beneficiary requires skilled nursing services for the rest of the beneficiary's life and the skilled nursing is more than medication management;

(4) an attendant is required to visit the beneficiary on a daily basis to monitor and treat the beneficiary's medical condition or to assist the beneficiary with activities of daily living;

(5) the beneficiary requires technological assistance or the assistance of another person to leave the home; and

(6) the beneficiary does not regularly work in a paid position full-time or part-time outside the home.

(c) **DEMONSTRATION PROJECT SITES.**—The demonstration project established under this section shall be conducted in 3 States selected by the Secretary to represent the Northeast, Midwest, and Western regions of the United States.

(d) **LIMITATION ON NUMBER OF PARTICIPANTS.**—The aggregate number of such beneficiaries that may participate in the project may not exceed 15,000.

(e) **DATA.**—The Secretary shall collect such data on the demonstration project with respect to the provision of home health services to medicare beneficiaries that relates to quality of care, patient outcomes, and additional costs, if any, to the medicare program.

(f) **REPORT TO CONGRESS.**—Not later than 1 year after the date of the completion of the demonstration project under this section, the Secretary shall submit to Congress a report on the project using the data collected under subsection (e). The report shall include the following:

Deadline.

(1) An examination of whether the provision of home health services to medicare beneficiaries under the project has had any of the following effects:

(A) Has adversely affected the provision of home health services under the medicare program.

(B) Has directly caused an increase of expenditures under the medicare program for the provision of such services that is directly attributable to such clarification.

(2) The specific data evidencing the amount of any increase in expenditures that is directly attributable to the demonstration project (expressed both in absolute dollar terms and as a percentage) above expenditures that would otherwise have been incurred for home health services under the medicare program.

(3) Specific recommendations to exempt permanently and severely disabled homebound beneficiaries from restrictions on the length, frequency, and purpose of their absences from the home to qualify for home health services without incurring additional costs to the medicare program.

(g) **WAIVER AUTHORITY.**—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to such extent and for such period as the Secretary determines is necessary to conduct demonstration projects.

(h) **CONSTRUCTION.**—Nothing in this section shall be construed as waiving any applicable civil monetary penalty, criminal penalty, or other remedy available to the Secretary under title XI or title XVIII of the Social Security Act for acts prohibited under such titles, including penalties for false certifications for purposes of receipt of items or services under the medicare program.

(i) **AUTHORIZATION OF APPROPRIATIONS.**—Payments for the costs of carrying out the demonstration project under this section shall be made from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t).

(j) **DEFINITIONS.**—In this section:

(1) **MEDICARE BENEFICIARY.**—The term “medicare beneficiary” means an individual who is enrolled under part B of title XVIII of the Social Security Act.

(2) **HOME HEALTH SERVICES.**—The term “home health services” has the meaning given such term in section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m)).

(3) **ACTIVITIES OF DAILY LIVING DEFINED.**—The term “activities of daily living” means eating, toileting, transferring, bathing, and dressing.

42 USC 1395fff
note.

SEC. 703. DEMONSTRATION PROJECT FOR MEDICAL ADULT DAY-CARE SERVICES.

(a) **ESTABLISHMENT.**—Subject to the succeeding provisions of this section, the Secretary shall establish a demonstration project (in this section referred to as the “demonstration project”) under which the Secretary shall, as part of a plan of an episode of care for home health services established for a medicare beneficiary, permit a home health agency, directly or under arrangements with a medical adult day-care facility, to provide medical adult day-care services as a substitute for a portion of home health services that would otherwise be provided in the beneficiary’s home.

(b) **PAYMENT.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the amount of payment for an episode of care for home health services, a portion of which consists of substitute medical adult day-care services, under the demonstration project shall be made at a rate equal to 95 percent of the amount that would otherwise apply for such home health services under section 1895 of the Social Security Act (42 U.S.C. 1395fff). In no case may a home health agency, or a medical adult day-care facility

under arrangements with a home health agency, separately charge a beneficiary for medical adult day-care services furnished under the plan of care.

(2) ADJUSTMENT IN CASE OF OVERUTILIZATION OF SUBSTITUTE ADULT DAY-CARE SERVICES TO ENSURE BUDGET NEUTRALITY.—The Secretary shall monitor the expenditures under the demonstration project and under title XVIII of the Social Security Act for home health services. If the Secretary estimates that the total expenditures under the demonstration project and under such title XVIII for home health services for a period determined by the Secretary exceed expenditures that would have been made under such title XVIII for home health services for such period if the demonstration project had not been conducted, the Secretary shall adjust the rate of payment to medical adult day-care facilities under paragraph (1) in order to eliminate such excess.

(c) DEMONSTRATION PROJECT SITES.—The demonstration project established under this section shall be conducted in not more than 5 sites in States selected by the Secretary that license or certify providers of services that furnish medical adult day-care services.

(d) DURATION.—The Secretary shall conduct the demonstration project for a period of 3 years.

(e) VOLUNTARY PARTICIPATION.—Participation of medicare beneficiaries in the demonstration project shall be voluntary. The total number of such beneficiaries that may participate in the project at any given time may not exceed 15,000.

(f) PREFERENCE IN SELECTING AGENCIES.—In selecting home health agencies to participate under the demonstration project, the Secretary shall give preference to those agencies that are currently licensed or certified through common ownership and control to furnish medical adult day-care services.

(g) WAIVER AUTHORITY.—The Secretary may waive such requirements of title XVIII of the Social Security Act as may be necessary for the purposes of carrying out the demonstration project, other than waiving the requirement that an individual be homebound in order to be eligible for benefits for home health services.

(h) EVALUATION AND REPORT.—The Secretary shall conduct an evaluation of the clinical and cost-effectiveness of the demonstration project. Not later than 6 months after the completion of the project, the Secretary shall submit to Congress a report on the evaluation, and shall include in the report the following:

Deadline.

(1) An analysis of the patient outcomes and costs of furnishing care to the medicare beneficiaries participating in the project as compared to such outcomes and costs to beneficiaries receiving only home health services for the same health conditions.

(2) Such recommendations regarding the extension, expansion, or termination of the project as the Secretary determines appropriate.

(i) DEFINITIONS.—In this section:

(1) HOME HEALTH AGENCY.—The term “home health agency” has the meaning given such term in section 1861(o) of the Social Security Act (42 U.S.C. 1395x(o)).

(2) MEDICAL ADULT DAY-CARE FACILITY.—The term “medical adult day-care facility” means a facility that—

(A) has been licensed or certified by a State to furnish medical adult day-care services in the State for a continuous 2-year period;

(B) is engaged in providing skilled nursing services and other therapeutic services directly or under arrangement with a home health agency;

(C) is licensed and certified by the State in which it operates or meets such standards established by the Secretary to assure quality of care and such other requirements as the Secretary finds necessary in the interest of the health and safety of individuals who are furnished services in the facility; and

(D) provides medical adult day-care services.

(3) **MEDICAL ADULT DAY-CARE SERVICES.**—The term “medical adult day-care services” means—

(A) home health service items and services described in paragraphs (1) through (7) of section 1861(m) furnished in a medical adult day-care facility;

(B) a program of supervised activities furnished in a group setting in the facility that—

(i) meet such criteria as the Secretary determines appropriate; and

(ii) is designed to promote physical and mental health of the individuals; and

(C) such other services as the Secretary may specify.

(4) **MEDICARE BENEFICIARY.**—The term “medicare beneficiary” means an individual entitled to benefits under part A of this title, enrolled under part B of this title, or both.

42 USC 1395fff
note.

SEC. 704. TEMPORARY SUSPENSION OF OASIS REQUIREMENT FOR COLLECTION OF DATA ON NON-MEDICARE AND NON-MEDICAID PATIENTS.

(a) **IN GENERAL.**—During the period described in subsection (b), the Secretary may not require, under section 4602(e) of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 467) or otherwise under OASIS, a home health agency to gather or submit information that relates to an individual who is not eligible for benefits under either title XVIII or title XIX of the Social Security Act (such information in this section referred to as “non-medicare/medicaid OASIS information”).

(b) **PERIOD OF SUSPENSION.**—The period described in this subsection—

(1) begins on the date of the enactment of this Act; and

(2) ends on the last day of the second month beginning after the date as of which the Secretary has published final regulations regarding the collection and use by the Centers for Medicare & Medicaid Services of non-medicare/medicaid OASIS information following the submission of the report required under subsection (c).

(c) **REPORT.**—

(1) **STUDY.**—The Secretary shall conduct a study on how non-medicare/medicaid OASIS information is and can be used by large home health agencies. Such study shall examine—

(A) whether there are unique benefits from the analysis of such information that cannot be derived from other information available to, or collected by, such agencies; and

(B) the value of collecting such information by small home health agencies compared to the administrative burden related to such collection.

In conducting the study the Secretary shall obtain recommendations from quality assessment experts in the use of such information and the necessity of small, as well as large, home health agencies collecting such information.

(2) REPORT.—The Secretary shall submit to Congress a report on the study conducted under paragraph (1) by not later than 18 months after the date of the enactment of this Act.

Deadline.

(d) CONSTRUCTION.—Nothing in this section shall be construed as preventing home health agencies from collecting non-medicare/medicaid OASIS information for their own use.

SEC. 705. MEDPAC STUDY ON MEDICARE MARGINS OF HOME HEALTH AGENCIES.

42 USC 1395fff note.

(a) STUDY.—The Medicare Payment Advisory Commission shall conduct a study of payment margins of home health agencies under the home health prospective payment system under section 1895 of the Social Security Act (42 U.S.C. 1395fff). Such study shall examine whether systematic differences in payment margins are related to differences in case mix (as measured by home health resource groups (HHRGs)) among such agencies. The study shall use the partial or full-year cost reports filed by home health agencies.

(b) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Commission shall submit to Congress a report on the study under subsection (a).

Deadline.

SEC. 706. COVERAGE OF RELIGIOUS NONMEDICAL HEALTH CARE INSTITUTION SERVICES FURNISHED IN THE HOME.

(a) IN GENERAL.—Section 1821(a) (42 U.S.C. 1395i–5(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting “and for home health services furnished an individual by a religious nonmedical health care institution” after “religious nonmedical health care institution”; and

(2) in paragraph (2)—

(A) by striking “or extended care services” and inserting “, extended care services, or home health services”; and

(B) by inserting “, or receiving services from a home health agency,” after “skilled nursing facility”.

(b) DEFINITION.—Section 1861 (42 U.S.C. 1395x), as amended by section 642, is amended by adding at the end the following new section:

“Extended Care in Religious Nonmedical Health Care Institutions

“(aaa)(1) The term ‘home health agency’ also includes a religious nonmedical health care institution (as defined in subsection (ss)(1)), but only with respect to items and services ordinarily furnished by such an institution to individuals in their homes, and that are comparable to items and services furnished to individuals by a home health agency that is not religious nonmedical health care institution.

“(2)(A) Subject to subparagraphs (B), payment may be made with respect to services provided by such an institution only to such extent and under such conditions, limitations, and requirements (in addition to or in lieu of the conditions, limitations, and requirements otherwise applicable) as may be provided in regulations consistent with section 1821.

“(B) Notwithstanding any other provision of this title, payment may not be made under subparagraph (A)—

“(i) in a year insofar as such payments exceed \$700,000; and

“(ii) after December 31, 2006.”.

Subtitle B—Graduate Medical Education

SEC. 711. EXTENSION OF UPDATE LIMITATION ON HIGH COST PROGRAMS.

Section 1886(h)(2)(D)(iv) (42 U.S.C. 1395ww(h)(2)(D)(iv)) is amended—

(1) in subclause (I)—

(A) by inserting “AND 2004 THROUGH 2013” after “AND 2002”; and

(B) by inserting “or during the period beginning with fiscal year 2004 and ending with fiscal year 2013” after “during fiscal year 2001 or fiscal year 2002”; and

(2) in subclause (II)—

(A) by striking “fiscal year 2004, or fiscal year 2005,” and

(B) by striking “For a” and inserting “For the”.

42 USC 1395ww
note.

SEC. 712. EXCEPTION TO INITIAL RESIDENCY PERIOD FOR GERIATRIC RESIDENCY OR FELLOWSHIP PROGRAMS.

(a) CLARIFICATION OF CONGRESSIONAL INTENT.—Congress intended section 1886(h)(5)(F)(ii) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(F)(ii)), as added by section 9202 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272), to provide an exception to the initial residency period for geriatric residency or fellowship programs such that, where a particular approved geriatric training program requires a resident to complete 2 years of training to initially become board eligible in the geriatric specialty, the 2 years spent in the geriatric training program are treated as part of the resident’s initial residency period, but are not counted against any limitation on the initial residency period.

(b) INTERIM FINAL REGULATORY AUTHORITY AND EFFECTIVE DATE.—The Secretary shall promulgate interim final regulations consistent with the congressional intent expressed in this section after notice and pending opportunity for public comment to be effective for cost reporting periods beginning on or after October 1, 2003.

42 USC 1395ww
note.
Effective date.
Applicability.

SEC. 713. TREATMENT OF VOLUNTEER SUPERVISION.

(a) MORATORIUM ON CHANGES IN TREATMENT.—During the 1-year period beginning on January 1, 2004, for purposes of applying subsections (d)(5)(B) and (h) of section 1886 of the Social Security Act (42 U.S.C. 1395ww), the Secretary shall allow all hospitals to count residents in osteopathic and allopathic family practice programs in existence as of January 1, 2002, who are training

at non-hospital sites, without regard to the financial arrangement between the hospital and the teaching physician practicing in the non-hospital site to which the resident has been assigned.

(b) **STUDY AND REPORT.**—

(1) **STUDY.**—The Inspector General of the Department of Health and Human Services shall conduct a study of the appropriateness of alternative payment methodologies under such sections for the costs of training residents in non-hospital settings.

(2) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Inspector General shall submit to Congress a report on the study conducted under paragraph (1), together with such recommendations as the Inspector General determines appropriate.

Deadline.

Subtitle C—Chronic Care Improvement

SEC. 721. VOLUNTARY CHRONIC CARE IMPROVEMENT UNDER TRADITIONAL FEE-FOR-SERVICE.

(a) **IN GENERAL.**—Title XVIII is amended by inserting after section 1806 the following new section:

“CHRONIC CARE IMPROVEMENT

“SEC. 1807. (a) **IMPLEMENTATION OF CHRONIC CARE IMPROVEMENT PROGRAMS.**—

42 USC 1395b–8.

“(1) **IN GENERAL.**—The Secretary shall provide for the phased-in development, testing, evaluation, and implementation of chronic care improvement programs in accordance with this section. Each such program shall be designed to improve clinical quality and beneficiary satisfaction and achieve spending targets with respect to expenditures under this title for targeted beneficiaries with one or more threshold conditions.

“(2) **DEFINITIONS.**—For purposes of this section:

“(A) **CHRONIC CARE IMPROVEMENT PROGRAM.**—The term ‘chronic care improvement program’ means a program described in paragraph (1) that is offered under an agreement under subsection (b) or (c).

“(B) **CHRONIC CARE IMPROVEMENT ORGANIZATION.**—The term ‘chronic care improvement organization’ means an entity that has entered into an agreement under subsection (b) or (c) to provide, directly or through contracts with subcontractors, a chronic care improvement program under this section. Such an entity may be a disease management organization, health insurer, integrated delivery system, physician group practice, a consortium of such entities, or any other legal entity that the Secretary determines appropriate to carry out a chronic care improvement program under this section.

“(C) **CARE MANAGEMENT PLAN.**—The term ‘care management plan’ means a plan established under subsection (d) for a participant in a chronic care improvement program.

“(D) **THRESHOLD CONDITION.**—The term ‘threshold condition’ means a chronic condition, such as congestive heart failure, diabetes, chronic obstructive pulmonary disease (COPD), or other diseases or conditions, as selected

by the Secretary as appropriate for the establishment of a chronic care improvement program.

“(E) TARGETED BENEFICIARY.—The term ‘targeted beneficiary’ means, with respect to a chronic care improvement program, an individual who—

“(i) is entitled to benefits under part A and enrolled under part B, but not enrolled in a plan under part C;

“(ii) has one or more threshold conditions covered under such program; and

“(iii) has been identified under subsection (d)(1) as a potential participant in such program.

“(3) CONSTRUCTION.—Nothing in this section shall be construed as—

“(A) expanding the amount, duration, or scope of benefits under this title;

“(B) providing an entitlement to participate in a chronic care improvement program under this section;

“(C) providing for any hearing or appeal rights under section 1869, 1878, or otherwise, with respect to a chronic care improvement program under this section; or

“(D) providing benefits under a chronic care improvement program for which a claim may be submitted to the Secretary by any provider of services or supplier (as defined in section 1861(d)).

Contracts.

“(b) DEVELOPMENTAL PHASE (PHASE I).—

“(1) IN GENERAL.—In carrying out this section, the Secretary shall enter into agreements consistent with subsection (f) with chronic care improvement organizations for the development, testing, and evaluation of chronic care improvement programs using randomized controlled trials. The first such agreement shall be entered into not later than 12 months after the date of the enactment of this section.

Deadline.

“(2) AGREEMENT PERIOD.—The period of an agreement under this subsection shall be for 3 years.

“(3) MINIMUM PARTICIPATION.—

“(A) IN GENERAL.—The Secretary shall enter into agreements under this subsection in a manner so that chronic care improvement programs offered under this section are offered in geographic areas that, in the aggregate, consist of areas in which at least 10 percent of the aggregate number of medicare beneficiaries reside.

“(B) MEDICARE BENEFICIARY DEFINED.—In this paragraph, the term ‘medicare beneficiary’ means an individual who is entitled to benefits under part A, enrolled under part B, or both, and who resides in the United States.

“(4) SITE SELECTION.—In selecting geographic areas in which agreements are entered into under this subsection, the Secretary shall ensure that each chronic care improvement program is conducted in a geographic area in which at least 10,000 targeted beneficiaries reside among other individuals entitled to benefits under part A, enrolled under part B, or both to serve as a control population.

“(5) INDEPENDENT EVALUATIONS OF PHASE I PROGRAMS.—The Secretary shall contract for an independent evaluation of the programs conducted under this subsection. Such evaluation shall be done by a contractor with knowledge of chronic

care management programs and demonstrated experience in the evaluation of such programs. Each evaluation shall include an assessment of the following factors of the programs:

- “(A) Quality improvement measures, such as adherence to evidence-based guidelines and rehospitalization rates.
- “(B) Beneficiary and provider satisfaction.
- “(C) Health outcomes.
- “(D) Financial outcomes, including any cost savings to the program under this title.

“(c) EXPANDED IMPLEMENTATION PHASE (PHASE II).—

“(1) IN GENERAL.—With respect to chronic care improvement programs conducted under subsection (b), if the Secretary finds that the results of the independent evaluation conducted under subsection (b)(6) indicate that the conditions specified in paragraph (2) have been met by a program (or components of such program), the Secretary shall enter into agreements consistent with subsection (f) to expand the implementation of the program (or components) to additional geographic areas not covered under the program as conducted under subsection (b), which may include the implementation of the program on a national basis. Such expansion shall begin not earlier than 2 years after the program is implemented under subsection (b) and not later than 6 months after the date of completion of such program.

Contracts.

Effective date.

“(2) CONDITIONS FOR EXPANSION OF PROGRAMS.—The conditions specified in this paragraph are, with respect to a chronic care improvement program conducted under subsection (b) for a threshold condition, that the program is expected to—

- “(A) improve the clinical quality of care;
- “(B) improve beneficiary satisfaction; and
- “(C) achieve targets for savings to the program under this title specified by the Secretary in the agreement within a range determined to be appropriate by the Secretary, subject to the application of budget neutrality with respect to the program and not taking into account any payments by the organization under the agreement under the program for risk under subsection (f)(3)(B).

“(3) INDEPENDENT EVALUATIONS OF PHASE II PROGRAMS.—The Secretary shall carry out evaluations of programs expanded under this subsection as the Secretary determines appropriate. Such evaluations shall be carried out in the similar manner as is provided under subsection (b)(5).

“(d) IDENTIFICATION AND ENROLLMENT OF PROSPECTIVE PROGRAM PARTICIPANTS.—

“(1) IDENTIFICATION OF PROSPECTIVE PROGRAM PARTICIPANTS.—The Secretary shall establish a method for identifying targeted beneficiaries who may benefit from participation in a chronic care improvement program.

Procedures.

“(2) INITIAL CONTACT BY SECRETARY.—The Secretary shall communicate with each targeted beneficiary concerning participation in a chronic care improvement program. Such communication may be made by the Secretary and shall include information on the following:

- “(A) A description of the advantages to the beneficiary in participating in a program.

“(B) Notification that the organization offering a program may contact the beneficiary directly concerning such participation.

“(C) Notification that participation in a program is voluntary.

“(D) A description of the method for the beneficiary to participate or for declining to participate and the method for obtaining additional information concerning such participation.

“(3) VOLUNTARY PARTICIPATION.—A targeted beneficiary may participate in a chronic care improvement program on a voluntary basis and may terminate participation at any time.

“(e) CHRONIC CARE IMPROVEMENT PROGRAMS.—

“(1) IN GENERAL.—Each chronic care improvement program shall—

“(A) have a process to screen each targeted beneficiary for conditions other than threshold conditions, such as impaired cognitive ability and co-morbidities, for the purposes of developing an individualized, goal-oriented care management plan under paragraph (2);

“(B) provide each targeted beneficiary participating in the program with such plan; and

“(C) carry out such plan and other chronic care improvement activities in accordance with paragraph (3).

“(2) ELEMENTS OF CARE MANAGEMENT PLANS.—A care management plan for a targeted beneficiary shall be developed with the beneficiary and shall, to the extent appropriate, include the following:

“(A) A designated point of contact responsible for communications with the beneficiary and for facilitating communications with other health care providers under the plan.

“(B) Self-care education for the beneficiary (through approaches such as disease management or medical nutrition therapy) and education for primary caregivers and family members.

“(C) Education for physicians and other providers and collaboration to enhance communication of relevant clinical information.

“(D) The use of monitoring technologies that enable patient guidance through the exchange of pertinent clinical information, such as vital signs, symptomatic information, and health self-assessment.

“(E) The provision of information about hospice care, pain and palliative care, and end-of-life care.

“(3) CONDUCT OF PROGRAMS.—In carrying out paragraph (1)(C) with respect to a participant, the chronic care improvement organization shall—

“(A) guide the participant in managing the participant’s health (including all co-morbidities, relevant health care services, and pharmaceutical needs) and in performing activities as specified under the elements of the care management plan of the participant;

“(B) use decision-support tools such as evidence-based practice guidelines or other criteria as determined by the Secretary; and

“(C) develop a clinical information database to track and monitor each participant across settings and to evaluate outcomes.

“(4) ADDITIONAL RESPONSIBILITIES.—

“(A) OUTCOMES REPORT.—Each chronic care improvement organization offering a chronic care improvement program shall monitor and report to the Secretary, in a manner specified by the Secretary, on health care quality, cost, and outcomes.

“(B) ADDITIONAL REQUIREMENTS.—Each such organization and program shall comply with such additional requirements as the Secretary may specify.

“(5) ACCREDITATION.—The Secretary may provide that chronic care improvement programs and chronic care improvement organizations that are accredited by qualified organizations (as defined by the Secretary) may be deemed to meet such requirements under this section as the Secretary may specify.

“(f) TERMS OF AGREEMENTS.—

“(1) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—An agreement under this section with a chronic care improvement organization shall contain such terms and conditions as the Secretary may specify consistent with this section.

“(B) CLINICAL, QUALITY IMPROVEMENT, AND FINANCIAL REQUIREMENTS.—The Secretary may not enter into an agreement with such an organization under this section for the operation of a chronic care improvement program unless—

“(i) the program and organization meet the requirements of subsection (e) and such clinical, quality improvement, financial, and other requirements as the Secretary deems to be appropriate for the targeted beneficiaries to be served; and

“(ii) the organization demonstrates to the satisfaction of the Secretary that the organization is able to assume financial risk for performance under the agreement (as applied under paragraph (3)(B)) with respect to payments made to the organization under such agreement through available reserves, reinsurance, withholds, or such other means as the Secretary determines appropriate.

“(2) MANNER OF PAYMENT.—Subject to paragraph (3)(B), the payment under an agreement under—

“(A) subsection (b) shall be computed on a per-member per-month basis; or

“(B) subsection (c) may be on a per-member per-month basis or such other basis as the Secretary and organization may agree.

“(3) APPLICATION OF PERFORMANCE STANDARDS.—

“(A) SPECIFICATION OF PERFORMANCE STANDARDS.—Each agreement under this section with a chronic care improvement organization shall specify performance standards for each of the factors specified in subsection (c)(2), including clinical quality and spending targets under this title, against which the performance of the chronic care

improvement organization under the agreement is measured.

“(B) ADJUSTMENT OF PAYMENT BASED ON PERFORMANCE.—

“(i) IN GENERAL.—Each such agreement shall provide for adjustments in payment rates to an organization under the agreement insofar as the Secretary determines that the organization failed to meet the performance standards specified in the agreement under subparagraph (A).

“(ii) FINANCIAL RISK FOR PERFORMANCE.—In the case of an agreement under subsection (b) or (c), the agreement shall provide for a full recovery for any amount by which the fees paid to the organization under the agreement exceed the estimated savings to the programs under this title attributable to implementation of such agreement.

“(4) BUDGET NEUTRAL PAYMENT CONDITION.—Under this section, the Secretary shall ensure that the aggregate sum of medicare program benefit expenditures for beneficiaries participating in chronic care improvement programs and funds paid to chronic care improvement organizations under this section, shall not exceed the medicare program benefit expenditures that the Secretary estimates would have been made for such targeted beneficiaries in the absence of such programs.

“(g) FUNDING.—(1) Subject to paragraph (2), there are appropriated to the Secretary, in appropriate part from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, such sums as may be necessary to provide for agreements with chronic care improvement programs under this section.

“(2) In no case shall the funding under this section exceed \$100,000,000 in aggregate increased expenditures under this title (after taking into account any savings attributable to the operation of this section) over the 3-fiscal-year period beginning on October 1, 2003.”.

Deadlines.
42 USC 1395b-8
note.

(b) REPORTS.—The Secretary shall submit to Congress reports on the operation of section 1807 of the Social Security Act, as added by subsection (a), as follows:

(1) Not later than 2 years after the date of the implementation of such section, the Secretary shall submit to Congress an interim report on the scope of implementation of the programs under subsection (b) of such section, the design of the programs, and preliminary cost and quality findings with respect to those programs based on the following measures of the programs:

(A) Quality improvement measures, such as adherence to evidence-based guidelines and rehospitalization rates.

(B) Beneficiary and provider satisfaction.

(C) Health outcomes.

(D) Financial outcomes.

(2) Not later than 3 years and 6 months after the date of the implementation of such section the Secretary shall submit to Congress an update to the report required under paragraph (1) on the results of such programs.

(3) The Secretary shall submit to Congress 2 additional biennial reports on the chronic care improvement programs

conducted under such section. The first such report shall be submitted not later than 2 years after the report is submitted under paragraph (2). Each such report shall include information on—

- (A) the scope of implementation (in terms of both regions and chronic conditions) of the chronic care improvement programs;
- (B) the design of the programs; and
- (C) the improvements in health outcomes and financial efficiencies that result from such implementation.

SEC. 722. MEDICARE ADVANTAGE QUALITY IMPROVEMENT PROGRAMS.

(a) IN GENERAL.—Section 1852(e) (42 U.S.C. 1395w–22(e)) is amended—

(1) in the heading, by striking “ASSURANCE” and inserting “IMPROVEMENT”;

(2) by amending paragraphs (1) through (3) to read as follows:

“(1) IN GENERAL.—Each MA organization shall have an ongoing quality improvement program for the purpose of improving the quality of care provided to enrollees in each MA plan offered by such organization (other than an MA private fee-for-service plan or an MSA plan).

“(2) CHRONIC CARE IMPROVEMENT PROGRAMS.—As part of the quality improvement program under paragraph (1), each MA organization shall have a chronic care improvement program. Each chronic care improvement program shall have a method for monitoring and identifying enrollees with multiple or sufficiently severe chronic conditions that meet criteria established by the organization for participation under the program.

“(3) DATA.—

“(A) COLLECTION, ANALYSIS, AND REPORTING.—

“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii) with respect to plans described in such clauses and subject to subparagraph (B), as part of the quality improvement program under paragraph (1), each MA organization shall provide for the collection, analysis, and reporting of data that permits the measurement of health outcomes and other indices of quality.

“(ii) APPLICATION TO MA REGIONAL PLANS.—The Secretary shall establish as appropriate by regulation requirements for the collection, analysis, and reporting of data that permits the measurement of health outcomes and other indices of quality for MA organizations with respect to MA regional plans. Such requirements may not exceed the requirements under this subparagraph with respect to MA local plans that are preferred provider organization plans.

“(iii) APPLICATION TO PREFERRED PROVIDER ORGANIZATIONS.—Clause (i) shall apply to MA organizations with respect to MA local plans that are preferred provider organization plans only insofar as services are furnished by providers or services, physicians, and other health care practitioners and suppliers that have contracts with such organization to furnish services under such plans.

Regulations.

“(iv) DEFINITION OF PREFERRED PROVIDER ORGANIZATION PLAN.—In this subparagraph, the term ‘preferred provider organization plan’ means an MA plan that—

“(I) has a network of providers that have agreed to a contractually specified reimbursement for covered benefits with the organization offering the plan;

“(II) provides for reimbursement for all covered benefits regardless of whether such benefits are provided within such network of providers; and

“(III) is offered by an organization that is not licensed or organized under State law as a health maintenance organization.

“(B) LIMITATIONS.—

“(i) TYPES OF DATA.—The Secretary shall not collect under subparagraph (A) data on quality, outcomes, and beneficiary satisfaction to facilitate consumer choice and program administration other than the types of data that were collected by the Secretary as of November 1, 2003.

“(ii) CHANGES IN TYPES OF DATA.—Subject to subclause (iii), the Secretary may only change the types of data that are required to be submitted under subparagraph (A) after submitting to Congress a report on the reasons for such changes that was prepared in consultation with MA organizations and private accrediting bodies.

“(iii) CONSTRUCTION.—Nothing in the subsection shall be construed as restricting the ability of the Secretary to carry out the duties under section 1851(d)(4)(D).”;

(3) in paragraph (4)(B)—

(A) by amending clause (i) to read as follows:

“(i) Paragraphs (1) through (3) of this subsection (relating to quality improvement programs).”; and

(B) by adding at the end the following new clause:

“(vii) The requirements described in section 1860D–4(j), to the extent such requirements apply under section 1860D–21(c).”; and

(4) by striking paragraph (5).

(b) CONFORMING AMENDMENT.—Section 1852(c)(1)(I) (42 U.S.C. 1395w–22(c)(1)(I)) is amended to read as follows:

“(I) QUALITY IMPROVEMENT PROGRAM.—A description of the organization’s quality improvement program under subsection (e).”.

42 USC
1395w–22 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contract years beginning on and after January 1, 2006.

42 USC 1395b–8
note.

SEC. 723. CHRONICALLY ILL MEDICARE BENEFICIARY RESEARCH, DATA, DEMONSTRATION STRATEGY.

Deadline.

(a) DEVELOPMENT OF PLAN.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall develop a plan to improve quality of care and reduce the cost of care for chronically ill medicare beneficiaries.

(b) **PLAN REQUIREMENTS.**—The plan will utilize existing data and identify data gaps, develop research initiatives, and propose intervention demonstration programs to provide better health care for chronically ill medicare beneficiaries. The plan shall—

(1) integrate existing data sets including, the Medicare Current Beneficiary Survey (MCBS), Minimum Data Set (MDS), Outcome and Assessment Information Set (OASIS), data from Quality Improvement Organizations (QIO), and claims data;

(2) identify any new data needs and a methodology to address new data needs;

(3) plan for the collection of such data in a data warehouse; and

(4) develop a research agenda using such data.

(c) **CONSULTATION.**—In developing the plan under this section, the Secretary shall consult with experts in the fields of care for the chronically ill (including clinicians).

(d) **IMPLEMENTATION.**—Not later than 2 years after the date of the enactment of this Act, the Secretary shall implement the plan developed under this section. The Secretary may contract with appropriate entities to implement such plan.

Deadline.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary such sums as may be necessary in fiscal years 2004 and 2005 to carry out this section.

Subtitle D—Other Provisions

SEC. 731. IMPROVEMENTS IN NATIONAL AND LOCAL COVERAGE DETERMINATION PROCESS TO RESPOND TO CHANGES IN TECHNOLOGY.

(a) **NATIONAL AND LOCAL COVERAGE DETERMINATION PROCESS.**—

(1) **IN GENERAL.**—Section 1862 (42 U.S.C. 1395y), as amended by sections 948 and 950, is amended—

(A) in the third sentence of subsection (a), by inserting “consistent with subsection (1)” after “the Secretary shall ensure”; and

(B) by adding at the end the following new subsection:

“(1) **NATIONAL AND LOCAL COVERAGE DETERMINATION PROCESS.**—

“(1) **FACTORS AND EVIDENCE USED IN MAKING NATIONAL COVERAGE DETERMINATIONS.**—The Secretary shall make available to the public the factors considered in making national coverage determinations of whether an item or service is reasonable and necessary. The Secretary shall develop guidance documents to carry out this paragraph in a manner similar to the development of guidance documents under section 701(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371(h)).

Public information.

Guidelines.

“(2) **TIMEFRAME FOR DECISIONS ON REQUESTS FOR NATIONAL COVERAGE DETERMINATIONS.**—In the case of a request for a national coverage determination that—

Deadlines.

“(A) does not require a technology assessment from an outside entity or deliberation from the Medicare Coverage Advisory Committee, the decision on the request shall be made not later than 6 months after the date of the request; or

“(B) requires such an assessment or deliberation and in which a clinical trial is not requested, the decision on the request shall be made not later than 9 months after the date of the request.

Deadlines.

“(3) PROCESS FOR PUBLIC COMMENT IN NATIONAL COVERAGE DETERMINATIONS.—

“(A) PERIOD FOR PROPOSED DECISION.—Not later than the end of the 6-month period (or 9-month period for requests described in paragraph (2)(B)) that begins on the date a request for a national coverage determination is made, the Secretary shall make a draft of proposed decision on the request available to the public through the Internet website of the Centers for Medicare & Medicaid Services or other appropriate means.

“(B) 30-DAY PERIOD FOR PUBLIC COMMENT.—Beginning on the date the Secretary makes a draft of the proposed decision available under subparagraph (A), the Secretary shall provide a 30-day period for public comment on such draft.

“(C) 60-DAY PERIOD FOR FINAL DECISION.—Not later than 60 days after the conclusion of the 30-day period referred to under subparagraph (B), the Secretary shall—

“(i) make a final decision on the request;

“(ii) include in such final decision summaries of the public comments received and responses to such comments;

“(iii) make available to the public the clinical evidence and other data used in making such a decision when the decision differs from the recommendations of the Medicare Coverage Advisory Committee; and

“(iv) in the case of a final decision under clause (i) to grant the request for the national coverage determination, the Secretary shall assign a temporary or permanent code (whether existing or unclassified) and implement the coding change.

“(4) CONSULTATION WITH OUTSIDE EXPERTS IN CERTAIN NATIONAL COVERAGE DETERMINATIONS.—With respect to a request for a national coverage determination for which there is not a review by the Medicare Coverage Advisory Committee, the Secretary shall consult with appropriate outside clinical experts.

“(5) LOCAL COVERAGE DETERMINATION PROCESS.—

“(A) PLAN TO PROMOTE CONSISTENCY OF COVERAGE DETERMINATIONS.—The Secretary shall develop a plan to evaluate new local coverage determinations to determine which determinations should be adopted nationally and to what extent greater consistency can be achieved among local coverage determinations.

“(B) CONSULTATION.—The Secretary shall require the fiscal intermediaries or carriers providing services within the same area to consult on all new local coverage determinations within the area.

“(C) DISSEMINATION OF INFORMATION.—The Secretary should serve as a center to disseminate information on local coverage determinations among fiscal intermediaries and carriers to reduce duplication of effort.

“(6) NATIONAL AND LOCAL COVERAGE DETERMINATION DEFINED.—For purposes of this subsection—

“(A) NATIONAL COVERAGE DETERMINATION.—The term ‘national coverage determination’ means a determination by the Secretary with respect to whether or not a particular item or service is covered nationally under this title.

“(B) LOCAL COVERAGE DETERMINATION.—The term ‘local coverage determination’ has the meaning given that in section 1869(f)(2)(B).”.

(2) EFFECTIVE DATE.—The amendments made by paragraph

42 USC 1395y
note.

(1) shall apply to national coverage determinations as of January 1, 2004, and section 1862(1)(5) of the Social Security Act, as added by such paragraph, shall apply to local coverage determinations made on or after July 1, 2004.

(b) MEDICARE COVERAGE OF ROUTINE COSTS ASSOCIATED WITH CERTAIN CLINICAL TRIALS OF CATEGORY A DEVICES.—

(1) IN GENERAL.—Section 1862 (42 U.S.C. 1395y), as amended by subsection (a), is amended by adding at the end the following new subsection:

“(m) COVERAGE OF ROUTINE COSTS ASSOCIATED WITH CERTAIN CLINICAL TRIALS OF CATEGORY A DEVICES.—

“(1) IN GENERAL.—In the case of an individual entitled to benefits under part A, or enrolled under part B, or both who participates in a category A clinical trial, the Secretary shall not exclude under subsection (a)(1) payment for coverage of routine costs of care (as defined by the Secretary) furnished to such individual in the trial.

“(2) CATEGORY A CLINICAL TRIAL.—For purposes of paragraph (1), a ‘category A clinical trial’ means a trial of a medical device if—

“(A) the trial is of an experimental/investigational (category A) medical device (as defined in regulations under section 405.201(b) of title 42, Code of Federal Regulations (as in effect as of September 1, 2003));

“(B) the trial meets criteria established by the Secretary to ensure that the trial conforms to appropriate scientific and ethical standards; and

“(C) in the case of a trial initiated before January 1, 2010, the device involved in the trial has been determined by the Secretary to be intended for use in the diagnosis, monitoring, or treatment of an immediately life-threatening disease or condition.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph

42 USC 1395y
note.

(1) shall apply to routine costs incurred on and after January 1, 2005, and, as of such date, section 411.15(o) of title 42, Code of Federal Regulations, is superseded to the extent inconsistent with section 1862(m) of the Social Security Act, as added by such paragraph.

(3) RULE OF CONSTRUCTION.—Nothing in the amendment made by paragraph (1) shall be construed as applying to, or affecting, coverage or payment for a nonexperimental/investigational (category B) device.

42 USC 1395y
note.

(c) ISSUANCE OF TEMPORARY NATIONAL CODES.—Not later than July 1, 2004, the Secretary shall implement revised procedures for the issuance of temporary national HCPCS codes under part B of title XVIII of the Social Security Act.

Deadlines.
Procedures.
42 USC 1395u
note.

SEC. 732. EXTENSION OF TREATMENT OF CERTAIN PHYSICIAN PATHOLOGY SERVICES UNDER MEDICARE.42 USC 1395w–4
note.

Section 542(c) of BIPA (114 Stat. 2763A–551) is amended by inserting “, and for services furnished during 2005 and 2006” before the period at the end.

42 USC 1395l
note.**SEC. 733. PAYMENT FOR PANCREATIC ISLET CELL INVESTIGATIONAL TRANSPLANTS FOR MEDICARE BENEFICIARIES IN CLINICAL TRIALS.****(a) CLINICAL TRIAL.—**

(1) **IN GENERAL.**—The Secretary, acting through the National Institute of Diabetes and Digestive and Kidney Disorders, shall conduct a clinical investigation of pancreatic islet cell transplantation which includes medicare beneficiaries.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary such sums as may be necessary to conduct the clinical investigation under paragraph (1).

Effective date.

(b) **MEDICARE PAYMENT.**—Not earlier than October 1, 2004, the Secretary shall pay for the routine costs as well as transplantation and appropriate related items and services (as described in subsection (c)) in the case of medicare beneficiaries who are participating in a clinical trial described in subsection (a) as if such transplantation were covered under title XVIII of such Act and as would be paid under part A or part B of such title for such beneficiary.

(c) SCOPE OF PAYMENT.—For purposes of subsection (b):

(1) The term “routine costs” means reasonable and necessary routine patient care costs (as defined in the Centers for Medicare & Medicaid Services Coverage Issues Manual, section 30–1), including immunosuppressive drugs and other followup care.

(2) The term “transplantation and appropriate related items and services” means items and services related to the acquisition and delivery of the pancreatic islet cell transplantation, notwithstanding any national noncoverage determination contained in the Centers for Medicare & Medicaid Services Coverage Issues Manual.

(3) The term “medicare beneficiary” means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act, or enrolled under part B of such title, or both.

(d) CONSTRUCTION.—The provisions of this section shall not be construed—

(1) to permit payment for partial pancreatic tissue or islet cell transplantation under title XVIII of the Social Security Act other than payment as described in subsection (b); or

(2) as authorizing or requiring coverage or payment conveying—

(A) benefits under part A of such title to a beneficiary not entitled to such part A; or

(B) benefits under part B of such title to a beneficiary not enrolled in such part B.

42 USC 1395i
note.**SEC. 734. RESTORATION OF MEDICARE TRUST FUNDS.****(a) DEFINITIONS.**—In this section:

(1) CLERICAL ERROR.—The term “clerical error” means a failure that occurs on or after April 15, 2001, to have transferred the correct amount from the general fund of the Treasury to a Trust Fund.

(2) TRUST FUND.—The term “Trust Fund” means the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal Supplementary Medical Insurance Trust Fund established under section 1841 of such Act (42 U.S.C. 1395t).

(b) CORRECTION OF TRUST FUND HOLDINGS.—

(1) IN GENERAL.—The Secretary of the Treasury shall take the actions described in paragraph (2) with respect to the Trust Fund with the goal being that, after such actions are taken, the holdings of the Trust Fund will replicate, to the extent practicable in the judgment of the Secretary of the Treasury, in consultation with the Secretary, the holdings that would have been held by the Trust Fund if the clerical error involved had not occurred.

(2) OBLIGATIONS ISSUED AND REDEEMED.—The Secretary of the Treasury shall—

(A) issue to the Trust Fund obligations under chapter 31 of title 31, United States Code, that bear issue dates, interest rates, and maturity dates that are the same as those for the obligations that—

(i) would have been issued to the Trust Fund if the clerical error involved had not occurred; or

(ii) were issued to the Trust Fund and were redeemed by reason of the clerical error involved; and

(B) redeem from the Trust Fund obligations that would have been redeemed from the Trust Fund if the clerical error involved had not occurred.

(c) APPROPRIATION.—There is appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, an amount determined by the Secretary of the Treasury, in consultation with the Secretary, to be equal to the interest income lost by the Trust Fund through the date on which the appropriation is being made as a result of the clerical error involved.

(d) CONGRESSIONAL NOTICE.—In the case of a clerical error that occurs after April 15, 2001, the Secretary of the Treasury, before taking action to correct the error under this section, shall notify the appropriate committees of Congress concerning such error and the actions to be taken under this section in response to such error.

(e) DEADLINE.—With respect to the clerical error that occurred on April 15, 2001, not later than 120 days after the date of the enactment of this Act—

(1) the Secretary of the Treasury shall take the actions under subsection (b)(1); and

(2) the appropriation under subsection (c) shall be made.

SEC. 735. MODIFICATIONS TO MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC).

(a) EXAMINATION OF BUDGET CONSEQUENCES.—Section 1805(b) (42 U.S.C. 1395b–6(b)) is amended by adding at the end the following new paragraph:

“(8) EXAMINATION OF BUDGET CONSEQUENCES.—Before making any recommendations, the Commission shall examine

the budget consequences of such recommendations, directly or through consultation with appropriate expert entities.”.

(b) CONSIDERATION OF EFFICIENT PROVISION OF SERVICES.—Section 1805(b)(2)(B)(i) (42 U.S.C. 1395b-6(b)(2)(B)(i)) is amended by inserting “the efficient provision of” after “expenditures for”.

(c) APPLICATION OF DISCLOSURE REQUIREMENTS.—

(1) IN GENERAL.—Section 1805(c)(2)(D) (42 U.S.C. 1395b-6(c)(2)(D)) is amended by adding at the end the following: “Members of the Commission shall be treated as employees of Congress for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95-521).”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 2004.

(d) ADDITIONAL REPORTS.—

(1) DATA NEEDS AND SOURCES.—The Medicare Payment Advisory Commission shall conduct a study, and submit a report to Congress by not later than June 1, 2004, on the need for current data, and sources of current data available, to determine the solvency and financial circumstances of hospitals and other medicare providers of services.

(2) USE OF TAX-RELATED RETURNS.—Using return information provided under Form 990 of the Internal Revenue Service, the Commission shall submit to Congress, by not later than June 1, 2004, a report on the following:

(A) Investments, endowments, and fundraising of hospitals participating under the medicare program and related foundations.

(B) Access to capital financing for private and for not-for-profit hospitals.

(e) REPRESENTATION OF EXPERTS IN PRESCRIPTION DRUGS.—

(1) IN GENERAL.—Section 1805(c)(2)(B) (42 U.S.C. 1395b-6(c)(2)(B)) is amended by inserting “experts in the area of pharmaco-economics or prescription drug benefit programs,” after “other health professionals,”.

(2) APPOINTMENT.—The Comptroller General of the United States shall ensure that the membership of the Commission complies with the amendment made by paragraph (1) with respect to appointments made on or after the date of the enactment of this Act.

SEC. 736. TECHNICAL AMENDMENTS.

(a) PART A.—(1) Section 1814(a) (42 U.S.C. 1395f(a)) is amended—

(A) by striking the seventh sentence, as added by section 322(a)(1) of BIPA (114 Stat. 2763A-501); and

(B) in paragraph (7)(A)—

(i) in clause (i), by inserting before the comma at the end the following: “based on the physician’s or medical director’s clinical judgment regarding the normal course of the individual’s illness”; and

(ii) in clause (ii), by inserting before the semicolon at the end the following: “based on such clinical judgment”.

(2) Section 1814(b) (42 U.S.C. 1395f(b)), in the matter preceding paragraph (1), is amended by inserting a comma after “1813”.

(3) Section 1815(e)(1)(B) (42 U.S.C. 1395g(e)(1)(B)), in the matter preceding clause (i), is amended by striking “of hospital” and inserting “of a hospital”.

42 USC 1395b-6
note.

Deadlines.

42 USC 1395b-6
note.

(4) Section 1816(c)(2)(B)(ii) (42 U.S.C. 1395h(c)(2)(B)(ii)) is amended—

(A) by striking “and” at the end of subclause (III); and

(B) by striking the period at the end of subclause (IV) and inserting “, and”.

(5) Section 1817(k)(3)(A) (42 U.S.C. 1395i(k)(3)(A)) is amended—

(A) in clause (i)(I), by striking the comma at the end and inserting a semicolon; and

(B) in clause (ii), by striking “the Medicare and medicaid programs” and inserting “the programs under this title and title XIX”.

(6) Section 1817(k)(6)(B) (42 U.S.C. 1395i(k)(6)(B)) is amended by striking “Medicare program under title XVIII” and inserting “program under this title”.

(7) Section 1818 (42 U.S.C. 1395i–2) is amended—

(A) in subsection (d)(6)(A) is amended by inserting “of such Code” after “3111(b)”; and

(B) in subsection (g)(2)(B) is amended by striking “subsection (b).” and inserting “subsection (b)”.

(8) Section 1819 (42 U.S.C. 1395i–3) is amended—

(A) in subsection (b)(4)(C)(i), by striking “at least at least” and inserting “at least”; and

(B) in subsection (d)(1)(A), by striking “physical mental” and inserting “physical, mental”; and

(C) in subsection (f)(2)(B)(iii), by moving the last sentence 2 ems to the left.

(9) Section 1886(b)(3)(I)(i)(I) (42 U.S.C. 1395ww(b)(3)(I)(i)(I)) is amended by striking “the the” and inserting “the”.

(10) The heading of subsection (mm) of section 1861 (42 U.S.C. 1395x) is amended to read as follows:

“Critical Access Hospital; Critical Access Hospital Services”.

(11) Paragraphs (1) and (2) of section 1861(tt) (42 U.S.C. 1395x(tt)) are each amended by striking “rural primary care” and inserting “critical access”.

(12) Section 1865(b)(3)(B) (42 U.S.C. 1395bb(b)(3)(B)) is amended by striking “section 1819 and 1861(j)” and inserting “sections 1819 and 1861(j)”.

(13) Section 1866(b)(2) (42 U.S.C. 1395cc(b)(2)) is amended by moving subparagraph (D) 2 ems to the left.

(14) Section 1867 (42 U.S.C. 1395dd) is amended—

(A) in the matter following clause (ii) of subsection (d)(1)(B), by striking “is is” and inserting “is”;

(B) in subsection (e)(1)(B), by striking “a pregnant women” and inserting “a pregnant woman”; and

(C) in subsection (e)(2), by striking “means hospital” and inserting “means a hospital”.

(15) Section 1886(g)(3)(B) (42 U.S.C. 1395ww(g)(3)(B)) is amended by striking “(as defined in subsection (d)(5)(D)(iii))” and inserting “(as defined in subsection (d)(5)(D)(iii))”.

(b) PART B.—(1) Section 1833(h)(5)(D) (42 U.S.C. 1395l(h)(5)(D)) is amended by striking “clinic,” and inserting “clinic”.

(2) Section 1833(t)(3)(C)(ii) (42 U.S.C. 1395l(t)(3)(C)(ii)) is amended by striking “clause (iii)” and inserting “clause (iv)”.

(3) Section 1861(v)(1)(S)(ii)(III) (42 U.S.C. 1395x(v)(1)(S)(ii)(III)) is amended by striking “(as defined in section 1886(d)(5)(D)(iii))” and inserting “(as defined in section 1886(d)(5)(D)(iii))”.

(4) Section 1834(b)(4)(D)(iv) (42 U.S.C. 1395m(b)(4)(D)(iv)) is amended by striking “clauses (vi)” and inserting “clause (vi)”.

(5) Section 1834(m)(4)(C)(ii)(III) (42 U.S.C. 1395m(m)(4)(C)(ii)(III)) is amended by striking “1861(aa)(s)” and inserting “1861(aa)(2)”.

(6) Section 1838(a)(1) (42 U.S.C. 1395q(a)(1)) is amended by inserting a comma after “1966”.

(7) The second sentence of section 1839(a)(4) (42 U.S.C. 1395r(a)(4)) is amended by striking “which will” and inserting “will”.

(8) Section 1842(c)(2)(B)(ii) (42 U.S.C. 1395u(c)(2)(B)(ii)) is amended—

(A) by striking “and” at the end of subclause (III); and

(B) by striking the period at the end of subclause (IV) and inserting “, and”.

(9) Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended by striking “services, a physician” and inserting “services, to a physician”.

(10) Section 1848(i)(3)(A) (42 U.S.C. 1395w-4(i)(3)(A)) is amended by striking “a comparable services” and inserting “comparable services”.

(11) Section 1861(s)(2)(K)(i) (42 U.S.C. 1395x(s)(2)(K)(i)) is amended by striking “, and but” and inserting “, but”.

(12) Section 1861(aa)(1)(B) (42 U.S.C. 1395x(aa)(1)(B)) is amended by striking “,” and inserting a comma.

(13) Section 128(b)(2) of BIPA (114 Stat. 2763A-480) is amended by striking “Not later than” and inserting “Not later than” each place it appears.

(c) PARTS A AND B.—(1) Section 1812(a)(3) (42 U.S.C. 1395d(a)(3)) is amended—

(A) by striking “for individuals not” and inserting “in the case of individuals not”; and

(B) by striking “for individuals so” and inserting “in the case of individuals so”.

(2)(A) Section 1814(a) (42 U.S.C. 1395f(a)) is amended in the sixth sentence by striking “leave home,” and inserting “leave home and”.

(B) Section 1835(a) (42 U.S.C. 1395n(a)) is amended in the seventh sentence by striking “leave home,” and inserting “leave home and”.

(3) Section 1891(d)(1) (42 U.S.C. 1395bbb(d)(1)) is amended by striking “subsection (c)(2)(C)(I)” and inserting “subsection (c)(2)(C)(i)(I)”.

(4) Section 1861(v) (42 U.S.C. 1395x(v)) is amended by moving paragraph (8) (including clauses (i) through (v) of such paragraph) 2 ems to the left.

(5) Section 1866B(b)(7)(D) (42 U.S.C. 1395cc-2(b)(7)(D)) is amended by striking “(c)(2)(A)(ii)” and inserting “(c)(2)(B)”.

(6) Section 1886(h)(3)(D)(ii)(III) (42 U.S.C. 1395ww(h)(3)(D)(ii)(III)) is amended by striking “and” after the comma at the end.

(7) Section 1893(a) (42 U.S.C. 1395ddd(a)) is amended by striking “Medicare program” and inserting “medicare program”.

(8) Section 1896(b)(4) (42 U.S.C. 1395ggg(b)(4)) is amended by striking “701(f)” and inserting “712(f)”.

42 USC 1395b-1
note.

(d) PART C.—(1) Section 1853 (42 U.S.C. 1395w–23), as amended by section 607 of BIPA (114 Stat. 2763A–558), is amended—

(A) in subsection (a)(3)(C)(ii), by striking “clause (iii)” and inserting “clause (iv)”;

(B) in subsection (a)(3)(C), by redesignating the clause (iii) added by such section 607 as clause (iv); and

(C) in subsection (c)(5), by striking “(a)(3)(C)(iii)” and inserting “(a)(3)(C)(iv)”.

(2) Section 1876 (42 U.S.C. 1395mm) is amended—

(A) in subsection (c)(2)(B), by striking “signifcant” and inserting “significant”; and

(B) in subsection (j)(2), by striking “this setion” and inserting “this section”.

(e) MEDIGAP.—Section 1882 (42 U.S.C. 1395ss) is amended—

(1) in subsection (d)(3)(A)(i)(II), by striking “plan a medicare supplemental policy” and inserting “plan, a medicare supplemental policy”;

(2) in subsection (d)(3)(B)(iii)(II), by striking “to the best of the issuer or seller’s knowledge” and inserting “to the best of the issuer’s or seller’s knowledge”;

(3) in subsection (g)(2)(A), by striking “medicare supplement policies” and inserting “medicare supplemental policies”;

(4) in subsection (p)(2)(B), by striking “, and” and inserting “; and”; and

(5) in subsection (s)(3)(A)(iii), by striking “pre-existing” and inserting “preexisting”.

TITLE VIII—COST CONTAINMENT

Subtitle A—Cost Containment

SEC. 801. INCLUSION IN ANNUAL REPORT OF MEDICARE TRUSTEES OF INFORMATION ON STATUS OF MEDICARE TRUST FUNDS.

42 USC 1395i
note.

(a) DETERMINATIONS OF EXCESS GENERAL REVENUE MEDICARE FUNDING.—

(1) IN GENERAL.—The Board of Trustees of each medicare trust fund shall include in the annual reports submitted under subsection (b)(2) of sections 1817 and 1841 of the Social Security Act (42 U.S.C. 1395i and 1395t)—

(A) the information described in subsection (b); and

(B) a determination as to whether there is projected to be excess general revenue medicare funding (as defined in subsection (c)) for the fiscal year in which the report is submitted or for any of the succeeding 6 fiscal years.

(2) MEDICARE FUNDING WARNING.—For purposes of section 1105(h) of title 31, United States Code, and this subtitle, an affirmative determination under paragraph (1)(B) in 2 consecutive annual reports shall be treated as a medicare funding warning in the year in which the second such report is made.

(3) 7-FISCAL-YEAR REPORTING PERIOD.—For purposes of this subtitle, the term “7-fiscal-year reporting period” means, with respect to a year in which an annual report described in paragraph (1) is made, the period of 7 consecutive fiscal years beginning with the fiscal year in which the report is submitted.

(b) INFORMATION.—The information described in this subsection for an annual report in a year is as follows:

(1) PROJECTIONS OF GROWTH OF GENERAL REVENUE SPENDING.—A statement of the general revenue medicare funding as a percentage of the total medicare outlays for each of the following:

(A) Each fiscal year within the 7-fiscal-year reporting period.

(B) Previous fiscal years and as of 10, 50, and 75 years after such year.

(2) COMPARISON WITH OTHER GROWTH TRENDS.—A comparison of the trend of such percentages with the annual growth rate in the following:

(A) The gross domestic product.

(B) Private health costs.

(C) National health expenditures.

(D) Other appropriate measures.

(3) PART D SPENDING.—Expenditures, including trends in expenditures, under part D of title XVIII of the Social Security Act, as added by section 101.

(4) COMBINED MEDICARE TRUST FUND ANALYSIS.—A financial analysis of the combined medicare trust funds if general revenue medicare funding were limited to the percentage specified in subsection (c)(1)(B) of total medicare outlays.

(c) DEFINITIONS.—For purposes of this section:

(1) EXCESS GENERAL REVENUE MEDICARE FUNDING.—The term “excess general revenue medicare funding” means, with respect to a fiscal year, that—

(A) general revenue medicare funding (as defined in paragraph (2)), expressed as a percentage of total medicare outlays (as defined in paragraph (4)) for the fiscal year; exceeds

(B) 45 percent.

(2) GENERAL REVENUE MEDICARE FUNDING.—The term “general revenue medicare funding” means for a year—

(A) the total medicare outlays (as defined in paragraph (4)) for the year; minus

(B) the dedicated medicare financing sources (as defined in paragraph (3)) for the year.

(3) DEDICATED MEDICARE FINANCING SOURCES.—The term “dedicated medicare financing sources” means the following:

(A) HOSPITAL INSURANCE TAX.—Amounts appropriated to the Hospital Insurance Trust Fund under the third sentence of section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) and amounts transferred to such Trust Fund under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(2)).

(B) TAXATION OF CERTAIN OASDI BENEFITS.—Amounts appropriated to the Hospital Insurance Trust Fund under section 121(e)(1)(B) of the Social Security Amendments of 1983 (Public Law 98-21), as inserted by section 13215(c) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66).

(C) STATE TRANSFERS.—The State share of amounts paid to the Federal Government by a State under section 1843 of the Social Security Act (42 U.S.C. 1395v) or pursuant to section 1935(c) of such Act.

(D) PREMIUMS.—The following premiums:

(i) PART A.—Premiums paid by non-Federal sources under sections 1818 and section 1818A (42 U.S.C. 1395i–2 and 1395i–2a) of such Act.

(ii) PART B.—Premiums paid by non-Federal sources under section 1839 of such Act (42 U.S.C. 1395r), including any adjustments in premiums under such section.

(iii) PART D.—Monthly beneficiary premiums paid under part D of title XVIII of such Act, as added by section 101, and MA monthly prescription drug beneficiary premiums paid under part C of such title insofar as they are attributable to basic prescription drug coverage.

Premiums under clauses (ii) and (iii) shall be determined without regard to any reduction in such premiums attributable to a beneficiary rebate under section 1854(b)(1)(C) of such title, as amended by section 222(b)(1), and premiums under clause (iii) are deemed to include any amounts paid under section 1860D–13(b) of such title, as added by section 101.

(E) GIFTS.—Amounts received by the medicare trust funds under section 201(i) of the Social Security Act (42 U.S.C. 401(i)).

(4) TOTAL MEDICARE OUTLAYS.—The term “total medicare outlays” means total outlays from the medicare trust funds and shall—

(A) include payments made to plans under part C of title XVIII of the Social Security Act that are attributable to any rebates under section 1854(b)(1)(C) of such Act (42 U.S.C. 1395w–24(b)(1)(C)), as amended by section 222(b)(1);

(B) include administrative expenditures made in carrying out title XVIII of such Act and Federal outlays under section 1935(b) of such Act, as added by section 103(a)(2); and

(C) offset outlays by the amount of fraud and abuse collections insofar as they are applied or deposited into a medicare trust fund.

(5) MEDICARE TRUST FUND.—The term “medicare trust fund” means—

(A) the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i); and

(B) the Federal Supplementary Medical Insurance Trust Fund established under section 1841 of such Act (42 U.S.C. 1395t), including the Medicare Prescription Drug Account under such Trust Fund.

(d) CONFORMING AMENDMENTS.—

(1) FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1817(b)(2) (42 U.S.C. 1395i(b)(2)) is amended by adding at the end the following: “Each report provided under paragraph (2) beginning with the report in 2005 shall include the information specified in section 801(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.”

(2) FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—Section 1841(b)(2) (42 U.S.C. 1395t(b)(2)) is amended by adding at the end the following: “Each report provided

Reports.

under paragraph (2) beginning with the report in 2005 shall include the information specified in section 801(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.”.

President.

(e) NOTICE OF MEDICARE FUNDING WARNING.—Whenever any report described in subsection (a) contains a determination that for any fiscal year within the 7-fiscal-year reporting period there will be excess general revenue medicare funding, Congress and the President should address the matter under existing rules and procedures.

SEC. 802. PRESIDENTIAL SUBMISSION OF LEGISLATION.

Deadline.

(a) IN GENERAL.—Section 1105 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(h)(1) If there is a medicare funding warning under section 801(a)(2) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 made in a year, the President shall submit to Congress, within the 15-day period beginning on the date of the budget submission to Congress under subsection (a) for the succeeding year, proposed legislation to respond to such warning.

“(2) Paragraph (1) does not apply if, during the year in which the warning is made, legislation is enacted which eliminates excess general revenue medicare funding (as defined in section 801(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003) for the 7-fiscal-year reporting period, as certified by the Board of Trustees of each medicare trust fund (as defined in section 801(c)(5) of such Act) not later than 30 days after the date of the enactment of such legislation.”.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation submitted pursuant to section 1105(h) of title 31, United States Code, in a year should be designed to eliminate excess general revenue medicare funding (as defined in section 801(c)) for the 7-fiscal-year period that begins in such year.

31 USC 1105
note.

SEC. 803. PROCEDURES IN THE HOUSE OF REPRESENTATIVES.

(a) INTRODUCTION AND REFERRAL OF PRESIDENT’S LEGISLATIVE PROPOSAL.—

Deadline.

(1) INTRODUCTION.—In the case of a legislative proposal submitted by the President pursuant to section 1105(h) of title 31, United States Code, within the 15-day period specified in paragraph (1) of such section, the Majority Leader of the House of Representatives (or his designee) and the Minority Leader of the House of Representatives (or his designee) shall introduce such proposal (by request), the title of which is as follows: “A bill to respond to a medicare funding warning.” Such bill shall be introduced within 3 legislative days after Congress receives such proposal.

(2) REFERRAL.—Any legislation introduced pursuant to paragraph (1) shall be referred to the appropriate committees of the House of Representatives.

(b) DIRECTION TO THE APPROPRIATE HOUSE COMMITTEES.—

Reports.
Deadline.

(1) IN GENERAL.—In the House, in any year during which the President is required to submit proposed legislation to Congress under section 1105(h) of title 31, United States Code, the appropriate committees shall report medicare funding legislation by not later than June 30 of such year.

(2) **MEDICARE FUNDING LEGISLATION.**—For purposes of this section, the term “medicare funding legislation” means—

(A) legislation introduced pursuant to subsection (a)(1), but only if the legislative proposal upon which the legislation is based was submitted within the 15-day period referred to in such subsection; or

(B) any bill the title of which is as follows: “A bill to respond to a medicare funding warning.”

(3) **CERTIFICATION.**—With respect to any medicare funding legislation or any amendment to such legislation to respond to a medicare funding warning, the chairman of the Committee on the Budget of the House shall certify—

(A) whether or not such legislation eliminates excess general revenue medicare funding (as defined in section 801(c)) for each fiscal year in the 7-fiscal-year reporting period; and

(B) with respect to such an amendment, whether the legislation, as amended, would eliminate excess general revenue medicare funding (as defined in section 801(c)) for each fiscal year in such 7-fiscal-year reporting period.

(c) **FALLBACK PROCEDURE FOR FLOOR CONSIDERATION IF THE HOUSE FAILS TO VOTE ON FINAL PASSAGE BY JULY 30.**—

(1) After July 30 of any year during which the President is required to submit proposed legislation to Congress under section 1105(h) of title 31, United States Code, unless the House of Representatives has voted on final passage of any medicare funding legislation for which there is an affirmative certification under subsection (b)(3)(A), then, after the expiration of not less than 30 calendar days (and concurrently 5 legislative days), it is in order to move to discharge any committee to which medicare funding legislation which has such a certification and which has been referred to such committee for 30 calendar days from further consideration of the legislation.

(2) A motion to discharge may be made only by an individual favoring the legislation, may be made only if supported by one-fifth of the total membership of the House (a quorum being present), and is highly privileged in the House. Debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between those favoring and those opposing the motion. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) Only one motion to discharge a particular committee may be adopted under this subsection in any session of a Congress.

(4) Notwithstanding paragraph (1), it shall not be in order to move to discharge a committee from further consideration of medicare funding legislation pursuant to this subsection during a session of a Congress if, during the previous session of the Congress, the House passed medicare funding legislation for which there is an affirmative certification under subsection (b)(3)(A).

(d) **FLOOR CONSIDERATION IN THE HOUSE OF DISCHARGED LEGISLATION.**—

(1) In the House, not later than 3 legislative days after any committee has been discharged from further consideration

Deadline.

of legislation under subsection (c), the Speaker shall resolve the House into the Committee of the Whole for consideration of the legislation.

(2) The first reading of the legislation shall be dispensed with. All points of order against consideration of the legislation are waived. General debate shall be confined to the legislation and shall not exceed five hours, which shall be divided equally between those favoring and those opposing the legislation. After general debate the legislation shall be considered for amendment under the five-minute rule. During consideration of the legislation, no amendments shall be in order in the House or in the Committee of the Whole except those for which there has been an affirmative certification under subsection (b)(3)(B). All points of order against consideration of any such amendment in the Committee of the Whole are waived. The legislation, together with any amendments which shall be in order, shall be considered as read. During the consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of Rule XVIII of the Rules of the House of Representatives. Debate on any amendment shall not exceed one hour, which shall be divided equally between those favoring and those opposing the amendment, and no pro forma amendments shall be offered during the debate. The total time for debate on all amendments shall not exceed 10 hours. At the conclusion of consideration of the legislation for amendment, the Committee shall rise and report the legislation to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the legislation and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. If the Committee of the Whole rises and reports that it has come to no resolution on the bill, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of Rule XIV of the Rules of the House of Representatives, resolve into the Committee of the Whole for further consideration of the bill.

(3) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any such legislation shall be decided without debate.

(4) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any such legislation and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstances.

(e) LEGISLATIVE DAY DEFINED.—As used in this section, the term “legislative day” means a day on which the House of Representatives is in session.

(f) RESTRICTION ON WAIVER.—In the House, the provisions of this section may be waived only by a rule or order proposing only to waive such provisions.

(g) RULEMAKING POWER.—The provisions of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and, as such, shall be considered as part of the rules of that House and shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of that House to change the rules (so far as they relate to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 804. PROCEDURES IN THE SENATE.

31 USC 1105
note.

(a) INTRODUCTION AND REFERRAL OF PRESIDENT'S LEGISLATIVE PROPOSAL.—

(1) INTRODUCTION.—In the case of a legislative proposal submitted by the President pursuant to section 1105(h) of title 31, United States Code, within the 15-day period specified in paragraph (1) of such section, the Majority Leader and Minority Leader of the Senate (or their designees) shall introduce such proposal (by request), the title of which is as follows: “A bill to respond to a medicare funding warning.” Such bill shall be introduced within 3 days of session after Congress receives such proposal.

(2) REFERRAL.—Any legislation introduced pursuant to paragraph (1) shall be referred to the Committee on Finance.

(b) MEDICARE FUNDING LEGISLATION.—For purposes of this section, the term “medicare funding legislation” means—

(1) legislation introduced pursuant to subsection (a)(1), but only if the legislative proposal upon which the legislation is based was submitted within the 15-day period referred to in such subsection; or

(2) any bill the title of which is as follows: “A bill to respond to a medicare funding warning.”

(c) QUALIFICATION FOR SPECIAL PROCEDURES.—

(1) IN GENERAL.—The special procedures set forth in subsections (d) and (e) shall apply to medicare funding legislation, as described in subsection (b), only if the legislation—

Applicability.

(A) is medicare funding legislation that is passed by the House of Representatives; or

(B) contains matter within the jurisdiction of the Committee on Finance in the Senate.

(2) FAILURE TO QUALIFY FOR SPECIAL PROCEDURES.—If the medicare funding legislation does not satisfy paragraph (1), then the legislation shall be considered under the ordinary procedures of the Standing Rules of the Senate.

(d) DISCHARGE.—

(1) IN GENERAL.—If the Committee on Finance has not reported medicare funding legislation described in subsection (c)(1) by June 30 of a year in which the President is required to submit medicare funding legislation to Congress under section 1105(h) of title 31, United States Code, then any Senator may move to discharge the Committee of any single medicare funding legislation measure. Only one such motion shall be in order in any session of Congress.

(2) DEBATE LIMITS.—Debate in the Senate on any such motion to discharge, and all appeals in connection therewith, shall be limited to not more than 2 hours. The time shall be equally divided between, and controlled by, the maker of

the motion and the Majority Leader, or their designees, except that in the event the Majority Leader is in favor of such motion, the time in opposition thereto shall be controlled by the Minority Leader or the Minority Leader's designee. A point of order under this subsection may be made at any time. It is not in order to move to proceed to another measure or matter while such motion (or the motion to reconsider such motion) is pending.

(3) AMENDMENTS.—No amendment to the motion to discharge shall be in order.

(4) EXCEPTION IF CERTIFIED LEGISLATION ENACTED.—Notwithstanding paragraph (1), it shall not be in order to discharge the Committee from further consideration of medicare funding legislation pursuant to this subsection during a session of a Congress if the chairman of the Committee on the Budget of the Senate certifies that medicare funding legislation has been enacted that eliminates excess general revenue medicare funding (as defined in section 801(c)) for each fiscal year in the 7-fiscal-year reporting period.

(e) CONSIDERATION.—After the date on which the Committee on Finance has reported medicare funding legislation described in subsection (c)(1), or has been discharged (under subsection (d)) from further consideration of, such legislation, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of such legislation.

(f) RULES OF THE SENATE.—This section is enacted by the Senate—

(1) as an exercise of the rulemaking power of the Senate and as such it is deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of a bill described in this paragraph, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the Senate to change the rules (so far as relating to the procedure of the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

Subtitle B—Income-Related Reduction in Part B Premium Subsidy

SEC. 811. INCOME-RELATED REDUCTION IN PART B PREMIUM SUBSIDY.

(a) IN GENERAL.—Section 1839 (42 U.S.C. 1395r), as amended by section 241(c), is amended by adding at the end the following:

“(i) REDUCTION IN PREMIUM SUBSIDY BASED ON INCOME.—

“(1) IN GENERAL.—In the case of an individual whose modified adjusted gross income exceeds the threshold amount under paragraph (2), the monthly amount of the premium subsidy applicable to the premium under this section for a month after December 2006 shall be reduced (and the monthly premium shall be increased) by the monthly adjustment amount specified in paragraph (3).

“(2) THRESHOLD AMOUNT.—For purposes of this subsection, the threshold amount is—

“(A) except as provided in subparagraph (B), \$80,000, and

“(B) in the case of a joint return, twice the amount applicable under subparagraph (A) for the calendar year.

“(3) MONTHLY ADJUSTMENT AMOUNT.—

“(A) IN GENERAL.—Subject to subparagraph (B), the monthly adjustment amount specified in this paragraph for an individual for a month in a year is equal to the product of the following:

“(i) SLIDING SCALE PERCENTAGE.—The applicable percentage specified in the table in subparagraph (C) for the individual minus 25 percentage points.

“(ii) UNSUBSIDIZED PART B PREMIUM AMOUNT.—200 percent of the monthly actuarial rate for enrollees age 65 and over (as determined under subsection (a)(1) for the year).

“(B) 5-YEAR PHASE IN.—The monthly adjustment amount specified in this paragraph for an individual for a month in a year before 2011 is equal to the following percentage of the monthly adjustment amount specified in subparagraph (A):

“(i) For 2007, 20 percent.

“(ii) For 2008, 40 percent.

“(iii) For 2009, 60 percent.

“(iv) for 2010, 80 percent.

“(C) APPLICABLE PERCENTAGE.—

“(i) IN GENERAL.—

“If the modified adjusted gross income is:

	The applicable percentage is:
More than \$80,000 but not more than \$100,000	35 percent
More than \$100,000 but not more than \$150,000	50 percent
More than \$150,000 but not more than \$200,000	65 percent
More than \$200,000	80 percent.

“(ii) JOINT RETURNS.—In the case of a joint return, clause (i) shall be applied by substituting dollar amounts which are twice the dollar amounts otherwise applicable under clause (i) for the calendar year.

“(iii) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of an individual who—

“(I) is married as of the close of the taxable year (within the meaning of section 7703 of the Internal Revenue Code of 1986) but does not file a joint return for such year, and

“(II) does not live apart from such individual’s spouse at all times during the taxable year, clause (i) shall be applied by reducing each of the dollar amounts otherwise applicable under such clause for the calendar year by the threshold amount for such year applicable to an unmarried individual. Applicability.

“(4) MODIFIED ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘modified adjusted gross income’ means adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)—

“(i) determined without regard to sections 135, 911, 931, and 933 of such Code; and

“(ii) increased by the amount of interest received or accrued during the taxable year which is exempt from tax under such Code.

In the case of an individual filing a joint return, any reference in this subsection to the modified adjusted gross income of such individual shall be to such return’s modified adjusted gross income.

“(B) TAXABLE YEAR TO BE USED IN DETERMINING MODIFIED ADJUSTED GROSS INCOME.—

“(i) IN GENERAL.—In applying this subsection for an individual’s premiums in a month in a year, subject to clause (ii) and subparagraph (C), the individual’s modified adjusted gross income shall be such income determined for the individual’s last taxable year beginning in the second calendar year preceding the year involved.

“(ii) TEMPORARY USE OF OTHER DATA.—If, as of October 15 before a calendar year, the Secretary of the Treasury does not have adequate data for an individual in appropriate electronic form for the taxable year referred to in clause (i), the individual’s modified adjusted gross income shall be determined using the data in such form from the previous taxable year. Except as provided in regulations prescribed by the Commissioner of Social Security in consultation with the Secretary, the preceding sentence shall cease to apply when adequate data in appropriate electronic form are available for the individual for the taxable year referred to in clause (i), and proper adjustments shall be made to the extent that the premium adjustments determined under the preceding sentence were inconsistent with those determined using such taxable year.

“(iii) NON-FILERS.—In the case of individuals with respect to whom the Secretary of the Treasury does not have adequate data in appropriate electronic form for either taxable year referred to in clause (i) or clause (ii), the Commissioner of Social Security, in consultation with the Secretary, shall prescribe regulations which provide for the treatment of the premium adjustment with respect to such individual under this subsection, including regulations which provide for—

“(I) the application of the highest applicable percentage under paragraph (3)(C) to such individual if the Commissioner has information which indicates that such individual’s modified adjusted gross income might exceed the threshold amount for the taxable year referred to in clause (i), and

“(II) proper adjustments in the case of the application of an applicable percentage under subclause (I) to such individual which is inconsistent with such individual’s modified adjusted gross income for such taxable year.

“(C) USE OF MORE RECENT TAXABLE YEAR.—

“(i) IN GENERAL.—The Commissioner of Social Security in consultation with the Secretary of the Treasury shall establish a procedures under which an

Termination
date.

Regulations.

individual's modified adjusted gross income shall, at the request of such individual, be determined under this subsection—

“(I) for a more recent taxable year than the taxable year otherwise used under subparagraph (B), or

“(II) by such methodology as the Commissioner, in consultation with such Secretary, determines to be appropriate, which may include a methodology for aggregating or disaggregating information from tax returns in the case of marriage or divorce.

“(ii) STANDARD FOR GRANTING REQUESTS.—A request under clause (i)(I) to use a more recent taxable year may be granted only if—

“(I) the individual furnishes to such Commissioner with respect to such year such documentation, such as a copy of a filed Federal income tax return or an equivalent document, as the Commissioner specifies for purposes of determining the premium adjustment (if any) under this subsection; and

“(II) the individual's modified adjusted gross income for such year is significantly less than such income for the taxable year determined under subparagraph (B) by reason of the death of such individual's spouse, the marriage or divorce of such individual, or other major life changing events specified in regulations prescribed by the Commissioner in consultation with the Secretary.

“(5) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any calendar year beginning after 2007, each dollar amount in paragraph (2) or (3) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the percentage (if any) by which the average of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with August of the preceding calendar year exceeds such average for the 12-month period ending with August 2006.

“(B) ROUNDING.—If any dollar amount after being increased under subparagraph (A) is not a multiple of \$1,000, such dollar amount shall be rounded to the nearest multiple of \$1,000.

“(6) JOINT RETURN DEFINED.—For purposes of this subsection, the term ‘joint return’ has the meaning given to such term by section 7701(a)(38) of the Internal Revenue Code of 1986.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1839 (42 U.S.C. 1395r) is amended—

(A) in subsection (a)(2), by striking “and (f)” and inserting “(f), and (i)”;

(B) in subsection (b), inserting “(without regard to any adjustment under subsection (i))” after “subsection (a)”;

and

(C) in subsection (f)—

- (i) by striking “and if” and inserting “if”; and
 - (ii) by inserting “and if the amount of the individual’s premium is not adjusted for such January under subsection (i),” after “section 1840(b)(1).”.
- (2) Section 1844 (42 U.S.C. 1395w) is amended—

(A) in subsection (a)(1)—

(i) in subparagraph (B), by striking “plus” at the end and inserting “minus”; and

(ii) by adding at the end the following new subparagraph:

“(C) the aggregate amount of additional premium payments attributable to the application of section 1839(i); plus”; and

(B) in subsection (c), by inserting before the period at the end the following: “and without regard to any premium adjustment under section 1839(i)”.

26 USC 6103.

(c) REPORTING REQUIREMENTS FOR SECRETARY OF THE TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information for purposes other than tax administration), as amended by section 105(e), is amended by adding at the end the following new paragraph:

“(20) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT MEDICARE PART B PREMIUM SUBSIDY ADJUSTMENT.—

“(A) IN GENERAL.—The Secretary shall, upon written request from the Commissioner of Social Security, disclose to officers, employees, and contractors of the Social Security Administration return information of a taxpayer whose premium (according to the records of the Secretary) may be subject to adjustment under section 1839(i) of the Social Security Act. Such return information shall be limited to—

“(i) taxpayer identity information with respect to such taxpayer,

“(ii) the filing status of such taxpayer,

“(iii) the adjusted gross income of such taxpayer,

“(iv) the amounts excluded from such taxpayer’s gross income under sections 135 and 911 to the extent such information is available,

“(v) the interest received or accrued during the taxable year which is exempt from the tax imposed by chapter 1 to the extent such information is available,

“(vi) the amounts excluded from such taxpayer’s gross income by sections 931 and 933 to the extent such information is available,

“(vii) such other information relating to the liability of the taxpayer as is prescribed by the Secretary by regulation as might indicate in the case of a taxpayer who is an individual described in subsection (i)(4)(B)(iii) of section 1839 of the Social Security Act that the amount of the premium of the taxpayer under such section may be subject to adjustment under subsection (i) of such section and the amount of such adjustment, and

“(viii) the taxable year with respect to which the preceding information relates.

“(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph

(A) may be used by officers, employees, and contractors of the Social Security Administration only for the purposes of, and to the extent necessary in, establishing the appropriate amount of any premium adjustment under such section 1839(i)."

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 6103(a) of such Code, as amended by section 105(e)(1), is amended by striking "or (19)" and inserting "(19), or (20)". 26 USC 6103.

(B) Paragraph (4) of section 6103(p) of such Code, as amended by section 105(e)(3), is amended by striking "(1)(16), (17), or (19)" each place it appears and inserting "(1)(16), (17), (19), or (20)".

(C) Paragraph (2) of section 7213(a) of such Code, as amended by section 105(e)(4), is amended by striking "or (19)" and inserting "(19), or (20)". 26 USC 7213.

TITLE IX—ADMINISTRATIVE IMPROVEMENTS, REGULATORY REDUCTION, AND CONTRACTING REFORM

SEC. 900. ADMINISTRATIVE IMPROVEMENTS WITHIN THE CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS).

(a) COORDINATED ADMINISTRATION OF MEDICARE PRESCRIPTION DRUG AND MEDICARE ADVANTAGE PROGRAMS.—Title XVIII (42 U.S.C. 1395 et seq.), as amended by section 721, is amended by inserting after 1807 the following new section: Establishment.

"PROVISIONS RELATING TO ADMINISTRATION

"SEC. 1808. (a) COORDINATED ADMINISTRATION OF MEDICARE PRESCRIPTION DRUG AND MEDICARE ADVANTAGE PROGRAMS.— 42 USC 1395b–9.

"(1) IN GENERAL.—There is within the Centers for Medicare & Medicaid Services a center to carry out the duties described in paragraph (3).

"(2) DIRECTOR.—Such center shall be headed by a director who shall report directly to the Administrator of the Centers for Medicare & Medicaid Services.

"(3) DUTIES.—The duties described in this paragraph are the following:

"(A) The administration of parts C and D.

"(B) The provision of notice and information under section 1804.

"(C) Such other duties as the Secretary may specify.

"(4) DEADLINE.—The Secretary shall ensure that the center is carrying out the duties described in paragraph (3) by not later than January 1, 2008."

(b) MANAGEMENT STAFF FOR THE CENTERS FOR MEDICARE & MEDICAID SERVICES.—Such section is further amended by adding at the end the following new subsection:

"(b) EMPLOYMENT OF MANAGEMENT STAFF.—

"(1) IN GENERAL.—The Secretary may employ, within the Centers for Medicare & Medicaid Services, such individuals as management staff as the Secretary determines to be appropriate. With respect to the administration of parts C and D,

such individuals shall include individuals with private sector expertise in negotiations with health benefits plans.

“(2) ELIGIBILITY.—To be eligible for employment under paragraph (1) an individual shall be required to have demonstrated, by their education and experience (either in the public or private sector), superior expertise in at least one of the following areas:

“(A) The review, negotiation, and administration of health care contracts.

“(B) The design of health care benefit plans.

“(C) Actuarial sciences.

“(D) Compliance with health plan contracts.

“(E) Consumer education and decision making.

“(F) Any other area specified by the Secretary that requires specialized management or other expertise.

“(3) RATES OF PAYMENT.—

“(A) PERFORMANCE-RELATED PAY.—Subject to subparagraph (B), the Secretary shall establish the rate of pay for an individual employed under paragraph (1). Such rate shall take into account expertise, experience, and performance.

“(B) LIMITATION.—In no case may the rate of compensation determined under subparagraph (A) exceed the highest rate of basic pay for the Senior Executive Service under section 5382(b) of title 5, United States Code.”.

(c) REQUIREMENT FOR DEDICATED ACTUARY FOR PRIVATE HEALTH PLANS.—Section 1117(b) (42 U.S.C. 1317(b)) is amended by adding at the end the following new paragraph:

“(3) In the office of the Chief Actuary there shall be an actuary whose duties relate exclusively to the programs under parts C and D of title XVIII and related provisions of such title.”.

(d) INCREASE IN GRADE TO EXECUTIVE LEVEL III FOR THE ADMINISTRATOR OF THE CENTERS FOR MEDICARE & MEDICAID SERVICES.—

(1) IN GENERAL.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

“Administrator of the Centers for Medicare & Medicaid Services.”.

(2) CONFORMING AMENDMENT.—Section 5315 of such title is amended by striking “Administrator of the Health Care Financing Administration.”.

5 USC 5314 note.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on January 1, 2004.

(e) CONFORMING AMENDMENTS RELATING TO HEALTH CARE FINANCING ADMINISTRATION.—

(1) AMENDMENTS TO THE SOCIAL SECURITY ACT.—The Social Security Act is amended—

(A) in section 1117 (42 U.S.C. 1317)—

(i) in the heading to read as follows:

“APPOINTMENT OF THE ADMINISTRATOR AND CHIEF ACTUARY OF THE CENTERS FOR MEDICARE & MEDICAID SERVICES”;

(ii) in subsection (a), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and

(iii) in subsection (b)(1)—

- (I) by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and
- (II) by striking “Administration” and inserting “Centers”;
- (B) in section 1140(a) (42 U.S.C. 1320b–10(a))—
 - (i) in paragraph (1), by striking “Health Care Financing Administration” both places it appears in the matter following subparagraph (B) and inserting “Centers for Medicare & Medicaid Services”;
 - (ii) in paragraph (1)(A)—
 - (I) by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and
 - (II) by striking “HCFA” and inserting “CMS”;
 - (iii) in paragraph (1)(B), by striking “Health Care Financing Administration” both places it appears and inserting “Centers for Medicare & Medicaid Services”;
- (C) in section 1142(b)(3) (42 U.S.C. 1320b–12(b)(3)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;
- (D) in section 1817(b) (42 U.S.C. 1395i(b))—
 - (i) by striking “Health Care Financing Administration”, both in the fifth sentence of the matter preceding paragraph (1) and in the second sentence of the matter following paragraph (4), and inserting “Centers for Medicare & Medicaid Services”; and
 - (ii) by striking “Chief Actuarial Officer” in the second sentence of the matter following paragraph (4) and inserting “Chief Actuary”;
- (E) in section 1841(b) (42 U.S.C. 1395t(b))—
 - (i) by striking “Health Care Financing Administration”, both in the fifth sentence of the matter preceding paragraph (1) and in the second sentence of the matter following paragraph (4), and inserting “Centers for Medicare & Medicaid Services”; and
 - (ii) by striking “Chief Actuarial Officer” in the second sentence of the matter following paragraph (4) and inserting “Chief Actuary”;
- (F) in section 1852(a)(5) (42 U.S.C. 1395w–22(a)(5)), by striking “Health Care Financing Administration” in the matter following subparagraph (B) and inserting “Centers for Medicare & Medicaid Services”;
- (G) in section 1853 (42 U.S.C. 1395w–23)—
 - (i) in subsection (b)(4), by striking “Health Care Financing Administration” in the first sentence and inserting “Centers for Medicare & Medicaid Services”; and
 - (ii) in subsection (c)(7), by striking “Health Care Financing Administration” in the last sentence and inserting “Centers for Medicare & Medicaid Services”;
- (H) in section 1854(a)(5)(A) (42 U.S.C. 1395w–24(a)(5)(A)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(I) in section 1857(d)(4)(A)(ii) (42 U.S.C. 1395w-27(d)(4)(A)(ii)), by striking “Health Care Financing Administration” and inserting “Secretary”;

(J) in section 1862(b)(5)(A)(ii) (42 U.S.C. 1395y(b)(5)(A)(ii)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(K) in section 1927(e)(4) (42 U.S.C. 1396r-8(e)(4)), by striking “HCFA” and inserting “The Secretary”;

(L) in section 1927(f)(2) (42 U.S.C. 1396r-8(f)(2)), by striking “HCFA” and inserting “The Secretary”; and

(M) in section 2104(g)(3) (42 U.S.C. 1397dd(g)(3)) by inserting “or CMS Form 64 or CMS Form 21, as the case may be,” after “HCFA Form 64 or HCFA Form 21”.

(2) AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.—The Public Health Service Act is amended—

(A) in section 501(d)(18) (42 U.S.C. 290aa(d)(18)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(B) in section 507(b)(6) (42 U.S.C. 290bb(b)(6)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(C) in section 916 (42 U.S.C. 299b-5)—

(i) in subsection (b)(2), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and

(ii) in subsection (c)(2), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(D) in section 921(c)(3)(A) (42 U.S.C. 299c(c)(3)(A)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(E) in section 1318(a)(2) (42 U.S.C. 300e-17(a)(2)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(F) in section 2102(a)(7) (42 U.S.C. 300aa-2(a)(7)), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and

(G) in section 2675(a) (42 U.S.C. 300ff-75(a)), by striking “Health Care Financing Administration” in the first sentence and inserting “Centers for Medicare & Medicaid Services”.

(3) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended—

(A) in subparagraph (B), by striking “Health Care Financing Administration” in the matter preceding clause (i) and inserting “Centers for Medicare & Medicaid Services”; and

(B) in subparagraph (C)—

(i) by striking “HEALTH CARE FINANCING ADMINISTRATION” in the heading and inserting “CENTERS FOR MEDICARE & MEDICAID SERVICES”; and

(ii) by striking “Health Care Financing Administration” in the matter preceding clause (i) and inserting “Centers for Medicare & Medicaid Services”.

(4) AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended—

(A) in section 1086(d)(4), by striking “administrator of the Health Care Financing Administration” in the last sentence and inserting “Administrator of the Centers for Medicare & Medicaid Services”; and

(B) in section 1095(k)(2), by striking “Health Care Financing Administration” in the second sentence and inserting “Centers for Medicare & Medicaid Services”.

(5) AMENDMENTS TO THE ALZHEIMER’S DISEASE AND RELATED DEMENTIAS SERVICES RESEARCH ACT OF 1992.—The Alzheimer’s Disease and Related Dementias Research Act of 1992 (42 U.S.C. 11271 et seq.) is amended—

(A) in the heading of subpart 3 of part D to read as follows:

“Subpart 3—Responsibilities of the Centers for Medicare & Medicaid Services”;

(B) in section 937 (42 U.S.C. 11271)—

(i) in subsection (a), by striking “National Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(ii) in subsection (b)(1), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”;

(iii) in subsection (b)(2), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and

(iv) in subsection (c), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”; and

(C) in section 938 (42 U.S.C. 11272), by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(6) MISCELLANEOUS AMENDMENTS.—

(A) REHABILITATION ACT OF 1973.—Section 202(b)(8) of the Rehabilitation Act of 1973 (29 U.S.C. 762(b)(8)) is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(B) INDIAN HEALTH CARE IMPROVEMENT ACT.—Section 405(d)(1) of the Indian Health Care Improvement Act (25 U.S.C. 1645(d)(1)) is amended by striking “Health Care Financing Administration” in the matter preceding subparagraph (A) and inserting “Centers for Medicare & Medicaid Services”.

(C) INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Section 644(b)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1444(b)(5)) is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(D) THE HOME HEALTH CARE AND ALZHEIMER’S DISEASE AMENDMENTS OF 1990.—Section 302(a)(9) of the Home Health Care and Alzheimer’s Disease Amendments of 1990 (42 U.S.C. 242q–1(a)(9)) is amended by striking “Health

Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(E) THE CHILDREN’S HEALTH ACT OF 2000.—Section 2503(a) of the Children’s Health Act of 2000 (42 U.S.C. 247b–3a(a)) is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(F) THE NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993.—Section 1909 of the National Institutes of Health Revitalization Act of 1993 (42 U.S.C. 299a note) is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(G) THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—Section 4359(d) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 1395b–3(d)) is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

(H) THE MEDICARE, MEDICAID, AND SCHIP BENEFITS IMPROVEMENT AND PROTECTION ACT OF 2000.—Section 104(d)(4) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (42 U.S.C. 1395m note) is amended by striking “Health Care Financing Administration” and inserting “Health Care”.

(7) ADDITIONAL AMENDMENT.—Section 403 of the Act entitled, “An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes”, enacted October 15, 1977 (48 U.S.C. 1574–1; 48 U.S.C. 1421q–1), is amended by striking “Health Care Financing Administration” and inserting “Centers for Medicare & Medicaid Services”.

Subtitle A—Regulatory Reform

SEC. 901. CONSTRUCTION; DEFINITION OF SUPPLIER.

Fraud.
42 USC
1395kk–1 note.

(a) CONSTRUCTION.—Nothing in this title shall be construed—

(1) to compromise or affect existing legal remedies for addressing fraud or abuse, whether it be criminal prosecution, civil enforcement, or administrative remedies, including under sections 3729 through 3733 of title 31, United States Code (commonly known as the “False Claims Act”); or

(2) to prevent or impede the Department of Health and Human Services in any way from its ongoing efforts to eliminate waste, fraud, and abuse in the medicare program.

Furthermore, the consolidation of medicare administrative contracting set forth in this division does not constitute consolidation of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund or reflect any position on that issue.

(b) DEFINITION OF SUPPLIER.—Section 1861 (42 U.S.C. 1395x) is amended by inserting after subsection (c) the following new subsection:

“Supplier

“(d) The term ‘supplier’ means, unless the context otherwise requires, a physician or other practitioner, a facility, or other entity (other than a provider of services) that furnishes items or services under this title.”.

SEC. 902. ISSUANCE OF REGULATIONS.**(a) REGULAR TIMELINE FOR PUBLICATION OF FINAL RULES.—**

(1) IN GENERAL.—Section 1871(a) (42 U.S.C. 1395hh(a)) is amended by adding at the end the following new paragraph:

“(3)(A) The Secretary, in consultation with the Director of the Office of Management and Budget, shall establish and publish a regular timeline for the publication of final regulations based on the previous publication of a proposed regulation or an interim final regulation.

“(B) Such timeline may vary among different regulations based on differences in the complexity of the regulation, the number and scope of comments received, and other relevant factors, but shall not be longer than 3 years except under exceptional circumstances. If the Secretary intends to vary such timeline with respect to the publication of a final regulation, the Secretary shall cause to have published in the Federal Register notice of the different timeline by not later than the timeline previously established with respect to such regulation. Such notice shall include a brief explanation of the justification for such variation.

Federal Register,
publication.

“(C) In the case of interim final regulations, upon the expiration of the regular timeline established under this paragraph for the publication of a final regulation after opportunity for public comment, the interim final regulation shall not continue in effect unless the Secretary publishes (at the end of the regular timeline and, if applicable, at the end of each succeeding 1-year period) a notice of continuation of the regulation that includes an explanation of why the regular timeline (and any subsequent 1-year extension) was not complied with. If such a notice is published, the regular timeline (or such timeline as previously extended under this paragraph) for publication of the final regulation shall be treated as having been extended for 1 additional year.

“(D) The Secretary shall annually submit to Congress a report that describes the instances in which the Secretary failed to publish a final regulation within the applicable regular timeline under this paragraph and that provides an explanation for such failures.”.

Reports.

(2) EFFECTIVE DATE.—The amendment made by paragraph

42 USC 1395hh
note.

(1) shall take effect on the date of the enactment of this Act. The Secretary shall provide for an appropriate transition to take into account the backlog of previously published interim final regulations.

(b) LIMITATIONS ON NEW MATTER IN FINAL REGULATIONS.—

(1) IN GENERAL.—Section 1871(a) (42 U.S.C. 1395hh(a)), as amended by subsection (a), is amended by adding at the end the following new paragraph:

“(4) If the Secretary publishes a final regulation that includes a provision that is not a logical outgrowth of a previously published notice of proposed rulemaking or interim final rule, such provision shall be treated as a proposed regulation and shall not take effect until there is the further opportunity for public comment and a publication of the provision again as a final regulation.”.

42 USC 1395hh
note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to final regulations published on or after the date of the enactment of this Act.

SEC. 903. COMPLIANCE WITH CHANGES IN REGULATIONS AND POLICIES.

(a) NO RETROACTIVE APPLICATION OF SUBSTANTIVE CHANGES.—

(1) IN GENERAL.—Section 1871 (42 U.S.C. 1395hh), as amended by section 902(a), is amended by adding at the end the following new subsection:

“(e)(1)(A) A substantive change in regulations, manual instructions, interpretative rules, statements of policy, or guidelines of general applicability under this title shall not be applied (by extrapolation or otherwise) retroactively to items and services furnished before the effective date of the change, unless the Secretary determines that—

“(i) such retroactive application is necessary to comply with statutory requirements; or

“(ii) failure to apply the change retroactively would be contrary to the public interest.”.

42 USC 1395hh
note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to substantive changes issued on or after the date of the enactment of this Act.

(b) TIMELINE FOR COMPLIANCE WITH SUBSTANTIVE CHANGES AFTER NOTICE.—

(1) IN GENERAL.—Section 1871(e)(1), as added by subsection (a), is amended by adding at the end the following:

“(B)(i) Except as provided in clause (ii), a substantive change referred to in subparagraph (A) shall not become effective before the end of the 30-day period that begins on the date that the Secretary has issued or published, as the case may be, the substantive change.

“(ii) The Secretary may provide for such a substantive change to take effect on a date that precedes the end of the 30-day period under clause (i) if the Secretary finds that waiver of such 30-day period is necessary to comply with statutory requirements or that the application of such 30-day period is contrary to the public interest. If the Secretary provides for an earlier effective date pursuant to this clause, the Secretary shall include in the issuance or publication of the substantive change a finding described in the first sentence, and a brief statement of the reasons for such finding.

“(C) No action shall be taken against a provider of services or supplier with respect to noncompliance with such a substantive change for items and services furnished before the effective date of such a change.”.

42 USC 1395hh
note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to compliance actions undertaken on or after the date of the enactment of this Act.

(c) RELIANCE ON GUIDANCE.—

(1) IN GENERAL.—Section 1871(e), as added by subsection (a), is further amended by adding at the end the following new paragraph:

“(2)(A) If—

“(i) a provider of services or supplier follows the written guidance (which may be transmitted electronically) provided by the Secretary or by a medicare contractor (as defined in

section 1889(g)) acting within the scope of the contractor's contract authority, with respect to the furnishing of items or services and submission of a claim for benefits for such items or services with respect to such provider or supplier;

“(ii) the Secretary determines that the provider of services or supplier has accurately presented the circumstances relating to such items, services, and claim to the contractor in writing; and

“(iii) the guidance was in error;

the provider of services or supplier shall not be subject to any penalty or interest under this title or the provisions of title XI insofar as they relate to this title (including interest under a repayment plan under section 1893 or otherwise) relating to the provision of such items or service or such claim if the provider of services or supplier reasonably relied on such guidance.

“(B) Subparagraph (A) shall not be construed as preventing the recoupment or repayment (without any additional penalty) relating to an overpayment insofar as the overpayment was solely the result of a clerical or technical operational error.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act and shall only apply to a penalty or interest imposed with respect to guidance provided on or after July 24, 2003.

42 USC 1395hh
note.

SEC. 904. REPORTS AND STUDIES RELATING TO REGULATORY REFORM.

(a) GAO STUDY ON ADVISORY OPINION AUTHORITY.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study to determine the feasibility and appropriateness of establishing in the Secretary authority to provide legally binding advisory opinions on appropriate interpretation and application of regulations to carry out the medicare program under title XVIII of the Social Security Act. Such study shall examine the appropriate timeframe for issuing such advisory opinions, as well as the need for additional staff and funding to provide such opinions.

42 USC 1395hh
note.

(2) REPORT.—The Comptroller General shall submit to Congress a report on the study conducted under paragraph (1) by not later than 1 year after the date of the enactment of this Act.

(b) REPORT ON LEGAL AND REGULATORY INCONSISTENCIES.—Section 1871 (42 U.S.C. 1395hh), as amended by section 903(a)(1), is amended by adding at the end the following new subsection:

“(f)(1) Not later than 2 years after the date of the enactment of this subsection, and every 3 years thereafter, the Secretary shall submit to Congress a report with respect to the administration of this title and areas of inconsistency or conflict among the various provisions under law and regulation.

“(2) In preparing a report under paragraph (1), the Secretary shall collect—

“(A) information from individuals entitled to benefits under part A or enrolled under part B, or both, providers of services, and suppliers and from the Medicare Beneficiary Ombudsman with respect to such areas of inconsistency and conflict; and

“(B) information from medicare contractors that tracks the nature of written and telephone inquiries.

“(3) A report under paragraph (1) shall include a description of efforts by the Secretary to reduce such inconsistency or conflicts, and recommendations for legislation or administrative action that the Secretary determines appropriate to further reduce such inconsistency or conflicts.”.

Subtitle B—Contracting Reform

SEC. 911. INCREASED FLEXIBILITY IN MEDICARE ADMINISTRATION.

(a) CONSOLIDATION AND FLEXIBILITY IN MEDICARE ADMINISTRATION.—

(1) IN GENERAL.—Title XVIII is amended by inserting after section 1874 the following new section:

“CONTRACTS WITH MEDICARE ADMINISTRATIVE CONTRACTORS

“SEC. 1874A. (a) AUTHORITY.—

“(1) AUTHORITY TO ENTER INTO CONTRACTS.—The Secretary may enter into contracts with any eligible entity to serve as a medicare administrative contractor with respect to the performance of any or all of the functions described in paragraph (4) or parts of those functions (or, to the extent provided in a contract, to secure performance thereof by other entities).

“(2) ELIGIBILITY OF ENTITIES.—An entity is eligible to enter into a contract with respect to the performance of a particular function described in paragraph (4) only if—

“(A) the entity has demonstrated capability to carry out such function;

“(B) the entity complies with such conflict of interest standards as are generally applicable to Federal acquisition and procurement;

“(C) the entity has sufficient assets to financially support the performance of such function; and

“(D) the entity meets such other requirements as the Secretary may impose.

“(3) MEDICARE ADMINISTRATIVE CONTRACTOR DEFINED.—For purposes of this title and title XI—

“(A) IN GENERAL.—The term ‘medicare administrative contractor’ means an agency, organization, or other person with a contract under this section.

“(B) APPROPRIATE MEDICARE ADMINISTRATIVE CONTRACTOR.—With respect to the performance of a particular function in relation to an individual entitled to benefits under part A or enrolled under part B, or both, a specific provider of services or supplier (or class of such providers of services or suppliers), the ‘appropriate’ medicare administrative contractor is the medicare administrative contractor that has a contract under this section with respect to the performance of that function in relation to that individual, provider of services or supplier or class of provider of services or supplier.

“(4) FUNCTIONS DESCRIBED.—The functions referred to in paragraphs (1) and (2) are payment functions (including the function of developing local coverage determinations, as defined in section 1869(f)(2)(B)), provider services functions, and functions relating to services furnished to individuals entitled to

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benefits under part A or enrolled under part B, or both, as follows:

“(A) DETERMINATION OF PAYMENT AMOUNTS.—Determining (subject to the provisions of section 1878 and to such review by the Secretary as may be provided for by the contracts) the amount of the payments required pursuant to this title to be made to providers of services, suppliers and individuals.

“(B) MAKING PAYMENTS.—Making payments described in subparagraph (A) (including receipt, disbursement, and accounting for funds in making such payments).

“(C) BENEFICIARY EDUCATION AND ASSISTANCE.—Providing education and outreach to individuals entitled to benefits under part A or enrolled under part B, or both, and providing assistance to those individuals with specific issues, concerns, or problems.

“(D) PROVIDER CONSULTATIVE SERVICES.—Providing consultative services to institutions, agencies, and other persons to enable them to establish and maintain fiscal records necessary for purposes of this title and otherwise to qualify as providers of services or suppliers.

“(E) COMMUNICATION WITH PROVIDERS.—Communicating to providers of services and suppliers any information or instructions furnished to the medicare administrative contractor by the Secretary, and facilitating communication between such providers and suppliers and the Secretary.

“(F) PROVIDER EDUCATION AND TECHNICAL ASSISTANCE.—Performing the functions relating to provider education, training, and technical assistance.

“(G) ADDITIONAL FUNCTIONS.—Performing such other functions, including (subject to paragraph (5)) functions under the Medicare Integrity Program under section 1893, as are necessary to carry out the purposes of this title.

“(5) RELATIONSHIP TO MIP CONTRACTS.—

“(A) NONDUPLICATION OF DUTIES.—In entering into contracts under this section, the Secretary shall assure that functions of medicare administrative contractors in carrying out activities under parts A and B do not duplicate activities carried out under a contract entered into under the Medicare Integrity Program under section 1893. The previous sentence shall not apply with respect to the activity described in section 1893(b)(5) (relating to prior authorization of certain items of durable medical equipment under section 1834(a)(15)).

“(B) CONSTRUCTION.—An entity shall not be treated as a medicare administrative contractor merely by reason of having entered into a contract with the Secretary under section 1893.

“(6) APPLICATION OF FEDERAL ACQUISITION REGULATION.—Except to the extent inconsistent with a specific requirement of this section, the Federal Acquisition Regulation applies to contracts under this section.

“(b) CONTRACTING REQUIREMENTS.—

“(1) USE OF COMPETITIVE PROCEDURES.—

“(A) IN GENERAL.—Except as provided in laws with general applicability to Federal acquisition and procurement or in subparagraph (B), the Secretary shall use competitive procedures when entering into contracts with medicare administrative contractors under this section, taking into account performance quality as well as price and other factors.

“(B) RENEWAL OF CONTRACTS.—The Secretary may renew a contract with a medicare administrative contractor under this section from term to term without regard to section 5 of title 41, United States Code, or any other provision of law requiring competition, if the medicare administrative contractor has met or exceeded the performance requirements applicable with respect to the contract and contractor, except that the Secretary shall provide for the application of competitive procedures under such a contract not less frequently than once every 5 years.

“(C) TRANSFER OF FUNCTIONS.—The Secretary may transfer functions among medicare administrative contractors consistent with the provisions of this paragraph. The Secretary shall ensure that performance quality is considered in such transfers. The Secretary shall provide public notice (whether in the Federal Register or otherwise) of any such transfer (including a description of the functions so transferred, a description of the providers of services and suppliers affected by such transfer, and contact information for the contractors involved).

“(D) INCENTIVES FOR QUALITY.—The Secretary shall provide incentives for medicare administrative contractors to provide quality service and to promote efficiency.

“(2) COMPLIANCE WITH REQUIREMENTS.—No contract under this section shall be entered into with any medicare administrative contractor unless the Secretary finds that such medicare administrative contractor will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, quality of services provided, and other matters as the Secretary finds pertinent.

“(3) PERFORMANCE REQUIREMENTS.—

“(A) DEVELOPMENT OF SPECIFIC PERFORMANCE REQUIREMENTS.—

“(i) IN GENERAL.—The Secretary shall develop contract performance requirements to carry out the specific requirements applicable under this title to a function described in subsection (a)(4) and shall develop standards for measuring the extent to which a contractor has met such requirements.

“(ii) CONSULTATION.—In developing such performance requirements and standards for measurement, the Secretary shall consult with providers of services, organizations representative of beneficiaries under this title, and organizations and agencies performing functions necessary to carry out the purposes of this section with respect to such performance requirements.

“(iii) PUBLICATION OF STANDARDS.—The Secretary shall make such performance requirements and measurement standards available to the public.

Notification.

“(B) CONSIDERATIONS.—The Secretary shall include, as one of the standards developed under subparagraph (A), provider and beneficiary satisfaction levels.

“(C) INCLUSION IN CONTRACTS.—All contractor performance requirements shall be set forth in the contract between the Secretary and the appropriate medicare administrative contractor. Such performance requirements—

“(i) shall reflect the performance requirements published under subparagraph (A), but may include additional performance requirements;

“(ii) shall be used for evaluating contractor performance under the contract; and

“(iii) shall be consistent with the written statement of work provided under the contract.

“(4) INFORMATION REQUIREMENTS.—The Secretary shall not enter into a contract with a medicare administrative contractor under this section unless the contractor agrees—

“(A) to furnish to the Secretary such timely information and reports as the Secretary may find necessary in performing his functions under this title; and

“(B) to maintain such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of the information and reports under subparagraph (A) and otherwise to carry out the purposes of this title.

“(5) SURETY BOND.—A contract with a medicare administrative contractor under this section may require the medicare administrative contractor, and any of its officers or employees certifying payments or disbursing funds pursuant to the contract, or otherwise participating in carrying out the contract, to give surety bond to the United States in such amount as the Secretary may deem appropriate.

“(c) TERMS AND CONDITIONS.—

“(1) IN GENERAL.—A contract with any medicare administrative contractor under this section may contain such terms and conditions as the Secretary finds necessary or appropriate and may provide for advances of funds to the medicare administrative contractor for the making of payments by it under subsection (a)(4)(B).

“(2) PROHIBITION ON MANDATES FOR CERTAIN DATA COLLECTION.—The Secretary may not require, as a condition of entering into, or renewing, a contract under this section, that the medicare administrative contractor match data obtained other than in its activities under this title with data used in the administration of this title for purposes of identifying situations in which the provisions of section 1862(b) may apply.

“(d) LIMITATION ON LIABILITY OF MEDICARE ADMINISTRATIVE CONTRACTORS AND CERTAIN OFFICERS.—

“(1) CERTIFYING OFFICER.—No individual designated pursuant to a contract under this section as a certifying officer shall, in the absence of the reckless disregard of the individual's obligations or the intent by that individual to defraud the United States, be liable with respect to any payments certified by the individual under this section.

“(2) DISBURSING OFFICER.—No disbursing officer shall, in the absence of the reckless disregard of the officer's obligations or the intent by that officer to defraud the United States,

Reports.

Records.

be liable with respect to any payment by such officer under this section if it was based upon an authorization (which meets the applicable requirements for such internal controls established by the Comptroller General of the United States) of a certifying officer designated as provided in paragraph (1) of this subsection.

“(3) LIABILITY OF MEDICARE ADMINISTRATIVE CONTRACTOR.—

“(A) IN GENERAL.—No medicare administrative contractor shall be liable to the United States for a payment by a certifying or disbursing officer unless, in connection with such payment, the medicare administrative contractor acted with reckless disregard of its obligations under its medicare administrative contract or with intent to defraud the United States.

“(B) RELATIONSHIP TO FALSE CLAIMS ACT.—Nothing in this subsection shall be construed to limit liability for conduct that would constitute a violation of sections 3729 through 3731 of title 31, United States Code.

“(4) INDEMNIFICATION BY SECRETARY.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (D), in the case of a medicare administrative contractor (or a person who is a director, officer, or employee of such a contractor or who is engaged by the contractor to participate directly in the claims administration process) who is made a party to any judicial or administrative proceeding arising from or relating directly to the claims administration process under this title, the Secretary may, to the extent the Secretary determines to be appropriate and as specified in the contract with the contractor, indemnify the contractor and such persons.

“(B) CONDITIONS.—The Secretary may not provide indemnification under subparagraph (A) insofar as the liability for such costs arises directly from conduct that is determined by the judicial proceeding or by the Secretary to be criminal in nature, fraudulent, or grossly negligent. If indemnification is provided by the Secretary with respect to a contractor before a determination that such costs arose directly from such conduct, the contractor shall reimburse the Secretary for costs of indemnification.

“(C) SCOPE OF INDEMNIFICATION.—Indemnification by the Secretary under subparagraph (A) may include payment of judgments, settlements (subject to subparagraph (D)), awards, and costs (including reasonable legal expenses).

“(D) WRITTEN APPROVAL FOR SETTLEMENTS OR COMPROMISES.—A contractor or other person described in subparagraph (A) may not propose to negotiate a settlement or compromise of a proceeding described in such subparagraph without the prior written approval of the Secretary to negotiate such settlement or compromise. Any indemnification under subparagraph (A) with respect to amounts paid under a settlement or compromise of a proceeding described in such subparagraph are conditioned upon prior written approval by the Secretary of the final settlement or compromise.

“(E) CONSTRUCTION.—Nothing in this paragraph shall be construed—

“(i) to change any common law immunity that may be available to a medicare administrative contractor or person described in subparagraph (A); or

“(ii) to permit the payment of costs not otherwise allowable, reasonable, or allocable under the Federal Acquisition Regulation.”.

(2) CONSIDERATION OF INCORPORATION OF CURRENT LAW STANDARDS.—In developing contract performance requirements under section 1874A(b) of the Social Security Act, as inserted by paragraph (1), the Secretary shall consider inclusion of the performance standards described in sections 1816(f)(2) of such Act (relating to timely processing of reconsiderations and applications for exemptions) and section 1842(b)(2)(B) of such Act (relating to timely review of determinations and fair hearing requests), as such sections were in effect before the date of the enactment of this Act.

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(b) CONFORMING AMENDMENTS TO SECTION 1816 (RELATING TO FISCAL INTERMEDIARIES).—Section 1816 (42 U.S.C. 1395h) is amended as follows:

(1) The heading is amended to read as follows:

“PROVISIONS RELATING TO THE ADMINISTRATION OF PART A”.

(2) Subsection (a) is amended to read as follows:

“(a) The administration of this part shall be conducted through contracts with medicare administrative contractors under section 1874A.”.

(3) Subsection (b) is repealed.

(4) Subsection (c) is amended—

(A) by striking paragraph (1); and

(B) in each of paragraphs (2)(A) and (3)(A), by striking “agreement under this section” and inserting “contract under section 1874A that provides for making payments under this part”.

(5) Subsections (d) through (i) are repealed.

(6) Subsections (j) and (k) are each amended—

(A) by striking “An agreement with an agency or organization under this section” and inserting “A contract with a medicare administrative contractor under section 1874A with respect to the administration of this part”; and

(B) by striking “such agency or organization” and inserting “such medicare administrative contractor” each place it appears.

(7) Subsection (l) is repealed.

(c) CONFORMING AMENDMENTS TO SECTION 1842 (RELATING TO CARRIERS).—Section 1842 (42 U.S.C. 1395u) is amended as follows:

(1) The heading is amended to read as follows:

“PROVISIONS RELATING TO THE ADMINISTRATION OF PART B”.

(2) Subsection (a) is amended to read as follows:

“(a) The administration of this part shall be conducted through contracts with medicare administrative contractors under section 1874A.”.

(3) Subsection (b) is amended—

(A) by striking paragraph (1);

(B) in paragraph (2)—

- (i) by striking subparagraphs (A) and (B);
 - (ii) in subparagraph (C), by striking “carriers” and inserting “medicare administrative contractors”; and
 - (iii) by striking subparagraphs (D) and (E);
- (C) in paragraph (3)—
- (i) in the matter before subparagraph (A), by striking “Each such contract shall provide that the carrier” and inserting “The Secretary”;
 - (ii) by striking “will” the first place it appears in each of subparagraphs (A), (B), (F), (G), (H), and (L) and inserting “shall”;
 - (iii) in subparagraph (B), in the matter before clause (i), by striking “to the policyholders and subscribers of the carrier” and inserting “to the policyholders and subscribers of the medicare administrative contractor”;
 - (iv) by striking subparagraphs (C), (D), and (E);
 - (v) in subparagraph (H)—
 - (I) by striking “if it makes determinations or payments with respect to physicians’ services,” in the matter preceding clause (i); and
 - (II) by striking “carrier” and inserting “medicare administrative contractor” in clause (i);
 - (vi) by striking subparagraph (I);
 - (vii) in subparagraph (L), by striking the semicolon and inserting a period;
 - (viii) in the first sentence, after subparagraph (L), by striking “and shall contain” and all that follows through the period; and
 - (ix) in the seventh sentence, by inserting “medicare administrative contractor,” after “carrier,”;
- (D) by striking paragraph (5);
- (E) in paragraph (6)(D)(iv), by striking “carrier” and inserting “medicare administrative contractor”; and
- (F) in paragraph (7), by striking “the carrier” and inserting “the Secretary” each place it appears.
- (4) Subsection (c) is amended—
- (A) by striking paragraph (1);
 - (B) in paragraph (2)(A), by striking “contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B),” and inserting “contract under section 1874A that provides for making payments under this part”;
 - (C) in paragraph (3)(A), by striking “subsection (a)(1)(B)” and inserting “section 1874A(a)(3)(B)”;
 - (D) in paragraph (4), in the matter preceding subparagraph (A), by striking “carrier” and inserting “medicare administrative contractor”; and
 - (E) by striking paragraphs (5) and (6).
- (5) Subsections (d), (e), and (f) are repealed.
- (6) Subsection (g) is amended by striking “carrier or carriers” and inserting “medicare administrative contractor or contractors”.
- (7) Subsection (h) is amended—
- (A) in paragraph (2)—

(i) by striking “Each carrier having an agreement with the Secretary under subsection (a)” and inserting “The Secretary”; and

(ii) by striking “Each such carrier” and inserting “The Secretary”;

(B) in paragraph (3)(A)—

(i) by striking “a carrier having an agreement with the Secretary under subsection (a)” and inserting “medicare administrative contractor having a contract under section 1874A that provides for making payments under this part”; and

(ii) by striking “such carrier” and inserting “such contractor”;

(C) in paragraph (3)(B)—

(i) by striking “a carrier” and inserting “a medicare administrative contractor” each place it appears; and

(ii) by striking “the carrier” and inserting “the contractor” each place it appears; and

(D) in paragraphs (5)(A) and (5)(B)(iii), by striking “carriers” and inserting “medicare administrative contractors” each place it appears.

(8) Subsection (l) is amended—

(A) in paragraph (1)(A)(iii), by striking “carrier” and inserting “medicare administrative contractor”; and

(B) in paragraph (2), by striking “carrier” and inserting “medicare administrative contractor”.

(9) Subsection (p)(3)(A) is amended by striking “carrier” and inserting “medicare administrative contractor”.

(10) Subsection (q)(1)(A) is amended by striking “carrier”.

(d) EFFECTIVE DATE; TRANSITION RULE.—

(1) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on October 1, 2005, and the Secretary is authorized to take such steps before such date as may be necessary to implement such amendments on a timely basis.

(B) CONSTRUCTION FOR CURRENT CONTRACTS.—Such amendments shall not apply to contracts in effect before the date specified under subparagraph (A) that continue to retain the terms and conditions in effect on such date (except as otherwise provided under this Act, other than under this section) until such date as the contract is let out for competitive bidding under such amendments.

(C) DEADLINE FOR COMPETITIVE BIDDING.—The Secretary shall provide for the letting by competitive bidding of all contracts for functions of medicare administrative contractors for annual contract periods that begin on or after October 1, 2011.

(2) GENERAL TRANSITION RULES.—

(A) AUTHORITY TO CONTINUE TO ENTER INTO NEW AGREEMENTS AND CONTRACTS AND WAIVER OF PROVIDER NOMINATION PROVISIONS DURING TRANSITION.—Prior to October 1, 2005, the Secretary may, consistent with subparagraph (B), continue to enter into agreements under section 1816 and contracts under section 1842 of the Social Security Act (42 U.S.C. 1395h, 1395u). The Secretary may enter into new agreements under section 1816 prior to

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October 1, 2005, without regard to any of the provider nomination provisions of such section.

(B) APPROPRIATE TRANSITION.—The Secretary shall take such steps as are necessary to provide for an appropriate transition from agreements under section 1816 and contracts under section 1842 of the Social Security Act (42 U.S.C. 1395h, 1395u) to contracts under section 1874A, as added by subsection (a)(1).

(3) AUTHORIZING CONTINUATION OF MIP FUNCTIONS UNDER CURRENT CONTRACTS AND AGREEMENTS AND UNDER TRANSITION CONTRACTS.—Notwithstanding the amendments made by this section, the provisions contained in the exception in section 1893(d)(2) of the Social Security Act (42 U.S.C. 1395ddd(d)(2)) shall continue to apply during the period that begins on the date of the enactment of this Act and ends on October 1, 2011, and any reference in such provisions to an agreement or contract shall be deemed to include a contract under section 1874A of such Act, as inserted by subsection (a)(1), that continues the activities referred to in such provisions.

42 USC
1395kk–1 note.

(e) REFERENCES.—On and after the effective date provided under subsection (d)(1), any reference to a fiscal intermediary or carrier under title XI or XVIII of the Social Security Act (or any regulation, manual instruction, interpretative rule, statement of policy, or guideline issued to carry out such titles) shall be deemed a reference to a medicare administrative contractor (as provided under section 1874A of the Social Security Act).

42 USC
1395kk–1 note.

(f) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this section.

42 USC
1395kk–1 note.

(g) REPORTS ON IMPLEMENTATION.—

(1) PLAN FOR IMPLEMENTATION.—By not later than October 1, 2004, the Secretary shall submit a report to Congress and the Comptroller General of the United States that describes the plan for implementation of the amendments made by this section. The Comptroller General shall conduct an evaluation of such plan and shall submit to Congress, not later than 6 months after the date the report is received, a report on such evaluation and shall include in such report such recommendations as the Comptroller General deems appropriate.

Deadline.

(2) STATUS OF IMPLEMENTATION.—The Secretary shall submit a report to Congress not later than October 1, 2008, that describes the status of implementation of such amendments and that includes a description of the following:

(A) The number of contracts that have been competitively bid as of such date.

(B) The distribution of functions among contracts and contractors.

(C) A timeline for complete transition to full competition.

(D) A detailed description of how the Secretary has modified oversight and management of medicare contractors to adapt to full competition.

SEC. 912. REQUIREMENTS FOR INFORMATION SECURITY FOR MEDICARE ADMINISTRATIVE CONTRACTORS.

(a) IN GENERAL.—Section 1874A, as added by section 911(a)(1), is amended by adding at the end the following new subsection:

“(e) REQUIREMENTS FOR INFORMATION SECURITY.—

“(1) DEVELOPMENT OF INFORMATION SECURITY PROGRAM.—

A medicare administrative contractor that performs the functions referred to in subparagraphs (A) and (B) of subsection (a)(4) (relating to determining and making payments) shall implement a contractor-wide information security program to provide information security for the operation and assets of the contractor with respect to such functions under this title. An information security program under this paragraph shall meet the requirements for information security programs imposed on Federal agencies under paragraphs (1) through (8) of section 3544(b) of title 44, United States Code (other than the requirements under paragraphs (2)(D)(i), (5)(A), and (5)(B) of such section).

“(2) INDEPENDENT AUDITS.—

“(A) PERFORMANCE OF ANNUAL EVALUATIONS.—Each year a medicare administrative contractor that performs the functions referred to in subparagraphs (A) and (B) of subsection (a)(4) (relating to determining and making payments) shall undergo an evaluation of the information security of the contractor with respect to such functions under this title. The evaluation shall—

“(i) be performed by an entity that meets such requirements for independence as the Inspector General of the Department of Health and Human Services may establish; and

“(ii) test the effectiveness of information security control techniques of an appropriate subset of the contractor’s information systems (as defined in section 3502(8) of title 44, United States Code) relating to such functions under this title and an assessment of compliance with the requirements of this subsection and related information security policies, procedures, standards and guidelines, including policies and procedures as may be prescribed by the Director of the Office of Management and Budget and applicable information security standards promulgated under section 11331 of title 40, United States Code.

“(B) DEADLINE FOR INITIAL EVALUATION.—

“(i) NEW CONTRACTORS.—In the case of a medicare administrative contractor covered by this subsection that has not previously performed the functions referred to in subparagraphs (A) and (B) of subsection (a)(4) (relating to determining and making payments) as a fiscal intermediary or carrier under section 1816 or 1842, the first independent evaluation conducted pursuant to subparagraph (A) shall be completed prior to commencing such functions.

“(ii) OTHER CONTRACTORS.—In the case of a medicare administrative contractor covered by this subsection that is not described in clause (i), the first independent evaluation conducted pursuant to subparagraph (A) shall be completed within 1 year

after the date the contractor commences functions referred to in clause (i) under this section.

“(C) REPORTS ON EVALUATIONS.—

Reports.

“(i) TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The results of independent evaluations under subparagraph (A) shall be submitted promptly to the Inspector General of the Department of Health and Human Services and to the Secretary.

“(ii) TO CONGRESS.—The Inspector General of the Department of Health and Human Services shall submit to Congress annual reports on the results of such evaluations, including assessments of the scope and sufficiency of such evaluations.

“(iii) AGENCY REPORTING.—The Secretary shall address the results of such evaluations in reports required under section 3544(c) of title 44, United States Code.”

42 USC
1395kk–1 note.

(b) APPLICATION OF REQUIREMENTS TO FISCAL INTERMEDIARIES AND CARRIERS.—

(1) IN GENERAL.—The provisions of section 1874A(e)(2) of the Social Security Act (other than subparagraph (B)), as added by subsection (a), shall apply to each fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h) and each carrier under section 1842 of such Act (42 U.S.C. 1395u) in the same manner as they apply to medicare administrative contractors under such provisions.

(2) DEADLINE FOR INITIAL EVALUATION.—In the case of such a fiscal intermediary or carrier with an agreement or contract under such respective section in effect as of the date of the enactment of this Act, the first evaluation under section 1874A(e)(2)(A) of the Social Security Act (as added by subsection (a)), pursuant to paragraph (1), shall be completed (and a report on the evaluation submitted to the Secretary) by not later than 1 year after such date.

Subtitle C—Education and Outreach

SEC. 921. PROVIDER EDUCATION AND TECHNICAL ASSISTANCE.

(a) COORDINATION OF EDUCATION FUNDING.—

(1) IN GENERAL.—Title XVIII is amended by inserting after section 1888 the following new section:

“PROVIDER EDUCATION AND TECHNICAL ASSISTANCE

42 USC 1395zz.

“SEC. 1889. (a) COORDINATION OF EDUCATION FUNDING.—The Secretary shall coordinate the educational activities provided through medicare contractors (as defined in subsection (g), including under section 1893) in order to maximize the effectiveness of Federal education efforts for providers of services and suppliers.”

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

42 USC 1395zz
note.

(3) REPORT.—Not later than October 1, 2004, the Secretary shall submit to Congress a report that includes a description and evaluation of the steps taken to coordinate the funding of provider education under section 1889(a) of the Social Security Act, as added by paragraph (1).

(b) INCENTIVES TO IMPROVE CONTRACTOR PERFORMANCE.—

(1) IN GENERAL.—Section 1874A, as added by section 911(a)(1) and as amended by section 912(a), is amended by adding at the end the following new subsection:

“(f) INCENTIVES TO IMPROVE CONTRACTOR PERFORMANCE IN PROVIDER EDUCATION AND OUTREACH.—The Secretary shall use specific claims payment error rates or similar methodology of medicare administrative contractors in the processing or reviewing of medicare claims in order to give such contractors an incentive to implement effective education and outreach programs for providers of services and suppliers.”.

(2) APPLICATION TO FISCAL INTERMEDIARIES AND CARRIERS.—The provisions of section 1874A(f) of the Social Security Act, as added by paragraph (1), shall apply to each fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h) and each carrier under section 1842 of such Act (42 U.S.C. 1395u) in the same manner as they apply to medicare administrative contractors under such provisions.

42 USC
1395kk–1 note.

(3) GAO REPORT ON ADEQUACY OF METHODOLOGY.—Not later than October 1, 2004, the Comptroller General of the United States shall submit to Congress and to the Secretary a report on the adequacy of the methodology under section 1874A(f) of the Social Security Act, as added by paragraph (1), and shall include in the report such recommendations as the Comptroller General determines appropriate with respect to the methodology.

(4) REPORT ON USE OF METHODOLOGY IN ASSESSING CONTRACTOR PERFORMANCE.—Not later than October 1, 2004, the Secretary shall submit to Congress a report that describes how the Secretary intends to use such methodology in assessing medicare contractor performance in implementing effective education and outreach programs, including whether to use such methodology as a basis for performance bonuses. The report shall include an analysis of the sources of identified errors and potential changes in systems of contractors and rules of the Secretary that could reduce claims error rates.

(c) PROVISION OF ACCESS TO AND PROMPT RESPONSES FROM MEDICARE ADMINISTRATIVE CONTRACTORS.—

(1) IN GENERAL.—Section 1874A, as added by section 911(a)(1) and as amended by section 912(a) and subsection (b), is further amended by adding at the end the following new subsection:

“(g) COMMUNICATIONS WITH BENEFICIARIES, PROVIDERS OF SERVICES AND SUPPLIERS.—

“(1) COMMUNICATION STRATEGY.—The Secretary shall develop a strategy for communications with individuals entitled to benefits under part A or enrolled under part B, or both, and with providers of services and suppliers under this title.

“(2) RESPONSE TO WRITTEN INQUIRIES.—Each medicare administrative contractor shall, for those providers of services and suppliers which submit claims to the contractor for claims processing and for those individuals entitled to benefits under part A or enrolled under part B, or both, with respect to whom claims are submitted for claims processing, provide general written responses (which may be through electronic transmission) in a clear, concise, and accurate manner to inquiries of providers of services, suppliers, and individuals entitled to

benefits under part A or enrolled under part B, or both, concerning the programs under this title within 45 business days of the date of receipt of such inquiries.

“(3) RESPONSE TO TOLL-FREE LINES.—The Secretary shall ensure that each medicare administrative contractor shall provide, for those providers of services and suppliers which submit claims to the contractor for claims processing and for those individuals entitled to benefits under part A or enrolled under part B, or both, with respect to whom claims are submitted for claims processing, a toll-free telephone number at which such individuals, providers of services, and suppliers may obtain information regarding billing, coding, claims, coverage, and other appropriate information under this title.

“(4) MONITORING OF CONTRACTOR RESPONSES.—

“(A) IN GENERAL.—Each medicare administrative contractor shall, consistent with standards developed by the Secretary under subparagraph (B)—

“(i) maintain a system for identifying who provides the information referred to in paragraphs (2) and (3); and

“(ii) monitor the accuracy, consistency, and timeliness of the information so provided.

“(B) DEVELOPMENT OF STANDARDS.—

“(i) IN GENERAL.—The Secretary shall establish and make public standards to monitor the accuracy, consistency, and timeliness of the information provided in response to written and telephone inquiries under this subsection. Such standards shall be consistent with the performance requirements established under subsection (b)(3).

“(ii) EVALUATION.—In conducting evaluations of individual medicare administrative contractors, the Secretary shall take into account the results of the monitoring conducted under subparagraph (A) taking into account as performance requirements the standards established under clause (i). The Secretary shall, in consultation with organizations representing providers of services, suppliers, and individuals entitled to benefits under part A or enrolled under part B, or both, establish standards relating to the accuracy, consistency, and timeliness of the information so provided.

“(C) DIRECT MONITORING.—Nothing in this paragraph shall be construed as preventing the Secretary from directly monitoring the accuracy, consistency, and timeliness of the information so provided.

“(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.”

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect October 1, 2004.

(3) APPLICATION TO FISCAL INTERMEDIARIES AND CARRIERS.—The provisions of section 1874A(g) of the Social Security Act, as added by paragraph (1), shall apply to each fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h) and each carrier under section 1842 of such

42 USC
1395kk-1 note.

42 USC
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Act (42 U.S.C. 1395u) in the same manner as they apply to medicare administrative contractors under such provisions.

(d) IMPROVED PROVIDER EDUCATION AND TRAINING.—

(1) IN GENERAL.—Section 1889, as added by subsection (a), is amended by adding at the end the following new subsections:

“(b) ENHANCED EDUCATION AND TRAINING.—

“(1) ADDITIONAL RESOURCES.—There are authorized to be appropriated to the Secretary (in appropriate part from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund) such sums as may be necessary for fiscal years beginning with fiscal year 2005.

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“(2) USE.—The funds made available under paragraph (1) shall be used to increase the conduct by medicare contractors of education and training of providers of services and suppliers regarding billing, coding, and other appropriate items and may also be used to improve the accuracy, consistency, and timeliness of contractor responses.

“(c) TAILORING EDUCATION AND TRAINING ACTIVITIES FOR SMALL PROVIDERS OR SUPPLIERS.—

“(1) IN GENERAL.—Insofar as a medicare contractor conducts education and training activities, it shall tailor such activities to meet the special needs of small providers of services or suppliers (as defined in paragraph (2)). Such education and training activities for small providers of services and suppliers may include the provision of technical assistance (such as review of billing systems and internal controls to determine program compliance and to suggest more efficient and effective means of achieving such compliance).

“(2) SMALL PROVIDER OF SERVICES OR SUPPLIER.—In this subsection, the term ‘small provider of services or supplier’ means—

“(A) a provider of services with fewer than 25 full-time-equivalent employees; or

“(B) a supplier with fewer than 10 full-time-equivalent employees.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 2004.

42 USC 1395zz
note.

(e) REQUIREMENT TO MAINTAIN INTERNET WEBSITES.—

(1) IN GENERAL.—Section 1889, as added by subsection (a) and as amended by subsection (d), is further amended by adding at the end the following new subsection:

“(d) INTERNET WEBSITES; FAQs.—The Secretary, and each medicare contractor insofar as it provides services (including claims processing) for providers of services or suppliers, shall maintain an Internet website which—

“(1) provides answers in an easily accessible format to frequently asked questions, and

“(2) includes other published materials of the contractor, that relate to providers of services and suppliers under the programs under this title (and title XI insofar as it relates to such programs).”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 2004.

42 USC 1395zz
note.

(f) ADDITIONAL PROVIDER EDUCATION PROVISIONS.—

(1) IN GENERAL.—Section 1889, as added by subsection (a) and as amended by subsections (d) and (e), is further amended by adding at the end the following new subsections:

“(e) ENCOURAGEMENT OF PARTICIPATION IN EDUCATION PROGRAM ACTIVITIES.—A medicare contractor may not use a record of attendance at (or failure to attend) educational activities or other information gathered during an educational program conducted under this section or otherwise by the Secretary to select or track providers of services or suppliers for the purpose of conducting any type of audit or prepayment review.

“(f) CONSTRUCTION.—Nothing in this section or section 1893(g) shall be construed as providing for disclosure by a medicare contractor—

“(1) of the screens used for identifying claims that will be subject to medical review; or

“(2) of information that would compromise pending law enforcement activities or reveal findings of law enforcement-related audits.

“(g) DEFINITIONS.—For purposes of this section, the term ‘medicare contractor’ includes the following:

“(1) A medicare administrative contractor with a contract under section 1874A, including a fiscal intermediary with a contract under section 1816 and a carrier with a contract under section 1842.

“(2) An eligible entity with a contract under section 1893. Such term does not include, with respect to activities of a specific provider of services or supplier an entity that has no authority under this title or title IX with respect to such activities and such provider of services or supplier.”

42 USC 1395zz
note.

(2) EFFECTIVE DATE.—The amendment made by paragraph

(1) shall take effect on the date of the enactment of this Act.

42 USC 1395zz
note.

SEC. 922. SMALL PROVIDER TECHNICAL ASSISTANCE DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a demonstration program (in this section referred to as the “demonstration program”) under which technical assistance described in paragraph (2) is made available, upon request and on a voluntary basis, to small providers of services or suppliers in order to improve compliance with the applicable requirements of the programs under medicare program under title XVIII of the Social Security Act (including provisions of title XI of such Act insofar as they relate to such title and are not administered by the Office of the Inspector General of the Department of Health and Human Services).

(2) FORMS OF TECHNICAL ASSISTANCE.—The technical assistance described in this paragraph is—

(A) evaluation and recommendations regarding billing and related systems; and

(B) information and assistance regarding policies and procedures under the medicare program, including coding and reimbursement.

(3) SMALL PROVIDERS OF SERVICES OR SUPPLIERS.—In this section, the term “small providers of services or suppliers” means—

(A) a provider of services with fewer than 25 full-time-equivalent employees; or

(B) a supplier with fewer than 10 full-time-equivalent employees.

(b) **QUALIFICATION OF CONTRACTORS.**—In conducting the demonstration program, the Secretary shall enter into contracts with qualified organizations (such as peer review organizations or entities described in section 1889(g)(2) of the Social Security Act, as inserted by section 921(f)(1)) with appropriate expertise with billing systems of the full range of providers of services and suppliers to provide the technical assistance. In awarding such contracts, the Secretary shall consider any prior investigations of the entity's work by the Inspector General of Department of Health and Human Services or the Comptroller General of the United States.

(c) **DESCRIPTION OF TECHNICAL ASSISTANCE.**—The technical assistance provided under the demonstration program shall include a direct and in-person examination of billing systems and internal controls of small providers of services or suppliers to determine program compliance and to suggest more efficient or effective means of achieving such compliance.

(d) **GAO EVALUATION.**—Not later than 2 years after the date the demonstration program is first implemented, the Comptroller General, in consultation with the Inspector General of the Department of Health and Human Services, shall conduct an evaluation of the demonstration program. The evaluation shall include a determination of whether claims error rates are reduced for small providers of services or suppliers who participated in the program and the extent of improper payments made as a result of the demonstration program. The Comptroller General shall submit a report to the Secretary and the Congress on such evaluation and shall include in such report recommendations regarding the continuation or extension of the demonstration program.

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(e) **FINANCIAL PARTICIPATION BY PROVIDERS.**—The provision of technical assistance to a small provider of services or supplier under the demonstration program is conditioned upon the small provider of services or supplier paying an amount estimated (and disclosed in advance of a provider's or supplier's participation in the program) to be equal to 25 percent of the cost of the technical assistance.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated, from amounts not otherwise appropriated in the Treasury, such sums as may be necessary to carry out this section.

SEC. 923. MEDICARE BENEFICIARY OMBUDSMAN.

(a) **IN GENERAL.**—Section 1808, as added and amended by section 900, is amended by adding at the end the following new subsection:

“(c) **MEDICARE BENEFICIARY OMBUDSMAN.**—

“(1) **IN GENERAL.**—The Secretary shall appoint within the Department of Health and Human Services a Medicare Beneficiary Ombudsman who shall have expertise and experience in the fields of health care and education of (and assistance to) individuals entitled to benefits under this title.

“(2) **DUTIES.**—The Medicare Beneficiary Ombudsman shall—

“(A) receive complaints, grievances, and requests for information submitted by individuals entitled to benefits under part A or enrolled under part B, or both, with respect to any aspect of the medicare program;

“(B) provide assistance with respect to complaints, grievances, and requests referred to in subparagraph (A), including—

“(i) assistance in collecting relevant information for such individuals, to seek an appeal of a decision or determination made by a fiscal intermediary, carrier, MA organization, or the Secretary;

“(ii) assistance to such individuals with any problems arising from disenrollment from an MA plan under part C; and

“(iii) assistance to such individuals in presenting information under section 1839(i)(4)(C) (relating to income-related premium adjustment; and

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“(C) submit annual reports to Congress and the Secretary that describe the activities of the Office and that include such recommendations for improvement in the administration of this title as the Ombudsman determines appropriate.

The Ombudsman shall not serve as an advocate for any increases in payments or new coverage of services, but may identify issues and problems in payment or coverage policies.

“(3) WORKING WITH HEALTH INSURANCE COUNSELING PROGRAMS.—To the extent possible, the Ombudsman shall work with health insurance counseling programs (receiving funding under section 4360 of Omnibus Budget Reconciliation Act of 1990) to facilitate the provision of information to individuals entitled to benefits under part A or enrolled under part B, or both regarding MA plans and changes to those plans. Nothing in this paragraph shall preclude further collaboration between the Ombudsman and such programs.”.

42 USC 1395b–9
note.

(b) DEADLINE FOR APPOINTMENT.—By not later than 1 year after the date of the enactment of this Act, the Secretary shall appoint the Medicare Beneficiary Ombudsman under section 1808(c) of the Social Security Act, as added by subsection (a).

(c) FUNDING.—There are authorized to be appropriated to the Secretary (in appropriate part from the Federal Hospital Insurance Trust Fund, established under section 1817 of the Social Security Act (42 U.S.C. 1395i), and the Federal Supplementary Medical Insurance Trust Fund, established under section 1841 of such Act (42 U.S.C. 1395t)) to carry out section 1808(c) of such Act (relating to the Medicare Beneficiary Ombudsman), as added by subsection (a), such sums as are necessary for fiscal year 2004 and each succeeding fiscal year.

(d) USE OF CENTRAL, TOLL-FREE NUMBER (1–800–MEDICARE).—

(1) PHONE TRIAGE SYSTEM; LISTING IN MEDICARE HANDBOOK INSTEAD OF OTHER TOLL-FREE NUMBERS.—Section 1804(b) (42 U.S.C. 1395b–2(b)) is amended by adding at the end the following: “The Secretary shall provide, through the toll-free telephone number 1–800–MEDICARE, for a means by which individuals seeking information about, or assistance with, such programs who phone such toll-free number are transferred (without charge) to appropriate entities for the provision of such information or assistance. Such toll-free number shall be the toll-free number listed for general information and assistance in the annual notice under subsection (a) instead of the listing of numbers of individual contractors.”.

(2) MONITORING ACCURACY.—

(A) STUDY.—The Comptroller General of the United States shall conduct a study to monitor the accuracy and consistency of information provided to individuals entitled to benefits under part A or enrolled under part B, or both, through the toll-free telephone number 1-800-MEDICARE, including an assessment of whether the information provided is sufficient to answer questions of such individuals. In conducting the study, the Comptroller General shall examine the education and training of the individuals providing information through such number.

42 USC 1395b-2
note.

(B) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subparagraph (A).

SEC. 924. BENEFICIARY OUTREACH DEMONSTRATION PROGRAM.

42 USC 1395b-3
note.

(a) IN GENERAL.—The Secretary shall establish a demonstration program (in this section referred to as the “demonstration program”) under which medicare specialists employed by the Department of Health and Human Services provide advice and assistance to individuals entitled to benefits under part A of title XVIII of the Social Security Act, or enrolled under part B of such title, or both, regarding the medicare program at the location of existing local offices of the Social Security Administration.

(b) LOCATIONS.—

(1) IN GENERAL.—The demonstration program shall be conducted in at least 6 offices or areas. Subject to paragraph (2), in selecting such offices and areas, the Secretary shall provide preference for offices with a high volume of visits by individuals referred to in subsection (a).

(2) ASSISTANCE FOR RURAL BENEFICIARIES.—The Secretary shall provide for the selection of at least 2 rural areas to participate in the demonstration program. In conducting the demonstration program in such rural areas, the Secretary shall provide for medicare specialists to travel among local offices in a rural area on a scheduled basis.

(c) DURATION.—The demonstration program shall be conducted over a 3-year period.

(d) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall provide for an evaluation of the demonstration program. Such evaluation shall include an analysis of—

(A) utilization of, and satisfaction of those individuals referred to in subsection (a) with, the assistance provided under the program; and

(B) the cost-effectiveness of providing beneficiary assistance through out-stationing medicare specialists at local offices of the Social Security Administration.

(2) REPORT.—The Secretary shall submit to Congress a report on such evaluation and shall include in such report recommendations regarding the feasibility of permanently out-stationing medicare specialists at local offices of the Social Security Administration.

42 USC 1395b–7
note.

SEC. 925. INCLUSION OF ADDITIONAL INFORMATION IN NOTICES TO BENEFICIARIES ABOUT SKILLED NURSING FACILITY BENEFITS.

(a) IN GENERAL.—The Secretary shall provide that in medicare beneficiary notices provided (under section 1806(a) of the Social Security Act, 42 U.S.C. 1395b–7(a)) with respect to the provision of post-hospital extended care services under part A of title XVIII of the Social Security Act, there shall be included information on the number of days of coverage of such services remaining under such part for the medicare beneficiary and spell of illness involved.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to notices provided during calendar quarters beginning more than 6 months after the date of the enactment of this Act.

42 USC 1395x
note.

SEC. 926. INFORMATION ON MEDICARE-CERTIFIED SKILLED NURSING FACILITIES IN HOSPITAL DISCHARGE PLANS.

(a) AVAILABILITY OF DATA.—The Secretary shall publicly provide information that enables hospital discharge planners, medicare beneficiaries, and the public to identify skilled nursing facilities that are participating in the medicare program.

(b) INCLUSION OF INFORMATION IN CERTAIN HOSPITAL DISCHARGE PLANS.—

(1) IN GENERAL.—Section 1861(ee)(2)(D) (42 U.S.C. 1395x(ee)(2)(D)) is amended—

(A) by striking “hospice services” and inserting “hospice care and post-hospital extended care services”; and

(B) by inserting before the period at the end the following: “and, in the case of individuals who are likely to need post-hospital extended care services, the availability of such services through facilities that participate in the program under this title and that serve the area in which the patient resides”.

42 USC 1395x
note.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to discharge plans made on or after such date as the Secretary shall specify, but not later than 6 months after the date the Secretary provides for availability of information under subsection (a).

Subtitle D—Appeals and Recovery

42 USC 1395ff
note.

SEC. 931. TRANSFER OF RESPONSIBILITY FOR MEDICARE APPEALS.

(a) TRANSITION PLAN.—

(1) IN GENERAL.—Not later than April 1, 2004, the Commissioner of Social Security and the Secretary shall develop and transmit to Congress and the Comptroller General of the United States a plan under which the functions of administrative law judges responsible for hearing cases under title XVIII of the Social Security Act (and related provisions in title XI of such Act) are transferred from the responsibility of the Commissioner and the Social Security Administration to the Secretary and the Department of Health and Human Services.

(2) CONTENTS.—The plan shall include information on the following:

(A) WORKLOAD.—The number of such administrative law judges and support staff required now and in the

future to hear and decide such cases in a timely manner, taking into account the current and anticipated claims volume, appeals, number of beneficiaries, and statutory changes.

(B) COST PROJECTIONS AND FINANCING.—Funding levels required for fiscal year 2005 and subsequent fiscal years to carry out the functions transferred under the plan.

(C) TRANSITION TIMETABLE.—A timetable for the transition.

(D) REGULATIONS.—The establishment of specific regulations to govern the appeals process.

(E) CASE TRACKING.—The development of a unified case tracking system that will facilitate the maintenance and transfer of case specific data across both the fee-for-service and managed care components of the medicare program.

(F) FEASIBILITY OF PRECEDENTIAL AUTHORITY.—The feasibility of developing a process to give decisions of the Departmental Appeals Board in the Department of Health and Human Services addressing broad legal issues binding, precedential authority.

(G) ACCESS TO ADMINISTRATIVE LAW JUDGES.—The feasibility of—

(i) filing appeals with administrative law judges electronically; and

(ii) conducting hearings using tele- or video-conference technologies.

(H) INDEPENDENCE OF ADMINISTRATIVE LAW JUDGES.—The steps that should be taken to ensure the independence of administrative law judges consistent with the requirements of subsection (b)(2).

(I) GEOGRAPHIC DISTRIBUTION.—The steps that should be taken to provide for an appropriate geographic distribution of administrative law judges throughout the United States to carry out subsection (b)(3).

(J) HIRING.—The steps that should be taken to hire administrative law judges (and support staff) to carry out subsection (b)(4).

(K) PERFORMANCE STANDARDS.—The appropriateness of establishing performance standards for administrative law judges with respect to timelines for decisions in cases under title XVIII of the Social Security Act taking into account requirements under subsection (b)(2) for the independence of such judges and consistent with the applicable provisions of title 5, United States Code relating to impartiality.

(L) SHARED RESOURCES.—The steps that should be taken to carry out subsection (b)(6) (relating to the arrangements with the Commissioner of Social Security to share office space, support staff, and other resources, with appropriate reimbursement).

(M) TRAINING.—The training that should be provided to administrative law judges with respect to laws and regulations under title XVIII of the Social Security Act.

(3) ADDITIONAL INFORMATION.—The plan may also include recommendations for further congressional action, including modifications to the requirements and deadlines established

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under section 1869 of the Social Security Act (42 U.S.C. 1395ff) (as amended by this Act).

(4) GAO EVALUATION.—The Comptroller General of the United States shall evaluate the plan and, not later than the date that is 6 months after the date on which the plan is received by the Comptroller General, shall submit to Congress a report on such evaluation.

(b) TRANSFER OF ADJUDICATION AUTHORITY.—

(1) IN GENERAL.—Not earlier than July 1, 2005, and not later than October 1, 2005, the Commissioner of Social Security and the Secretary shall implement the transition plan under subsection (a) and transfer the administrative law judge functions described in such subsection from the Social Security Administration to the Secretary.

(2) ASSURING INDEPENDENCE OF JUDGES.—The Secretary shall assure the independence of administrative law judges performing the administrative law judge functions transferred under paragraph (1) from the Centers for Medicare & Medicaid Services and its contractors. In order to assure such independence, the Secretary shall place such judges in an administrative office that is organizationally and functionally separate from such Centers. Such judges shall report to, and be under the general supervision of, the Secretary, but shall not report to, or be subject to supervision by, another officer of the Department of Health and Human Services.

(3) GEOGRAPHIC DISTRIBUTION.—The Secretary shall provide for an appropriate geographic distribution of administrative law judges performing the administrative law judge functions transferred under paragraph (1) throughout the United States to ensure timely access to such judges.

(4) HIRING AUTHORITY.—Subject to the amounts provided in advance in appropriations Acts, the Secretary shall have authority to hire administrative law judges to hear such cases, taking into consideration those judges with expertise in handling medicare appeals and in a manner consistent with paragraph (3), and to hire support staff for such judges.

(5) FINANCING.—Amounts payable under law to the Commissioner for administrative law judges performing the administrative law judge functions transferred under paragraph (1) from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund shall become payable to the Secretary for the functions so transferred.

(6) SHARED RESOURCES.—The Secretary shall enter into such arrangements with the Commissioner as may be appropriate with respect to transferred functions of administrative law judges to share office space, support staff, and other resources, with appropriate reimbursement from the Trust Funds described in paragraph (5).

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(c) INCREASED FINANCIAL SUPPORT.—In addition to any amounts otherwise appropriated, to ensure timely action on appeals before administrative law judges and the Departmental Appeals Board consistent with section 1869 of the Social Security Act (42 U.S.C. 1395ff) (as amended by this Act), there are authorized to be appropriated (in appropriate part from the Federal Hospital Insurance Trust Fund, established under section 1817 of the Social Security Act (42 U.S.C. 1395i), and the Federal Supplementary

Medical Insurance Trust Fund, established under section 1841 of such Act (42 U.S.C. 1395t)) to the Secretary such sums as are necessary for fiscal year 2005 and each subsequent fiscal year to—

(1) increase the number of administrative law judges (and their staffs) under subsection (b)(4);

(2) improve education and training opportunities for administrative law judges (and their staffs); and

(3) increase the staff of the Departmental Appeals Board.

(d) CONFORMING AMENDMENT.—Section 1869(f)(2)(A)(i) (42 U.S.C. 1395ff(f)(2)(A)(i)) is amended by striking “of the Social Security Administration”.

SEC. 932. PROCESS FOR EXPEDITED ACCESS TO REVIEW.

(a) EXPEDITED ACCESS TO JUDICIAL REVIEW.—

(1) IN GENERAL.—Section 1869(b) (42 U.S.C. 1395ff(b)) is amended—

(A) in paragraph (1)(A), by inserting “, subject to paragraph (2),” before “to judicial review of the Secretary’s final decision”; and

(B) by adding at the end the following new paragraph:

“(2) EXPEDITED ACCESS TO JUDICIAL REVIEW.—

“(A) IN GENERAL.—The Secretary shall establish a process under which a provider of services or supplier that furnishes an item or service or an individual entitled to benefits under part A or enrolled under part B, or both, who has filed an appeal under paragraph (1) (other than an appeal filed under paragraph (1)(F)(i)) may obtain access to judicial review when a review entity (described in subparagraph (D)), on its own motion or at the request of the appellant, determines that the Departmental Appeals Board does not have the authority to decide the question of law or regulation relevant to the matters in controversy and that there is no material issue of fact in dispute. The appellant may make such request only once with respect to a question of law or regulation for a specific matter in dispute in a case of an appeal.

“(B) PROMPT DETERMINATIONS.—If, after or coincident with appropriately filing a request for an administrative hearing, the appellant requests a determination by the appropriate review entity that the Departmental Appeals Board does not have the authority to decide the question of law or regulations relevant to the matters in controversy and that there is no material issue of fact in dispute, and if such request is accompanied by the documents and materials as the appropriate review entity shall require for purposes of making such determination, such review entity shall make a determination on the request in writing within 60 days after the date such review entity receives the request and such accompanying documents and materials. Such a determination by such review entity shall be considered a final decision and not subject to review by the Secretary.

“(C) ACCESS TO JUDICIAL REVIEW.—

“(i) IN GENERAL.—If the appropriate review entity—

“(I) determines that there are no material issues of fact in dispute and that the only issues to be adjudicated are ones of law or regulation that the Departmental Appeals Board does not have authority to decide; or

“(II) fails to make such determination within the period provided under subparagraph (B), then the appellant may bring a civil action as described in this subparagraph.

“(ii) DEADLINE FOR FILING.—Such action shall be filed, in the case described in—

“(I) clause (i)(I), within 60 days of the date of the determination described in such clause; or

“(II) clause (i)(II), within 60 days of the end of the period provided under subparagraph (B) for the determination.

“(iii) VENUE.—Such action shall be brought in the district court of the United States for the judicial district in which the appellant is located (or, in the case of an action brought jointly by more than one applicant, the judicial district in which the greatest number of applicants are located) or in the District Court for the District of Columbia.

“(iv) INTEREST ON ANY AMOUNTS IN CONTROVERSY.—Where a provider of services or supplier is granted judicial review pursuant to this paragraph, the amount in controversy (if any) shall be subject to annual interest beginning on the first day of the first month beginning after the 60-day period as determined pursuant to clause (ii) and equal to the rate of interest on obligations issued for purchase by the Federal Supplementary Medical Insurance Trust Fund for the month in which the civil action authorized under this paragraph is commenced, to be awarded by the reviewing court in favor of the prevailing party. No interest awarded pursuant to the preceding sentence shall be deemed income or cost for the purposes of determining reimbursement due providers of services or suppliers under this title.

“(D) REVIEW ENTITY DEFINED.—For purposes of this subsection, the term ‘review entity’ means an entity of up to three reviewers who are administrative law judges or members of the Departmental Appeals Board selected for purposes of making determinations under this paragraph.”.

(2) CONFORMING AMENDMENT.—Section 1869(b)(1)(F)(ii) (42 U.S.C. 1395ff(b)(1)(F)(ii)) is amended to read as follows:

“(ii) REFERENCE TO EXPEDITED ACCESS TO JUDICIAL REVIEW.—For the provision relating to expedited access to judicial review, see paragraph (2).”.

(b) APPLICATION TO PROVIDER AGREEMENT DETERMINATIONS.—Section 1866(h)(1) (42 U.S.C. 1395cc(h)(1)) is amended—

(1) by inserting “(A)” after “(h)(1)”; and

(2) by adding at the end the following new subparagraph:

“(B) An institution or agency described in subparagraph (A) that has filed for a hearing under subparagraph (A) shall have expedited access to judicial review under this subparagraph in

the same manner as providers of services, suppliers, and individuals entitled to benefits under part A or enrolled under part B, or both, may obtain expedited access to judicial review under the process established under section 1869(b)(2). Nothing in this subparagraph shall be construed to affect the application of any remedy imposed under section 1819 during the pendency of an appeal under this subparagraph.”.

(c) EXPEDITED REVIEW OF CERTAIN PROVIDER AGREEMENT DETERMINATIONS.—

(1) TERMINATION AND CERTAIN OTHER IMMEDIATE REMEDIES.—Section 1866(h)(1) (42 U.S.C. 1395cc(h)(1)), as amended by subsection (b), is amended by adding at the end the following new subparagraph:

“(C)(i) The Secretary shall develop and implement a process to expedite proceedings under this subsection in which—

“(I) the remedy of termination of participation has been imposed;

“(II) a remedy described in clause (i) or (iii) of section 1819(h)(2)(B) has been imposed, but only if such remedy has been imposed on an immediate basis; or

“(III) a determination has been made as to a finding of substandard quality of care that results in the loss of approval of a skilled nursing facility’s nurse aide training program.

“(ii) Under such process under clause (i), priority shall be provided in cases of termination described in clause (i)(I).

“(iii) Nothing in this subparagraph shall be construed to affect the application of any remedy imposed under section 1819 during the pendency of an appeal under this subparagraph.”.

(2) WAIVER OF DISAPPROVAL OF NURSE-AIDE TRAINING PROGRAMS.—Sections 1819(f)(2) and section 1919(f)(2) (42 U.S.C. 1395i–3(f)(2) and 1396r(f)(2)) are each amended—

(A) in subparagraph (B)(iii), by striking “subparagraph (C)” and inserting “subparagraphs (C) and (D)”; and

(B) by adding at the end the following new subparagraph:

“(D) WAIVER OF DISAPPROVAL OF NURSE-AIDE TRAINING PROGRAMS.—Upon application of a nursing facility, the Secretary may waive the application of subparagraph (B)(iii)(I)(c) if the imposition of the civil monetary penalty was not related to the quality of care provided to residents of the facility. Nothing in this subparagraph shall be construed as eliminating any requirement upon a facility to pay a civil monetary penalty described in the preceding sentence.”.

(3) INCREASED FINANCIAL SUPPORT.—In addition to any amounts otherwise appropriated, to reduce by 50 percent the average time for administrative determinations on appeals under section 1866(h) of the Social Security Act (42 U.S.C. 1395cc(h)), there are authorized to be appropriated (in appropriate part from the Federal Hospital Insurance Trust Fund, established under section 1817 of the Social Security Act (42 U.S.C. 1395i), and the Federal Supplementary Medical Insurance Trust Fund, established under section 1841 of such Act (42 U.S.C. 1395t)) to the Secretary such additional sums for fiscal year 2004 and each subsequent fiscal year as may be necessary. The purposes for which such amounts are available include increasing the number of administrative law judges

Appropriation
authorization.

(and their staffs) and the appellate level staff at the Departmental Appeals Board of the Department of Health and Human Services and educating such judges and staffs on long-term care issues.

42 USC 1395i–3
note.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to appeals filed on or after October 1, 2004.

SEC. 933. REVISIONS TO MEDICARE APPEALS PROCESS.

(a) REQUIRING FULL AND EARLY PRESENTATION OF EVIDENCE.—

(1) IN GENERAL.—Section 1869(b) (42 U.S.C. 1395ff(b)), as amended by section 932(a), is further amended by adding at the end the following new paragraph:

“(3) REQUIRING FULL AND EARLY PRESENTATION OF EVIDENCE BY PROVIDERS.—A provider of services or supplier may not introduce evidence in any appeal under this section that was not presented at the reconsideration conducted by the qualified independent contractor under subsection (c), unless there is good cause which precluded the introduction of such evidence at or before that reconsideration.”.

42 USC 1395ff
note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 2004.

(b) USE OF PATIENTS’ MEDICAL RECORDS.—Section 1869(c)(3)(B)(i) (42 U.S.C. 1395ff(c)(3)(B)(i)) is amended by inserting “(including the medical records of the individual involved)” after “clinical experience”.

(c) NOTICE REQUIREMENTS FOR MEDICARE APPEALS.—

(1) INITIAL DETERMINATIONS AND REDETERMINATIONS.—Section 1869(a) (42 U.S.C. 1395ff(a)) is amended by adding at the end the following new paragraphs:

“(4) REQUIREMENTS OF NOTICE OF DETERMINATIONS.—With respect to an initial determination insofar as it results in a denial of a claim for benefits—

“(A) the written notice on the determination shall include—

“(i) the reasons for the determination, including whether a local medical review policy or a local coverage determination was used;

“(ii) the procedures for obtaining additional information concerning the determination, including the information described in subparagraph (B); and

“(iii) notification of the right to seek a redetermination or otherwise appeal the determination and instructions on how to initiate such a redetermination under this section;

“(B) such written notice shall be provided in printed form and written in a manner calculated to be understood by the individual entitled to benefits under part A or enrolled under part B, or both; and

“(C) the individual provided such written notice may obtain, upon request, information on the specific provision of the policy, manual, or regulation used in making the redetermination.

“(5) REQUIREMENTS OF NOTICE OF REDETERMINATIONS.—With respect to a redetermination insofar as it results in a denial of a claim for benefits—

“(A) the written notice on the redetermination shall include—

“(i) the specific reasons for the redetermination;
“(ii) as appropriate, a summary of the clinical or scientific evidence used in making the redetermination;
“(iii) a description of the procedures for obtaining additional information concerning the redetermination;
and

“(iv) notification of the right to appeal the redetermination and instructions on how to initiate such an appeal under this section;

“(B) such written notice shall be provided in printed form and written in a manner calculated to be understood by the individual entitled to benefits under part A or enrolled under part B, or both; and

“(C) the individual provided such written notice may obtain, upon request, information on the specific provision of the policy, manual, or regulation used in making the redetermination.”.

(2) RECONSIDERATIONS.—Section 1869(c)(3)(E) (42 U.S.C. 1395ff(c)(3)(E)) is amended—

(A) by inserting “be written in a manner calculated to be understood by the individual entitled to benefits under part A or enrolled under part B, or both, and shall include (to the extent appropriate)” after “in writing,”; and

(B) by inserting “and a notification of the right to appeal such determination and instructions on how to initiate such appeal under this section” after “such decision,”.

(3) APPEALS.—Section 1869(d) (42 U.S.C. 1395ff(d)) is amended—

(A) in the heading, by inserting “; NOTICE” after “SECRETARY”; and

(B) by adding at the end the following new paragraph:

“(4) NOTICE.—Notice of the decision of an administrative law judge shall be in writing in a manner calculated to be understood by the individual entitled to benefits under part A or enrolled under part B, or both, and shall include—

“(A) the specific reasons for the determination (including, to the extent appropriate, a summary of the clinical or scientific evidence used in making the determination);

“(B) the procedures for obtaining additional information concerning the decision; and

“(C) notification of the right to appeal the decision and instructions on how to initiate such an appeal under this section.”.

(4) SUBMISSION OF RECORD FOR APPEAL.—Section 1869(c)(3)(J)(i) (42 U.S.C. 1395ff(c)(3)(J)(i)) is amended by striking “prepare” and inserting “submit” and by striking “with respect to” and all that follows through “and relevant policies”.

(d) QUALIFIED INDEPENDENT CONTRACTORS.—

(1) ELIGIBILITY REQUIREMENTS OF QUALIFIED INDEPENDENT CONTRACTORS.—Section 1869(c)(3) (42 U.S.C. 1395ff(c)(3)) is amended—

(A) in subparagraph (A), by striking “sufficient training and expertise in medical science and legal matters” and inserting “sufficient medical, legal, and other expertise (including knowledge of the program under this title) and sufficient staffing”; and

(B) by adding at the end the following new subparagraph:

“(K) INDEPENDENCE REQUIREMENTS.—

“(i) IN GENERAL.—Subject to clause (ii), a qualified independent contractor shall not conduct any activities in a case unless the entity—

“(I) is not a related party (as defined in subsection (g)(5));

“(II) does not have a material familial, financial, or professional relationship with such a party in relation to such case; and

“(III) does not otherwise have a conflict of interest with such a party.

“(ii) EXCEPTION FOR REASONABLE COMPENSATION.—Nothing in clause (i) shall be construed to prohibit receipt by a qualified independent contractor of compensation from the Secretary for the conduct of activities under this section if the compensation is provided consistent with clause (iii).

“(iii) LIMITATIONS ON ENTITY COMPENSATION.—Compensation provided by the Secretary to a qualified independent contractor in connection with reviews under this section shall not be contingent on any decision rendered by the contractor or by any reviewing professional.”.

(2) ELIGIBILITY REQUIREMENTS FOR REVIEWERS.—Section 1869 (42 U.S.C. 1395ff) is amended—

(A) by amending subsection (c)(3)(D) to read as follows:

“(D) QUALIFICATIONS FOR REVIEWERS.—The requirements of subsection (g) shall be met (relating to qualifications of reviewing professionals).”; and

(B) by adding at the end the following new subsection:

“(g) QUALIFICATIONS OF REVIEWERS.—

“(1) IN GENERAL.—In reviewing determinations under this section, a qualified independent contractor shall assure that—

“(A) each individual conducting a review shall meet the qualifications of paragraph (2);

“(B) compensation provided by the contractor to each such reviewer is consistent with paragraph (3); and

“(C) in the case of a review by a panel described in subsection (c)(3)(B) composed of physicians or other health care professionals (each in this subsection referred to as a ‘reviewing professional’), a reviewing professional meets the qualifications described in paragraph (4) and, where a claim is regarding the furnishing of treatment by a physician (allopathic or osteopathic) or the provision of items or services by a physician (allopathic or osteopathic), a reviewing professional shall be a physician (allopathic or osteopathic).

“(2) INDEPENDENCE.—

“(A) IN GENERAL.—Subject to subparagraph (B), each individual conducting a review in a case shall—

“(i) not be a related party (as defined in paragraph (5));

“(ii) not have a material familial, financial, or professional relationship with such a party in the case under review; and

“(iii) not otherwise have a conflict of interest with such a party.

“(B) EXCEPTION.—Nothing in subparagraph (A) shall be construed to—

“(i) prohibit an individual, solely on the basis of a participation agreement with a fiscal intermediary, carrier, or other contractor, from serving as a reviewing professional if—

“(I) the individual is not involved in the provision of items or services in the case under review;

“(II) the fact of such an agreement is disclosed to the Secretary and the individual entitled to benefits under part A or enrolled under part B, or both, or such individual’s authorized representative, and neither party objects; and

“(III) the individual is not an employee of the intermediary, carrier, or contractor and does not provide services exclusively or primarily to or on behalf of such intermediary, carrier, or contractor;

“(ii) prohibit an individual who has staff privileges at the institution where the treatment involved takes place from serving as a reviewer merely on the basis of having such staff privileges if the existence of such privileges is disclosed to the Secretary and such individual (or authorized representative), and neither party objects; or

“(iii) prohibit receipt of compensation by a reviewing professional from a contractor if the compensation is provided consistent with paragraph (3).

For purposes of this paragraph, the term ‘participation agreement’ means an agreement relating to the provision of health care services by the individual and does not include the provision of services as a reviewer under this subsection.

“(3) LIMITATIONS ON REVIEWER COMPENSATION.—Compensation provided by a qualified independent contractor to a reviewer in connection with a review under this section shall not be contingent on the decision rendered by the reviewer.

“(4) LICENSURE AND EXPERTISE.—Each reviewing professional shall be—

“(A) a physician (allopathic or osteopathic) who is appropriately credentialed or licensed in one or more States to deliver health care services and has medical expertise in the field of practice that is appropriate for the items or services at issue; or

“(B) a health care professional who is legally authorized in one or more States (in accordance with State law or the State regulatory mechanism provided by State law) to furnish the health care items or services at issue and has medical expertise in the field of practice that is appropriate for such items or services.

“(5) RELATED PARTY DEFINED.—For purposes of this section, the term ‘related party’ means, with respect to a case under this title involving a specific individual entitled to benefits under part A or enrolled under part B, or both, any of the following:

“(A) The Secretary, the medicare administrative contractor involved, or any fiduciary, officer, director, or employee of the Department of Health and Human Services, or of such contractor.

“(B) The individual (or authorized representative).

“(C) The health care professional that provides the items or services involved in the case.

“(D) The institution at which the items or services (or treatment) involved in the case are provided.

“(E) The manufacturer of any drug or other item that is included in the items or services involved in the case.

“(F) Any other party determined under any regulations to have a substantial interest in the case involved.”.

(3) REDUCING MINIMUM NUMBER OF QUALIFIED INDEPENDENT CONTRACTORS.—Section 1869(c)(4) (42 U.S.C. 1395ff(c)(4)) is amended by striking “not fewer than 12 qualified independent contractors under this subsection” and inserting “a sufficient number of qualified independent contractors (but not fewer than 4 such contractors) to conduct reconsiderations consistent with the timeframes applicable under this subsection”.

42 USC 1395ff
note.

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall be effective as if included in the enactment of the respective provisions of subtitle C of title V of BIPA (114 Stat. 2763A–534).

42 USC 1395ff
note.

(5) TRANSITION.—In applying section 1869(g) of the Social Security Act (as added by paragraph (2)), any reference to a medicare administrative contractor shall be deemed to include a reference to a fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h) and a carrier under section 1842 of such Act (42 U.S.C. 1395u).

SEC. 934. PREPAYMENT REVIEW.

(a) IN GENERAL.—Section 1874A, as added by section 911(a)(1) and as amended by sections 912(b), 921(b)(1), and 921(c)(1), is further amended by adding at the end the following new subsection:

“(h) CONDUCT OF PREPAYMENT REVIEW.—

“(1) CONDUCT OF RANDOM PREPAYMENT REVIEW.—

“(A) IN GENERAL.—A medicare administrative contractor may conduct random prepayment review only to develop a contractor-wide or program-wide claims payment error rates or under such additional circumstances as may be provided under regulations, developed in consultation with providers of services and suppliers.

“(B) USE OF STANDARD PROTOCOLS WHEN CONDUCTING PREPAYMENT REVIEWS.—When a medicare administrative contractor conducts a random prepayment review, the contractor may conduct such review only in accordance with a standard protocol for random prepayment audits developed by the Secretary.

“(C) CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing the denial of payments for claims actually reviewed under a random prepayment review.

“(D) RANDOM PREPAYMENT REVIEW.—For purposes of this subsection, the term ‘random prepayment review’

means a demand for the production of records or documentation absent cause with respect to a claim.

“(2) LIMITATIONS ON NON-RANDOM PREPAYMENT REVIEW.—

“(A) LIMITATIONS ON INITIATION OF NON-RANDOM PREPAYMENT REVIEW.—A medicare administrative contractor may not initiate non-random prepayment review of a provider of services or supplier based on the initial identification by that provider of services or supplier of an improper billing practice unless there is a likelihood of sustained or high level of payment error under section 1893(f)(3)(A).

“(B) TERMINATION OF NON-RANDOM PREPAYMENT REVIEW.—The Secretary shall issue regulations relating to the termination, including termination dates, of non-random prepayment review. Such regulations may vary such a termination date based upon the differences in the circumstances triggering prepayment review.”.

Regulations.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendment made by subsection (a) shall take effect 1 year after the date of the enactment of this Act.

42 USC
1395kk–1 note.

(2) DEADLINE FOR PROMULGATION OF CERTAIN REGULATIONS.—The Secretary shall first issue regulations under section 1874A(h) of the Social Security Act, as added by subsection (a), by not later than 1 year after the date of the enactment of this Act.

(3) APPLICATION OF STANDARD PROTOCOLS FOR RANDOM PREPAYMENT REVIEW.—Section 1874A(h)(1)(B) of the Social Security Act, as added by subsection (a), shall apply to random prepayment reviews conducted on or after such date (not later than 1 year after the date of the enactment of this Act) as the Secretary shall specify.

(c) APPLICATION TO FISCAL INTERMEDIARIES AND CARRIERS.—The provisions of section 1874A(h) of the Social Security Act, as added by subsection (a), shall apply to each fiscal intermediary under section 1816 of the Social Security Act (42 U.S.C. 1395h) and each carrier under section 1842 of such Act (42 U.S.C. 1395u) in the same manner as they apply to medicare administrative contractors under such provisions.

42 USC
1395kk–1 note.

SEC. 935. RECOVERY OF OVERPAYMENTS.

(a) IN GENERAL.—Section 1893 (42 U.S.C. 1395ddd) is amended by adding at the end the following new subsection:

“(f) RECOVERY OF OVERPAYMENTS.—

“(1) USE OF REPAYMENT PLANS.—

“(A) IN GENERAL.—If the repayment, within 30 days by a provider of services or supplier, of an overpayment under this title would constitute a hardship (as described in subparagraph (B)), subject to subparagraph (C), upon request of the provider of services or supplier the Secretary shall enter into a plan with the provider of services or supplier for the repayment (through offset or otherwise) of such overpayment over a period of at least 6 months but not longer than 3 years (or not longer than 5 years in the case of extreme hardship, as determined by the Secretary). Interest shall accrue on the balance through

the period of repayment. Such plan shall meet terms and conditions determined to be appropriate by the Secretary.

“(B) HARDSHIP.—

“(i) IN GENERAL.—For purposes of subparagraph (A), the repayment of an overpayment (or overpayments) within 30 days is deemed to constitute a hardship if—

“(I) in the case of a provider of services that files cost reports, the aggregate amount of the overpayments exceeds 10 percent of the amount paid under this title to the provider of services for the cost reporting period covered by the most recently submitted cost report; or

“(II) in the case of another provider of services or supplier, the aggregate amount of the overpayments exceeds 10 percent of the amount paid under this title to the provider of services or supplier for the previous calendar year.

“(ii) RULE OF APPLICATION.—The Secretary shall establish rules for the application of this subparagraph in the case of a provider of services or supplier that was not paid under this title during the previous year or was paid under this title only during a portion of that year.

“(iii) TREATMENT OF PREVIOUS OVERPAYMENTS.—If a provider of services or supplier has entered into a repayment plan under subparagraph (A) with respect to a specific overpayment amount, such payment amount under the repayment plan shall not be taken into account under clause (i) with respect to subsequent overpayment amounts.

“(C) EXCEPTIONS.—Subparagraph (A) shall not apply if—

“(i) the Secretary has reason to suspect that the provider of services or supplier may file for bankruptcy or otherwise cease to do business or discontinue participation in the program under this title; or

“(ii) there is an indication of fraud or abuse committed against the program.

“(D) IMMEDIATE COLLECTION IF VIOLATION OF REPAYMENT PLAN.—If a provider of services or supplier fails to make a payment in accordance with a repayment plan under this paragraph, the Secretary may immediately seek to offset or otherwise recover the total balance outstanding (including applicable interest) under the repayment plan.

“(E) RELATION TO NO FAULT PROVISION.—Nothing in this paragraph shall be construed as affecting the application of section 1870(c) (relating to no adjustment in the cases of certain overpayments).

“(2) LIMITATION ON RECOUPMENT.—

“(A) IN GENERAL.—In the case of a provider of services or supplier that is determined to have received an overpayment under this title and that seeks a reconsideration by a qualified independent contractor on such determination under section 1869(b)(1), the Secretary may not take any action (or authorize any other person, including any medicare contractor, as defined in subparagraph (C)) to

recoup the overpayment until the date the decision on the reconsideration has been rendered. If the provisions of section 1869(b)(1) (providing for such a reconsideration by a qualified independent contractor) are not in effect, in applying the previous sentence any reference to such a reconsideration shall be treated as a reference to a redetermination by the fiscal intermediary or carrier involved.

“(B) COLLECTION WITH INTEREST.—Insofar as the determination on such appeal is against the provider of services or supplier, interest on the overpayment shall accrue on and after the date of the original notice of overpayment. Insofar as such determination against the provider of services or supplier is later reversed, the Secretary shall provide for repayment of the amount recouped plus interest at the same rate as would apply under the previous sentence for the period in which the amount was recouped.

“(C) MEDICARE CONTRACTOR DEFINED.—For purposes of this subsection, the term ‘medicare contractor’ has the meaning given such term in section 1889(g).

“(3) LIMITATION ON USE OF EXTRAPOLATION.—A medicare contractor may not use extrapolation to determine overpayment amounts to be recovered by recoupment, offset, or otherwise unless the Secretary determines that—

“(A) there is a sustained or high level of payment error; or

“(B) documented educational intervention has failed to correct the payment error.

There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of determinations by the Secretary of sustained or high levels of payment errors under this paragraph.

“(4) PROVISION OF SUPPORTING DOCUMENTATION.—In the case of a provider of services or supplier with respect to which amounts were previously overpaid, a medicare contractor may request the periodic production of records or supporting documentation for a limited sample of submitted claims to ensure that the previous practice is not continuing.

“(5) CONSENT SETTLEMENT REFORMS.—

“(A) IN GENERAL.—The Secretary may use a consent settlement (as defined in subparagraph (D)) to settle a projected overpayment.

“(B) OPPORTUNITY TO SUBMIT ADDITIONAL INFORMATION BEFORE CONSENT SETTLEMENT OFFER.—Before offering a provider of services or supplier a consent settlement, the Secretary shall—

“(i) communicate to the provider of services or supplier—

“(I) that, based on a review of the medical records requested by the Secretary, a preliminary evaluation of those records indicates that there would be an overpayment;

“(II) the nature of the problems identified in such evaluation; and

“(III) the steps that the provider of services or supplier should take to address the problems; and

“(ii) provide for a 45-day period during which the provider of services or supplier may furnish additional information concerning the medical records for the claims that had been reviewed.

“(C) CONSENT SETTLEMENT OFFER.—The Secretary shall review any additional information furnished by the provider of services or supplier under subparagraph (B)(ii). Taking into consideration such information, the Secretary shall determine if there still appears to be an overpayment. If so, the Secretary—

“(i) shall provide notice of such determination to the provider of services or supplier, including an explanation of the reason for such determination; and

“(ii) in order to resolve the overpayment, may offer the provider of services or supplier—

“(I) the opportunity for a statistically valid random sample; or

“(II) a consent settlement.

The opportunity provided under clause (ii)(I) does not waive any appeal rights with respect to the alleged overpayment involved.

“(D) CONSENT SETTLEMENT DEFINED.—For purposes of this paragraph, the term ‘consent settlement’ means an agreement between the Secretary and a provider of services or supplier whereby both parties agree to settle a projected overpayment based on less than a statistically valid sample of claims and the provider of services or supplier agrees not to appeal the claims involved.

“(6) NOTICE OF OVER-UTILIZATION OF CODES.—The Secretary shall establish, in consultation with organizations representing the classes of providers of services and suppliers, a process under which the Secretary provides for notice to classes of providers of services and suppliers served by the contractor in cases in which the contractor has identified that particular billing codes may be overutilized by that class of providers of services or suppliers under the programs under this title (or provisions of title XI insofar as they relate to such programs).

“(7) PAYMENT AUDITS.—

“(A) WRITTEN NOTICE FOR POST-PAYMENT AUDITS.—Subject to subparagraph (C), if a medicare contractor decides to conduct a post-payment audit of a provider of services or supplier under this title, the contractor shall provide the provider of services or supplier with written notice (which may be in electronic form) of the intent to conduct such an audit.

“(B) EXPLANATION OF FINDINGS FOR ALL AUDITS.—Subject to subparagraph (C), if a medicare contractor audits a provider of services or supplier under this title, the contractor shall—

“(i) give the provider of services or supplier a full review and explanation of the findings of the audit in a manner that is understandable to the provider of services or supplier and permits the development of an appropriate corrective action plan;

“(ii) inform the provider of services or supplier of the appeal rights under this title as well as consent

settlement options (which are at the discretion of the Secretary);

“(iii) give the provider of services or supplier an opportunity to provide additional information to the contractor; and

“(iv) take into account information provided, on a timely basis, by the provider of services or supplier under clause (iii).

“(C) EXCEPTION.—Subparagraphs (A) and (B) shall not apply if the provision of notice or findings would compromise pending law enforcement activities, whether civil or criminal, or reveal findings of law enforcement-related audits.

“(8) STANDARD METHODOLOGY FOR PROBE SAMPLING.—The Secretary shall establish a standard methodology for medicare contractors to use in selecting a sample of claims for review in the case of an abnormal billing pattern.”.

(b) EFFECTIVE DATES AND DEADLINES.—

42 USC 1395ddd
note.

(1) USE OF REPAYMENT PLANS.—Section 1893(f)(1) of the Social Security Act, as added by subsection (a), shall apply to requests for repayment plans made after the date of the enactment of this Act.

(2) LIMITATION ON RECOUPMENT.—Section 1893(f)(2) of the Social Security Act, as added by subsection (a), shall apply to actions taken after the date of the enactment of this Act.

(3) USE OF EXTRAPOLATION.—Section 1893(f)(3) of the Social Security Act, as added by subsection (a), shall apply to statistically valid random samples initiated after the date that is 1 year after the date of the enactment of this Act.

(4) PROVISION OF SUPPORTING DOCUMENTATION.—Section 1893(f)(4) of the Social Security Act, as added by subsection (a), shall take effect on the date of the enactment of this Act.

(5) CONSENT SETTLEMENT.—Section 1893(f)(5) of the Social Security Act, as added by subsection (a), shall apply to consent settlements entered into after the date of the enactment of this Act.

(6) NOTICE OF OVERUTILIZATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall first establish the process for notice of overutilization of billing codes under section 1893A(f)(6) of the Social Security Act, as added by subsection (a).

(7) PAYMENT AUDITS.—Section 1893A(f)(7) of the Social Security Act, as added by subsection (a), shall apply to audits initiated after the date of the enactment of this Act.

(8) STANDARD FOR ABNORMAL BILLING PATTERNS.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall first establish a standard methodology for selection of sample claims for abnormal billing patterns under section 1893(f)(8) of the Social Security Act, as added by subsection (a).

SEC. 936. PROVIDER ENROLLMENT PROCESS; RIGHT OF APPEAL.

(a) IN GENERAL.—Section 1866 (42 U.S.C. 1395cc) is amended—

(1) by adding at the end of the heading the following: “; ENROLLMENT PROCESSES”; and

(2) by adding at the end the following new subsection:

“(j) ENROLLMENT PROCESS FOR PROVIDERS OF SERVICES AND SUPPLIERS.—

Regulations. “(1) ENROLLMENT PROCESS.—
“(A) IN GENERAL.—The Secretary shall establish by regulation a process for the enrollment of providers of services and suppliers under this title.

Regulations. “(B) DEADLINES.—The Secretary shall establish by regulation procedures under which there are deadlines for actions on applications for enrollment (and, if applicable, renewal of enrollment). The Secretary shall monitor the performance of medicare administrative contractors in meeting the deadlines established under this subparagraph.

“(C) CONSULTATION BEFORE CHANGING PROVIDER ENROLLMENT FORMS.—The Secretary shall consult with providers of services and suppliers before making changes in the provider enrollment forms required of such providers and suppliers to be eligible to submit claims for which payment may be made under this title.

“(2) HEARING RIGHTS IN CASES OF DENIAL OR NON-RENEWAL.—A provider of services or supplier whose application to enroll (or, if applicable, to renew enrollment) under this title is denied may have a hearing and judicial review of such denial under the procedures that apply under subsection (h)(1)(A) to a provider of services that is dissatisfied with a determination by the Secretary.”.

42 USC 1395cc
note.

(b) EFFECTIVE DATES.—

(1) ENROLLMENT PROCESS.—The Secretary shall provide for the establishment of the enrollment process under section 1866(j)(1) of the Social Security Act, as added by subsection (a)(2), within 6 months after the date of the enactment of this Act.

(2) CONSULTATION.—Section 1866(j)(1)(C) of the Social Security Act, as added by subsection (a)(2), shall apply with respect to changes in provider enrollment forms made on or after January 1, 2004.

(3) HEARING RIGHTS.—Section 1866(j)(2) of the Social Security Act, as added by subsection (a)(2), shall apply to denials occurring on or after such date (not later than 1 year after the date of the enactment of this Act) as the Secretary specifies.

42 USC 1395ff
note.

SEC. 937. PROCESS FOR CORRECTION OF MINOR ERRORS AND OMISSIONS WITHOUT PURSUING APPEALS PROCESS.

(a) CLAIMS.—The Secretary shall develop, in consultation with appropriate medicare contractors (as defined in section 1889(g) of the Social Security Act, as inserted by section 301(a)(1)) and representatives of providers of services and suppliers, a process whereby, in the case of minor errors or omissions (as defined by the Secretary) that are detected in the submission of claims under the programs under title XVIII of such Act, a provider of services or supplier is given an opportunity to correct such an error or omission without the need to initiate an appeal. Such process shall include the ability to resubmit corrected claims.

(b) DEADLINE.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall first develop the process under subsection (a).

SEC. 938. PRIOR DETERMINATION PROCESS FOR CERTAIN ITEMS AND SERVICES; ADVANCE BENEFICIARY NOTICES.

(a) IN GENERAL.—Section 1869 (42 U.S.C. 1395ff(b)), as amended by section 933(d)(2)(B), is further amended by adding at the end the following new subsection:

“(h) PRIOR DETERMINATION PROCESS FOR CERTAIN ITEMS AND SERVICES.—

“(1) ESTABLISHMENT OF PROCESS.—

“(A) IN GENERAL.—With respect to a medicare administrative contractor that has a contract under section 1874A that provides for making payments under this title with respect to physicians’ services (as defined in section 1848(j)(3)), the Secretary shall establish a prior determination process that meets the requirements of this subsection and that shall be applied by such contractor in the case of eligible requesters.

“(B) ELIGIBLE REQUESTER.—For purposes of this subsection, each of the following shall be an eligible requester:

“(i) A participating physician, but only with respect to physicians’ services to be furnished to an individual who is entitled to benefits under this title and who has consented to the physician making the request under this subsection for those physicians’ services.

“(ii) An individual entitled to benefits under this title, but only with respect to a physicians’ service for which the individual receives, from a physician, an advance beneficiary notice under section 1879(a).

“(2) SECRETARIAL FLEXIBILITY.—The Secretary shall establish by regulation reasonable limits on the physicians’ services for which a prior determination of coverage may be requested under this subsection. In establishing such limits, the Secretary may consider the dollar amount involved with respect to the physicians’ service, administrative costs and burdens, and other relevant factors.

Regulations.

“(3) REQUEST FOR PRIOR DETERMINATION.—

“(A) IN GENERAL.—Subject to paragraph (2), under the process established under this subsection an eligible requester may submit to the contractor a request for a determination, before the furnishing of a physicians’ service, as to whether the physicians’ service is covered under this title consistent with the applicable requirements of section 1862(a)(1)(A) (relating to medical necessity).

“(B) ACCOMPANYING DOCUMENTATION.—The Secretary may require that the request be accompanied by a description of the physicians’ service, supporting documentation relating to the medical necessity for the physicians’ service, and any other appropriate documentation. In the case of a request submitted by an eligible requester who is described in paragraph (1)(B)(ii), the Secretary may require that the request also be accompanied by a copy of the advance beneficiary notice involved.

“(4) RESPONSE TO REQUEST.—

“(A) IN GENERAL.—Under such process, the contractor shall provide the eligible requester with written notice of a determination as to whether—

Notification.

“(i) the physicians’ service is so covered;

“(ii) the physicians’ service is not so covered; or

“(iii) the contractor lacks sufficient information to make a coverage determination with respect to the physicians’ service.

“(B) CONTENTS OF NOTICE FOR CERTAIN DETERMINATIONS.—

“(i) NONCOVERAGE.—If the contractor makes the determination described in subparagraph (A)(ii), the contractor shall include in the notice a brief explanation of the basis for the determination, including on what national or local coverage or noncoverage determination (if any) the determination is based, and a description of any applicable rights under subsection (a).

“(ii) INSUFFICIENT INFORMATION.—If the contractor makes the determination described in subparagraph (A)(iii), the contractor shall include in the notice a description of the additional information required to make the coverage determination.

“(C) DEADLINE TO RESPOND.—Such notice shall be provided within the same time period as the time period applicable to the contractor providing notice of initial determinations on a claim for benefits under subsection (a)(2)(A).

“(D) INFORMING BENEFICIARY IN CASE OF PHYSICIAN REQUEST.—In the case of a request by a participating physician under paragraph (1)(B)(i), the process shall provide that the individual to whom the physicians’ service is proposed to be furnished shall be informed of any determination described in subparagraph (A)(ii) (relating to a determination of non-coverage) and the right (referred to in paragraph (6)(B)) to obtain the physicians’ service and have a claim submitted for the physicians’ service.

“(5) BINDING NATURE OF POSITIVE DETERMINATION.—If the contractor makes the determination described in paragraph (4)(A)(i), such determination shall be binding on the contractor in the absence of fraud or evidence of misrepresentation of facts presented to the contractor.

“(6) LIMITATION ON FURTHER REVIEW.—

“(A) IN GENERAL.—Contractor determinations described in paragraph (4)(A)(ii) or (4)(A)(iii) (relating to pre-service claims) are not subject to further administrative appeal or judicial review under this section or otherwise.

“(B) DECISION NOT TO SEEK PRIOR DETERMINATION OR NEGATIVE DETERMINATION DOES NOT IMPACT RIGHT TO OBTAIN SERVICES, SEEK REIMBURSEMENT, OR APPEAL RIGHTS.—Nothing in this subsection shall be construed as affecting the right of an individual who—

“(i) decides not to seek a prior determination under this subsection with respect to physicians’ services; or

“(ii) seeks such a determination and has received a determination described in paragraph (4)(A)(ii), from receiving (and submitting a claim for) such physicians’ services and from obtaining administrative or judicial review respecting such claim under the other applicable provisions of this section. Failure to seek a prior determination under this subsection with respect to physicians’

service shall not be taken into account in such administrative or judicial review.

“(C) NO PRIOR DETERMINATION AFTER RECEIPT OF SERVICES.—Once an individual is provided physicians’ services, there shall be no prior determination under this subsection with respect to such physicians’ services.”.

(b) EFFECTIVE DATE; SUNSET; TRANSITION.—

42 USC 1395ff
note.

(1) EFFECTIVE DATE.—The Secretary shall establish the prior determination process under the amendment made by subsection (a) in such a manner as to provide for the acceptance of requests for determinations under such process filed not later than 18 months after the date of the enactment of this Act.

(2) SUNSET.—Such prior determination process shall not apply to requests filed after the end of the 5-year period beginning on the first date on which requests for determinations under such process are accepted.

(3) TRANSITION.—During the period in which the amendment made by subsection (a) has become effective but contracts are not provided under section 1874A of the Social Security Act with medicare administrative contractors, any reference in section 1869(g) of such Act (as added by such amendment) to such a contractor is deemed a reference to a fiscal intermediary or carrier with an agreement under section 1816, or contract under section 1842, respectively, of such Act.

(4) LIMITATION ON APPLICATION TO SGR.—For purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4(f)(2)(D)), the amendment made by subsection (a) shall not be considered to be a change in law or regulation.

(c) PROVISIONS RELATING TO ADVANCE BENEFICIARY NOTICES; REPORT ON PRIOR DETERMINATION PROCESS.—

42 USC 1395pp
note.

(1) DATA COLLECTION.—The Secretary shall establish a process for the collection of information on the instances in which an advance beneficiary notice (as defined in paragraph (5)) has been provided and on instances in which a beneficiary indicates on such a notice that the beneficiary does not intend to seek to have the item or service that is the subject of the notice furnished.

(2) OUTREACH AND EDUCATION.—The Secretary shall establish a program of outreach and education for beneficiaries and providers of services and other persons on the appropriate use of advance beneficiary notices and coverage policies under the medicare program.

(3) GAO REPORT ON USE OF ADVANCE BENEFICIARY NOTICES.—Not later than 18 months after the date on which section 1869(h) of the Social Security Act (as added by subsection (a)) takes effect, the Comptroller General of the United States shall submit to Congress a report on the use of advance beneficiary notices under title XVIII of such Act. Such report shall include information concerning the providers of services and other persons that have provided such notices and the response of beneficiaries to such notices.

(4) GAO REPORT ON USE OF PRIOR DETERMINATION PROCESS.—Not later than 36 months after the date on which section 1869(h) of the Social Security Act (as added by subsection (a)) takes effect, the Comptroller General of the United States shall submit to Congress a report on the use of the

prior determination process under such section. Such report shall include—

(A) information concerning—

(i) the number and types of procedures for which a prior determination has been sought;

(ii) determinations made under the process;

(iii) the percentage of beneficiaries prevailing;

(iv) in those cases in which the beneficiaries do not prevail, the reasons why such beneficiaries did not prevail; and

(v) changes in receipt of services resulting from the application of such process;

(B) an evaluation of whether the process was useful for physicians (and other suppliers) and beneficiaries, whether it was timely, and whether the amount of information required was burdensome to physicians and beneficiaries; and

(C) recommendations for improvements or continuation of such process.

(5) **ADVANCE BENEFICIARY NOTICE DEFINED.**—In this subsection, the term “advance beneficiary notice” means a written notice provided under section 1879(a) of the Social Security Act (42 U.S.C. 1395pp(a)) to an individual entitled to benefits under part A or enrolled under part B of title XVIII of such Act before items or services are furnished under such part in cases where a provider of services or other person that would furnish the item or service believes that payment will not be made for some or all of such items or services under such title.

SEC. 939. APPEALS BY PROVIDERS WHEN THERE IS NO OTHER PARTY AVAILABLE.

(a) **IN GENERAL.**—Section 1870 (42 U.S.C. 1395gg) is amended by adding at the end the following new subsection:

“(h) Notwithstanding subsection (f) or any other provision of law, the Secretary shall permit a provider of services or supplier to appeal any determination of the Secretary under this title relating to services rendered under this title to an individual who subsequently dies if there is no other party available to appeal such determination.”.

42 USC 1395gg
note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to items and services furnished on or after such date.

SEC. 940. REVISIONS TO APPEALS TIMEFRAMES AND AMOUNTS.

(a) **TIMEFRAMES.**—Section 1869 (42 U.S.C. 1395ff) is amended—

(1) in subsection (a)(3)(C)(ii), by striking “30-day period” each place it appears and inserting “60-day period”; and

(2) in subsection (c)(3)(C)(i), by striking “30-day period” and inserting “60-day period”.

(b) **AMOUNTS.**—

(1) **IN GENERAL.**—Section 1869(b)(1)(E) (42 U.S.C. 1395ff(b)(1)(E)) is amended by adding at the end the following new clause:

“(iii) **ADJUSTMENT OF DOLLAR AMOUNTS.**—For requests for hearings or judicial review made in a year after 2004, the dollar amounts specified in clause (i) shall be equal to such dollar amounts increased

by the percentage increase in the medical care component of the consumer price index for all urban consumers (U.S. city average) for July 2003 to the July preceding the year involved. Any amount determined under the previous sentence that is not a multiple of \$10 shall be rounded to the nearest multiple of \$10.”.

(2) CONFORMING AMENDMENTS.—(A) Section 1852(g)(5) (42 U.S.C. 1395w–22(g)(5)) is amended by adding at the end the following: “The provisions of section 1869(b)(1)(E)(iii) shall apply with respect to dollar amounts specified in the first 2 sentences of this paragraph in the same manner as they apply to the dollar amounts specified in section 1869(b)(1)(E)(i).”.

(B) Section 1876(b)(5)(B) (42 U.S.C. 1395mm(b)(5)(B)) is amended by adding at the end the following: “The provisions of section 1869(b)(1)(E)(iii) shall apply with respect to dollar amounts specified in the first 2 sentences of this subparagraph in the same manner as they apply to the dollar amounts specified in section 1869(b)(1)(E)(i).”.

SEC. 940A. MEDIATION PROCESS FOR LOCAL COVERAGE DETERMINATIONS.

(a) IN GENERAL.—Section 1869 (42 U.S.C. 1395ff), as amended by section 938(a), is amended by adding at the end the following new subsection:

“(i) MEDIATION PROCESS FOR LOCAL COVERAGE DETERMINATIONS.—

“(1) ESTABLISHMENT OF PROCESS.—The Secretary shall establish a mediation process under this subsection through the use of a physician trained in mediation and employed by the Centers for Medicare & Medicaid Services.

“(2) RESPONSIBILITY OF MEDIATOR.—Under the process established in paragraph (1), such a mediator shall mediate in disputes between groups representing providers of services, suppliers (as defined in section 1861(d)), and the medical director for a medicare administrative contractor whenever the regional administrator (as defined by the Secretary) involved determines that there was a systematic pattern and a large volume of complaints from such groups regarding decisions of such director or there is a complaint from the co-chair of the advisory committee for that contractor to such regional administrator regarding such dispute.”.

(b) INCLUSION IN MAC CONTRACTS.—Section 1874A(b)(3)(A)(i), as added by section 911(a)(1), is amended by adding at the end the following: “Such requirements shall include specific performance duties expected of a medical director of a medicare administrative contractor, including requirements relating to professional relations and the availability of such director to conduct medical determination activities within the jurisdiction of such a contractor.”.

Subtitle E—Miscellaneous Provisions

42 USC
1395kk–1 note.

SEC. 941. POLICY DEVELOPMENT REGARDING EVALUATION AND MANAGEMENT (E & M) DOCUMENTATION GUIDELINES.

(a) IN GENERAL.—The Secretary may not implement any new or modified documentation guidelines (which for purposes of this section includes clinical examples) for evaluation and management physician services under the title XVIII of the Social Security Act on or after the date of the enactment of this Act unless the Secretary—

(1) has developed the guidelines in collaboration with practicing physicians (including both generalists and specialists) and provided for an assessment of the proposed guidelines by the physician community;

(2) has established a plan that contains specific goals, including a schedule, for improving the use of such guidelines;

(3) has conducted appropriate and representative pilot projects under subsection (b) to test such guidelines;

(4) finds, based on reports submitted under subsection (b)(5) with respect to pilot projects conducted for such or related guidelines, that the objectives described in subsection (c) will be met in the implementation of such guidelines; and

(5) has established, and is implementing, a program to educate physicians on the use of such guidelines and that includes appropriate outreach.

Paperwork
reduction.

The Secretary shall make changes to the manner in which existing evaluation and management documentation guidelines are implemented to reduce paperwork burdens on physicians.

(b) PILOT PROJECTS TO TEST MODIFIED OR NEW EVALUATION AND MANAGEMENT DOCUMENTATION GUIDELINES.—

(1) IN GENERAL.—With respect to proposed new or modified documentation guidelines referred to in subsection (a), the Secretary shall conduct under this subsection appropriate and representative pilot projects to test the proposed guidelines.

(2) LENGTH AND CONSULTATION.—Each pilot project under this subsection shall—

(A) be voluntary;

(B) be of sufficient length as determined by the Secretary (but in no case to exceed 1 year) to allow for preparatory physician and medicare contractor education, analysis, and use and assessment of potential evaluation and management guidelines; and

(C) be conducted, in development and throughout the planning and operational stages of the project, in consultation with practicing physicians (including both generalists and specialists).

(3) RANGE OF PILOT PROJECTS.—Of the pilot projects conducted under this subsection with respect to proposed new or modified documentation guidelines—

(A) at least one shall focus on a peer review method by physicians (not employed by a medicare contractor) which evaluates medical record information for claims submitted by physicians identified as statistical outliers relative to codes used for billing purposes for such services;

(B) at least one shall focus on an alternative method to detailed guidelines based on physician documentation of face to face encounter time with a patient;

(C) at least one shall be conducted for services furnished in a rural area and at least one for services furnished outside such an area; and

(D) at least one shall be conducted in a setting where physicians bill under physicians' services in teaching settings and at least one shall be conducted in a setting other than a teaching setting.

(4) STUDY OF IMPACT.—Each pilot project shall examine the effect of the proposed guidelines on—

(A) different types of physician practices, including those with fewer than 10 full-time-equivalent employees (including physicians); and

(B) the costs of physician compliance, including education, implementation, auditing, and monitoring.

(5) REPORT ON PILOT PROJECTS.—Not later than 6 months after the date of completion of pilot projects carried out under this subsection with respect to a proposed guideline described in paragraph (1), the Secretary shall submit to Congress a report on the pilot projects. Each such report shall include a finding by the Secretary of whether the objectives described in subsection (c) will be met in the implementation of such proposed guideline.

(c) OBJECTIVES FOR EVALUATION AND MANAGEMENT GUIDELINES.—The objectives for modified evaluation and management documentation guidelines developed by the Secretary shall be to—

(1) identify clinically relevant documentation needed to code accurately and assess coding levels accurately;

(2) decrease the level of non-clinically pertinent and burdensome documentation time and content in the physician's medical record;

(3) increase accuracy by reviewers; and

(4) educate both physicians and reviewers.

(d) STUDY OF SIMPLER, ALTERNATIVE SYSTEMS OF DOCUMENTATION FOR PHYSICIAN CLAIMS.—

(1) STUDY.—The Secretary shall carry out a study of the matters described in paragraph (2).

(2) MATTERS DESCRIBED.—The matters referred to in paragraph (1) are—

(A) the development of a simpler, alternative system of requirements for documentation accompanying claims for evaluation and management physician services for which payment is made under title XVIII of the Social Security Act; and

(B) consideration of systems other than current coding and documentation requirements for payment for such physician services.

(3) CONSULTATION WITH PRACTICING PHYSICIANS.—In designing and carrying out the study under paragraph (1), the Secretary shall consult with practicing physicians, including physicians who are part of group practices and including both generalists and specialists.

(4) APPLICATION OF HIPAA UNIFORM CODING REQUIREMENTS.—In developing an alternative system under paragraph (2), the Secretary shall consider requirements of administrative

simplification under part C of title XI of the Social Security Act.

Deadline.

(5) REPORT TO CONGRESS.—(A) Not later than October 1, 2005, the Secretary shall submit to Congress a report on the results of the study conducted under paragraph (1).

(B) The Medicare Payment Advisory Commission shall conduct an analysis of the results of the study included in the report under subparagraph (A) and shall submit a report on such analysis to Congress.

Reports.

(e) STUDY ON APPROPRIATE CODING OF CERTAIN EXTENDED OFFICE VISITS.—The Secretary shall conduct a study of the appropriateness of coding in cases of extended office visits in which there is no diagnosis made. Not later than October 1, 2005, the Secretary shall submit a report to Congress on such study and shall include recommendations on how to code appropriately for such visits in a manner that takes into account the amount of time the physician spent with the patient.

(f) DEFINITIONS.—In this section—

(1) the term “rural area” has the meaning given that term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)); and

(2) the term “teaching settings” are those settings described in section 415.150 of title 42, Code of Federal Regulations.

SEC. 942. IMPROVEMENT IN OVERSIGHT OF TECHNOLOGY AND COVERAGE.

(a) COUNCIL FOR TECHNOLOGY AND INNOVATION.—Section 1868 (42 U.S.C. 1395ee) is amended—

(1) by adding at the end of the heading the following: “; COUNCIL FOR TECHNOLOGY AND INNOVATION”;

(2) by inserting “PRACTICING PHYSICIANS ADVISORY COUNCIL.—(1)” after “(a)”;

(3) in paragraph (1), as so redesignated under paragraph (2), by striking “in this section” and inserting “in this subsection”;

(4) by redesignating subsections (b) and (c) as paragraphs (2) and (3), respectively; and

(5) by adding at the end the following new subsection: “(b) COUNCIL FOR TECHNOLOGY AND INNOVATION.—

“(1) ESTABLISHMENT.—The Secretary shall establish a Council for Technology and Innovation within the Centers for Medicare & Medicaid Services (in this section referred to as ‘CMS’).

“(2) COMPOSITION.—The Council shall be composed of senior CMS staff and clinicians and shall be chaired by the Executive Coordinator for Technology and Innovation (appointed or designated under paragraph (4)).

“(3) DUTIES.—The Council shall coordinate the activities of coverage, coding, and payment processes under this title with respect to new technologies and procedures, including new drug therapies, and shall coordinate the exchange of information on new technologies between CMS and other entities that make similar decisions.

“(4) EXECUTIVE COORDINATOR FOR TECHNOLOGY AND INNOVATION.—The Secretary shall appoint (or designate) a non-career appointee (as defined in section 3132(a)(7) of title 5,

United States Code) who shall serve as the Executive Coordinator for Technology and Innovation. Such executive coordinator shall report to the Administrator of CMS, shall chair the Council, shall oversee the execution of its duties, and shall serve as a single point of contact for outside groups and entities regarding the coverage, coding, and payment processes under this title.”.

(b) METHODS FOR DETERMINING PAYMENT BASIS FOR NEW LAB TESTS.—Section 1833(h) (42 U.S.C. 1395l(h)) is amended by adding at the end the following:

“(8)(A) The Secretary shall establish by regulation procedures for determining the basis for, and amount of, payment under this subsection for any clinical diagnostic laboratory test with respect to which a new or substantially revised HCPCS code is assigned on or after January 1, 2005 (in this paragraph referred to as ‘new tests’).

Regulations.

“(B) Determinations under subparagraph (A) shall be made only after the Secretary—

Public
information.
Records.

“(i) makes available to the public (through an Internet website and other appropriate mechanisms) a list that includes any such test for which establishment of a payment amount under this subsection is being considered for a year;

“(ii) on the same day such list is made available, causes to have published in the Federal Register notice of a meeting to receive comments and recommendations (and data on which recommendations are based) from the public on the appropriate basis under this subsection for establishing payment amounts for the tests on such list;

Federal Register,
publication.

“(iii) not less than 30 days after publication of such notice convenes a meeting, that includes representatives of officials of the Centers for Medicare & Medicaid Services involved in determining payment amounts, to receive such comments and recommendations (and data on which the recommendations are based);

“(iv) taking into account the comments and recommendations (and accompanying data) received at such meeting, develops and makes available to the public (through an Internet website and other appropriate mechanisms) a list of proposed determinations with respect to the appropriate basis for establishing a payment amount under this subsection for each such code, together with an explanation of the reasons for each such determination, the data on which the determinations are based, and a request for public written comments on the proposed determination; and

“(v) taking into account the comments received during the public comment period, develops and makes available to the public (through an Internet website and other appropriate mechanisms) a list of final determinations of the payment amounts for such tests under this subsection, together with the rationale for each such determination, the data on which the determinations are based, and responses to comments and suggestions received from the public.

“(C) Under the procedures established pursuant to subparagraph (A), the Secretary shall—

“(i) set forth the criteria for making determinations under subparagraph (A); and

Public
information.

“(ii) make available to the public the data (other than proprietary data) considered in making such determinations.
“(D) The Secretary may convene such further public meetings to receive public comments on payment amounts for new tests under this subsection as the Secretary deems appropriate.

“(E) For purposes of this paragraph:

“(i) The term ‘HCPCS’ refers to the Health Care Procedure Coding System.

“(ii) A code shall be considered to be ‘substantially revised’ if there is a substantive change to the definition of the test or procedure to which the code applies (such as a new analyte or a new methodology for measuring an existing analyte-specific test).”.

(c) GAO STUDY ON IMPROVEMENTS IN EXTERNAL DATA COLLECTION FOR USE IN THE MEDICARE INPATIENT PAYMENT SYSTEM.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study that analyzes which external data can be collected in a shorter timeframe by the Centers for Medicare & Medicaid Services for use in computing payments for inpatient hospital services. The study may include an evaluation of the feasibility and appropriateness of using quarterly samples or special surveys or any other methods. The study shall include an analysis of whether other executive agencies, such as the Bureau of Labor Statistics in the Department of Commerce, are best suited to collect this information.

Deadline.

(2) REPORT.—By not later than October 1, 2004, the Comptroller General shall submit a report to Congress on the study under paragraph (1).

42 USC 1395y
note.

SEC. 943. TREATMENT OF HOSPITALS FOR CERTAIN SERVICES UNDER MEDICARE SECONDARY PAYOR (MSP) PROVISIONS.

(a) IN GENERAL.—The Secretary shall not require a hospital (including a critical access hospital) to ask questions (or obtain information) relating to the application of section 1862(b) of the Social Security Act (relating to medicare secondary payor provisions) in the case of reference laboratory services described in subsection (b), if the Secretary does not impose such requirement in the case of such services furnished by an independent laboratory.

(b) REFERENCE LABORATORY SERVICES DESCRIBED.—Reference laboratory services described in this subsection are clinical laboratory diagnostic tests (or the interpretation of such tests, or both) furnished without a face-to-face encounter between the individual entitled to benefits under part A or enrolled under part B, or both, and the hospital involved and in which the hospital submits a claim only for such test or interpretation.

SEC. 944. EMTALA IMPROVEMENTS.

(a) PAYMENT FOR EMTALA-MANDATED SCREENING AND STABILIZATION SERVICES.—

(1) IN GENERAL.—Section 1862 (42 U.S.C. 1395y) is amended by inserting after subsection (c) the following new subsection:

“(d) For purposes of subsection (a)(1)(A), in the case of any item or service that is required to be provided pursuant to section 1867 to an individual who is entitled to benefits under this title, determinations as to whether the item or service is reasonable and necessary shall be made on the basis of the information available to the treating physician or practitioner (including the patient’s

presenting symptoms or complaint) at the time the item or service was ordered or furnished by the physician or practitioner (and not on the patient's principal diagnosis). When making such determinations with respect to such an item or service, the Secretary shall not consider the frequency with which the item or service was provided to the patient before or after the time of the admission or visit.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph

42 USC 1395y
note.

(1) shall apply to items and services furnished on or after January 1, 2004.

(b) NOTIFICATION OF PROVIDERS WHEN EMTALA INVESTIGATION CLOSED.—Section 1867(d) (42 U.S.C. 42 U.S.C. 1395dd(d)) is amended by adding at the end the following new paragraph:

“(4) NOTICE UPON CLOSING AN INVESTIGATION.—The Secretary shall establish a procedure to notify hospitals and physicians when an investigation under this section is closed.”.

(c) PRIOR REVIEW BY PEER REVIEW ORGANIZATIONS IN EMTALA CASES INVOLVING TERMINATION OF PARTICIPATION.—

(1) IN GENERAL.—Section 1867(d)(3) (42 U.S.C. 1395dd(d)(3)) is amended—

(A) in the first sentence, by inserting “or in terminating a hospital's participation under this title” after “in imposing sanctions under paragraph (1)”; and

(B) by adding at the end the following new sentences: “Except in the case in which a delay would jeopardize the health or safety of individuals, the Secretary shall also request such a review before making a compliance determination as part of the process of terminating a hospital's participation under this title for violations related to the appropriateness of a medical screening examination, stabilizing treatment, or an appropriate transfer as required by this section, and shall provide a period of 5 days for such review. The Secretary shall provide a copy of the organization's report to the hospital or physician consistent with confidentiality requirements imposed on the organization under such part B.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph

42 USC 1395dd
note.

(1) shall apply to terminations of participation initiated on or after the date of the enactment of this Act.

SEC. 945. EMERGENCY MEDICAL TREATMENT AND LABOR ACT (EMTALA) TECHNICAL ADVISORY GROUP.

42 USC 1395dd
note.

(a) ESTABLISHMENT.—The Secretary shall establish a Technical Advisory Group (in this section referred to as the “Advisory Group”) to review issues related to the Emergency Medical Treatment and Labor Act (EMTALA) and its implementation. In this section, the term “EMTALA” refers to the provisions of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

(b) MEMBERSHIP.—The Advisory Group shall be composed of 19 members, including the Administrator of the Centers for Medicare & Medicaid Services and the Inspector General of the Department of Health and Human Services and of which—

(1) 4 shall be representatives of hospitals, including at least one public hospital, that have experience with the application of EMTALA and at least 2 of which have not been cited for EMTALA violations;

(2) 7 shall be practicing physicians drawn from the fields of emergency medicine, cardiology or cardiothoracic surgery, orthopedic surgery, neurosurgery, pediatrics or a pediatric subspecialty, obstetrics-gynecology, and psychiatry, with not more than one physician from any particular field;

(3) 2 shall represent patients;

(4) 2 shall be staff involved in EMTALA investigations from different regional offices of the Centers for Medicare & Medicaid Services; and

(5) 1 shall be from a State survey office involved in EMTALA investigations and 1 shall be from a peer review organization, both of whom shall be from areas other than the regions represented under paragraph (4).

In selecting members described in paragraphs (1) through (3), the Secretary shall consider qualified individuals nominated by organizations representing providers and patients.

(c) GENERAL RESPONSIBILITIES.—The Advisory Group—

(1) shall review EMTALA regulations;

(2) may provide advice and recommendations to the Secretary with respect to those regulations and their application to hospitals and physicians;

(3) shall solicit comments and recommendations from hospitals, physicians, and the public regarding the implementation of such regulations; and

(4) may disseminate information on the application of such regulations to hospitals, physicians, and the public.

(d) ADMINISTRATIVE MATTERS.—

(1) CHAIRPERSON.—The members of the Advisory Group shall elect a member to serve as chairperson of the Advisory Group for the life of the Advisory Group.

(2) MEETINGS.—The Advisory Group shall first meet at the direction of the Secretary. The Advisory Group shall then meet twice per year and at such other times as the Advisory Group may provide.

(e) TERMINATION.—The Advisory Group shall terminate 30 months after the date of its first meeting.

(f) WAIVER OF ADMINISTRATIVE LIMITATION.—The Secretary shall establish the Advisory Group notwithstanding any limitation that may apply to the number of advisory committees that may be established (within the Department of Health and Human Services or otherwise).

SEC. 946. AUTHORIZING USE OF ARRANGEMENTS TO PROVIDE CORE HOSPICE SERVICES IN CERTAIN CIRCUMSTANCES.

(a) IN GENERAL.—Section 1861(dd)(5) (42 U.S.C. 1395x(dd)(5)) is amended by adding at the end the following:

“(D) In extraordinary, exigent, or other non-routine circumstances, such as unanticipated periods of high patient loads, staffing shortages due to illness or other events, or temporary travel of a patient outside a hospice program’s service area, a hospice program may enter into arrangements with another hospice program for the provision by that other program of services described in paragraph (2)(A)(ii)(I). The provisions of paragraph (2)(A)(ii)(II) shall apply with respect to the services provided under such arrangements.

“(E) A hospice program may provide services described in paragraph (1)(A) other than directly by the program if the services

are highly specialized services of a registered professional nurse and are provided non-routinely and so infrequently so that the provision of such services directly would be impracticable and prohibitively expensive.”.

(b) CONFORMING PAYMENT PROVISION.—Section 1814(i) (42 U.S.C. 1395f(i)), as amended by section 512(b), is amended by adding at the end the following new paragraph:

“(5) In the case of hospice care provided by a hospice program under arrangements under section 1861(dd)(5)(D) made by another hospice program, the hospice program that made the arrangements shall bill and be paid for the hospice care.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to hospice care provided on or after the date of the enactment of this Act.

42 USC 1395f
note.

SEC. 947. APPLICATION OF OSHA BLOODBORNE PATHOGENS STANDARD TO CERTAIN HOSPITALS.

(a) IN GENERAL.—Section 1866 (42 U.S.C. 1395cc), as amended by section 506, is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (T), by striking “and” at the end;

(B) in subparagraph (U), by striking the period at the end and inserting “, and”; and

(C) by inserting after subparagraph (U) the following new subparagraph:

“(V) in the case of hospitals that are not otherwise subject to the Occupational Safety and Health Act of 1970 (or a State occupational safety and health plan that is approved under 18(b) of such Act), to comply with the Bloodborne Pathogens standard under section 1910.1030 of title 29 of the Code of Federal Regulations (or as subsequently redesignated).”; and

(2) by adding at the end of subsection (b) the following new paragraph:

“(4)(A) A hospital that fails to comply with the requirement of subsection (a)(1)(V) (relating to the Bloodborne Pathogens standard) is subject to a civil money penalty in an amount described in subparagraph (B), but is not subject to termination of an agreement under this section.

“(B) The amount referred to in subparagraph (A) is an amount that is similar to the amount of civil penalties that may be imposed under section 17 of the Occupational Safety and Health Act of 1970 for a violation of the Bloodborne Pathogens standard referred to in subsection (a)(1)(U) by a hospital that is subject to the provisions of such Act.

“(C) A civil money penalty under this paragraph shall be imposed and collected in the same manner as civil money penalties under subsection (a) of section 1128A are imposed and collected under that section.”.

(b) EFFECTIVE DATE.—The amendments made by this subsection (a) shall apply to hospitals as of July 1, 2004.

42 USC 1395cc
note.

SEC. 948. BIPA-RELATED TECHNICAL AMENDMENTS AND CORRECTIONS.

(a) TECHNICAL AMENDMENTS RELATING TO ADVISORY COMMITTEE UNDER BIPA SECTION 522.—(1) Subsection (i) of section 1114 (42 U.S.C. 1314)—

(A) is transferred to section 1862 and added at the end of such section; and

42 USC 1395y.

- (B) is redesignated as subsection (j).
- (2) Section 1862 (42 U.S.C. 1395y) is amended—
- (A) in the last sentence of subsection (a), by striking “established under section 1114(f)” and
- (B) in subsection (j), as so transferred and redesignated—
- (i) by striking “under subsection (f)” and
- (ii) by striking “section 1862(a)(1)” and inserting “subsection (a)(1)”.
- (b) TERMINOLOGY CORRECTIONS.—(1) Section 1869(c)(3)(I)(ii) (42 U.S.C. 1395ff(c)(3)(I)(ii)) is amended—
- (A) in subclause (III), by striking “policy” and inserting “determination”; and
- (B) in subclause (IV), by striking “medical review policies” and inserting “coverage determinations”.
- (2) Section 1852(a)(2)(C) (42 U.S.C. 1395w–22(a)(2)(C)) is amended by striking “policy” and “POLICY” and inserting “determination” each place it appears and “DETERMINATION”, respectively.
- (c) REFERENCE CORRECTIONS.—Section 1869(f)(4) (42 U.S.C. 1395ff(f)(4)) is amended—
- (1) in subparagraph (A)(iv), by striking “subclause (I), (II), or (III)” and inserting “clause (i), (ii), or (iii)”;
- (2) in subparagraph (B), by striking “clause (i)(IV)” and “clause (i)(III)” and inserting “subparagraph (A)(iv)” and “subparagraph (A)(iii)”, respectively; and
- (3) in subparagraph (C), by striking “clause (i)”, “subclause (IV)” and “subparagraph (A)” and inserting “subparagraph (A)”, “clause (iv)” and “paragraph (1)(A)”, respectively each place it appears.
- (d) OTHER CORRECTIONS.—Effective as if included in the enactment of section 521(c) of BIPA, section 1154(e) (42 U.S.C. 1320c–3(e)) is amended by striking paragraph (5).
- (e) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall be effective as if included in the enactment of BIPA.

42 USC 1314
note.

SEC. 949. CONFORMING AUTHORITY TO WAIVE A PROGRAM EXCLUSION.

The first sentence of section 1128(c)(3)(B) (42 U.S.C. 1320a–7(c)(3)(B)) is amended to read as follows: “Subject to subparagraph (G), in the case of an exclusion under subsection (a), the minimum period of exclusion shall be not less than five years, except that, upon the request of the administrator of a Federal health care program (as defined in section 1128B(f)) who determines that the exclusion would impose a hardship on individuals entitled to benefits under part A of title XVIII or enrolled under part B of such title, or both, the Secretary may, after consulting with the Inspector General of the Department of Health and Human Services, waive the exclusion under subsection (a)(1), (a)(3), or (a)(4) with respect to that program in the case of an individual or entity that is the sole community physician or sole source of essential specialized services in a community.”.

SEC. 950. TREATMENT OF CERTAIN DENTAL CLAIMS.

(a) IN GENERAL.—Section 1862 (42 U.S.C. 1395y) is amended by adding at the end, after the subsection transferred and redesignated by section 948(a), the following new subsection:

“(k)(1) Subject to paragraph (2), a group health plan (as defined in subsection (a)(1)(A)(v)) providing supplemental or secondary coverage to individuals also entitled to services under this title shall not require a medicare claims determination under this title for dental benefits specifically excluded under subsection (a)(12) as a condition of making a claims determination for such benefits under the group health plan.

“(2) A group health plan may require a claims determination under this title in cases involving or appearing to involve inpatient dental hospital services or dental services expressly covered under this title pursuant to actions taken by the Secretary.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date that is 60 days after the date of the enactment of this Act.

42 USC 1395y
note.

SEC. 951. FURNISHING HOSPITALS WITH INFORMATION TO COMPUTE DSH FORMULA.

42 USC 1395ww
note.

Beginning not later than 1 year after the date of the enactment of this Act, the Secretary shall arrange to furnish to subsection (d) hospitals (as defined in section 1886(d)(1)(B) of the Social Security Act, 42 U.S.C. 1395ww(d)(1)(B)) the data necessary for such hospitals to compute the number of patient days used in computing the disproportionate patient percentage under such section for that hospital for the current cost reporting year. Such data shall also be furnished to other hospitals which would qualify for additional payments under part A of title XVIII of the Social Security Act on the basis of such data.

SEC. 952. REVISIONS TO REASSIGNMENT PROVISIONS.

(a) **IN GENERAL.**—Section 1842(b)(6)(A) (42 U.S.C. 1395u(b)(6)(A)) is amended by striking “or (ii) (where the service was provided in a hospital, critical access hospital, clinic, or other facility) to the facility in which the service was provided if there is a contractual arrangement between such physician or other person and such facility under which such facility submits the bill for such service,” and inserting “or (ii) where the service was provided under a contractual arrangement between such physician or other person and an entity, to the entity if, under the contractual arrangement, the entity submits the bill for the service and the contractual arrangement meets such program integrity and other safeguards as the Secretary may determine to be appropriate,”.

(b) **CONFORMING AMENDMENT.**—The second sentence of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)) is amended by striking “except to an employer or facility as described in clause (A)” and inserting “except to an employer or entity as described in subparagraph (A)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to payments made on or after the date of the enactment of this Act.

42 USC 1395u
note.

SEC. 953. OTHER PROVISIONS.

(a) **GAO REPORTS ON THE PHYSICIAN COMPENSATION.**—

(1) **SUSTAINABLE GROWTH RATE AND UPDATES.**—Not later than 6 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the appropriateness of the updates in the conversion factor under subsection (d)(3) of section 1848 of the Social Security Act (42 U.S.C. 1395w–4), including the

appropriateness of the sustainable growth rate formula under subsection (f) of such section for 2002 and succeeding years. Such report shall examine the stability and predictability of such updates and rate and alternatives for the use of such rate in the updates.

42 USC 1395w–4
note.

(2) PHYSICIAN COMPENSATION GENERALLY.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on all aspects of physician compensation for services furnished under title XVIII of the Social Security Act, and how those aspects interact and the effect on appropriate compensation for physician services. Such report shall review alternatives for the physician fee schedule under section 1848 of such title (42 U.S.C. 1395w–4).

42 USC 1395y
note.

(b) ANNUAL PUBLICATION OF LIST OF NATIONAL COVERAGE DETERMINATIONS.—The Secretary shall provide, in an appropriate annual publication available to the public, a list of national coverage determinations made under title XVIII of the Social Security Act in the previous year and information on how to get more information with respect to such determinations.

(c) GAO REPORT ON FLEXIBILITY IN APPLYING HOME HEALTH CONDITIONS OF PARTICIPATION TO PATIENTS WHO ARE NOT MEDICARE BENEFICIARIES.—Not later than 6 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the implications if there were flexibility in the application of the medicare conditions of participation for home health agencies with respect to groups or types of patients who are not medicare beneficiaries. The report shall include an analysis of the potential impact of such flexible application on clinical operations and the recipients of such services and an analysis of methods for monitoring the quality of care provided to such recipients.

42 USC 1395d
note.

(d) OIG REPORT ON NOTICES RELATING TO USE OF HOSPITAL LIFETIME RESERVE DAYS.—Not later than 1 year after the date of the enactment of this Act, the Inspector General of the Department of Health and Human Services shall submit a report to Congress on—

(1) the extent to which hospitals provide notice to medicare beneficiaries in accordance with applicable requirements before they use the 60 lifetime reserve days described in section 1812(a)(1) of the Social Security Act (42 U.S.C. 1395d(a)(1)); and

(2) the appropriateness and feasibility of hospitals providing a notice to such beneficiaries before they completely exhaust such lifetime reserve days.

TITLE X—MEDICAID AND MISCELLANEOUS PROVISIONS

Subtitle A—Medicaid Provisions

SEC. 1001. MEDICAID DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS.

(a) TEMPORARY INCREASE.—Section 1923(f)(3) (42 U.S.C. 1396r–4(f)(3)) is amended—

(1) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”; and

(2) by adding at the end the following new subparagraphs:

“(C) SPECIAL, TEMPORARY INCREASE IN ALLOTMENTS ON A ONE-TIME, NON-CUMULATIVE BASIS.—The DSH allotment for any State (other than a State with a DSH allotment determined under paragraph (5))—

“(i) for fiscal year 2004 is equal to 116 percent of the DSH allotment for the State for fiscal year 2003 under this paragraph, notwithstanding subparagraph (B); and

“(ii) for each succeeding fiscal year is equal to the DSH allotment for the State for fiscal year 2004 or, in the case of fiscal years beginning with the fiscal year specified in subparagraph (D) for that State, the DSH allotment for the State for the previous fiscal year increased by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average), for the previous fiscal year.

“(D) FISCAL YEAR SPECIFIED.—For purposes of subparagraph (C)(ii), the fiscal year specified in this subparagraph for a State is the first fiscal year for which the Secretary estimates that the DSH allotment for that State will equal (or no longer exceed) the DSH allotment for that State under the law as in effect before the date of the enactment of this subparagraph.”.

(b) INCREASE IN FLOOR FOR TREATMENT AS A LOW DSH STATE.—Section 1923(f)(5) (42 U.S.C. 1396r–4(f)(5)) is amended—

(1) in the paragraph heading, by striking “EXTREMELY”;

(2) by striking “In the case of” and inserting the following:

“(A) FOR FISCAL YEARS 2001 THROUGH 2003 FOR EXTREMELY LOW DSH STATES.—In the case of”;

(3) by inserting “before fiscal year 2004” after “In subsequent years”; and

(4) by adding at the end the following:

“(B) FOR FISCAL YEAR 2004 AND SUBSEQUENT FISCAL YEARS.—In the case of a State in which the total expenditures under the State plan (including Federal and State shares) for disproportionate share hospital adjustments under this section for fiscal year 2000, as reported to the Administrator of the Centers for Medicare & Medicaid Services as of August 31, 2003, is greater than 0 but less than 3 percent of the State’s total amount of expenditures under the State plan for medical assistance during the fiscal year, the DSH allotment for the State with respect to—

“(i) fiscal year 2004 shall be the DSH allotment for the State for fiscal year 2003 increased by 16 percent;

“(ii) each succeeding fiscal year before fiscal year 2009 shall be the DSH allotment for the State for the previous fiscal year increased by 16 percent; and

“(iii) fiscal year 2009 and any subsequent fiscal year, shall be the DSH allotment for the State for the previous year subject to an increase for inflation as provided in paragraph (3)(A).”.

(c) ALLOTMENT ADJUSTMENT.—Section 1923(f) (42 U.S.C. 1396r-4(f)) is amended—

(1) in paragraph (3)(A), by striking “The DSH” and inserting “Except as provided in paragraph (6), the DSH”;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

“(6) ALLOTMENT ADJUSTMENT.—Only with respect to fiscal year 2004 or 2005, if a statewide waiver under section 1115 is revoked or terminated before the end of either such fiscal year and there is no DSH allotment for the State, the Secretary shall—

“(A) permit the State whose waiver was revoked or terminated to submit an amendment to its State plan that would describe the methodology to be used by the State (after the effective date of such revocation or termination) to identify and make payments to disproportionate share hospitals, including children’s hospitals and institutions for mental diseases or other mental health facilities (other than State-owned institutions or facilities), on the basis of the proportion of patients served by such hospitals that are low-income patients with special needs; and

“(B) provide for purposes of this subsection for computation of an appropriate DSH allotment for the State for fiscal year 2004 or 2005 (or both) that would not exceed the amount allowed under paragraph (3)(B)(ii) and that does not result in greater expenditures under this title than would have been made if such waiver had not been revoked or terminated.

In determining the amount of an appropriate DSH allotment under subparagraph (B) for a State, the Secretary shall take into account the level of DSH expenditures for the State for the fiscal year preceding the fiscal year in which the waiver commenced.”.

(d) INCREASED REPORTING AND OTHER REQUIREMENTS TO ENSURE THE APPROPRIATE USE OF MEDICAID DSH PAYMENT ADJUSTMENTS.—Section 1923 (42 U.S.C. 1396r-4) is amended by adding at the end the following new subsection:

“(j) ANNUAL REPORTS AND OTHER REQUIREMENTS REGARDING PAYMENT ADJUSTMENTS.—With respect to fiscal year 2004 and each fiscal year thereafter, the Secretary shall require a State, as a condition of receiving a payment under section 1903(a)(1) with respect to a payment adjustment made under this section, to do the following:

“(1) REPORT.—The State shall submit an annual report that includes the following:

“(A) An identification of each disproportionate share hospital that received a payment adjustment under this section for the preceding fiscal year and the amount of the payment adjustment made to such hospital for the preceding fiscal year.

“(B) Such other information as the Secretary determines necessary to ensure the appropriateness of the payment adjustments made under this section for the preceding fiscal year.

“(2) INDEPENDENT CERTIFIED AUDIT.—The State shall annually submit to the Secretary an independent certified audit that verifies each of the following:

“(A) The extent to which hospitals in the State have reduced their uncompensated care costs to reflect the total amount of claimed expenditures made under this section.

“(B) Payments under this section to hospitals that comply with the requirements of subsection (g).

“(C) Only the uncompensated care costs of providing inpatient hospital and outpatient hospital services to individuals described in paragraph (1)(A) of such subsection are included in the calculation of the hospital-specific limits under such subsection.

“(D) The State included all payments under this title, including supplemental payments, in the calculation of such hospital-specific limits.

“(E) The State has separately documented and retained a record of all of its costs under this title, claimed expenditures under this title, uninsured costs in determining payment adjustments under this section, and any payments made on behalf of the uninsured from payment adjustments under this section.”.

(e) CLARIFICATION REGARDING NON-REGULATION OF TRANSFERS.—

42 USC 1396b
note.

(1) IN GENERAL.—Nothing in section 1903(w) of the Social Security Act (42 U.S.C. 1396b(w)) shall be construed by the Secretary as prohibiting a State’s use of funds as the non-Federal share of expenditures under title XIX of such Act where such funds are transferred from or certified by a publicly-owned regional medical center located in another State and described in paragraph (2), so long as the Secretary determines that such use of funds is proper and in the interest of the program under title XIX.

(2) CENTER DESCRIBED.—A center described in this paragraph is a publicly-owned regional medical center that—

(A) provides level 1 trauma and burn care services;

(B) provides level 3 neonatal care services;

(C) is obligated to serve all patients, regardless of State of origin;

(D) is located within a Standard Metropolitan Statistical Area (SMSA) that includes at least 3 States, including the States described in paragraph (1);

(E) serves as a tertiary care provider for patients residing within a 125 mile radius; and

(F) meets the criteria for a disproportionate share hospital under section 1923 of such Act in at least one State other than the one in which the center is located.

(3) EFFECTIVE PERIOD.—This subsection shall apply through December 31, 2005.

SEC. 1002. CLARIFICATION OF INCLUSION OF INPATIENT DRUG PRICES CHARGED TO CERTAIN PUBLIC HOSPITALS IN THE BEST PRICE EXEMPTIONS FOR THE MEDICAID DRUG REBATE PROGRAM.

(a) IN GENERAL.—Section 1927(c)(1)(C)(i)(I) (42 U.S.C. 1396r–8(c)(1)(C)(i)(I)) is amended by inserting before the semicolon the following: “(including inpatient prices charged to hospitals described in section 340B(a)(4)(L) of the Public Health Service Act)”.

(b) **ANTI-DIVERSION PROTECTION.**—Section 1927(c)(1)(C) (42 U.S.C. 1396r–8(c)(1)(C)) is amended by adding at the end the following:

“(iii) **APPLICATION OF AUDITING AND RECORD-KEEPING REQUIREMENTS.**—With respect to a covered entity described in section 340B(a)(4)(L) of the Public Health Service Act, any drug purchased for inpatient use shall be subject to the auditing and recordkeeping requirements described in section 340B(a)(5)(C) of the Public Health Service Act.”.

SEC. 1003. EXTENSION OF MORATORIUM.

(a) **IN GENERAL.**—Section 6408(a)(3) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 13642 of the Omnibus Budget Reconciliation Act of 1993 and section 4758 of the Balanced Budget Act of 1997, is amended—

(1) by striking “until December 31, 2002”, and

(2) by striking “Kent Community Hospital Complex in Michigan or.”

(b) **EFFECTIVE DATES.**—

(1) **PERMANENT EXTENSION.**—The amendment made by subsection (a)(1) shall take effect as if included in the amendment made by section 4758 of the Balanced Budget Act of 1997.

(2) **MODIFICATION.**—The amendment made by subsection (a)(2) shall take effect on the date of enactment of this Act.

Subtitle B—Miscellaneous Provisions

42 USC 1395dd
note.

SEC. 1011. FEDERAL REIMBURSEMENT OF EMERGENCY HEALTH SERVICES FURNISHED TO UNDOCUMENTED ALIENS.

(a) **TOTAL AMOUNT AVAILABLE FOR ALLOTMENT.**—

(1) **IN GENERAL.**—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary \$250,000,000 for each of fiscal years 2005 through 2008 for the purpose of making allotments under this section for payments to eligible providers in States described in paragraph (1) or (2) of subsection (b).

(2) **AVAILABILITY.**—Funds appropriated under paragraph (1) shall remain available until expended.

(b) **STATE ALLOTMENTS.**—

(1) **BASED ON PERCENTAGE OF UNDOCUMENTED ALIENS.**—

(A) **IN GENERAL.**—Out of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall use \$167,000,000 of such amount to make allotments for such fiscal year in accordance with subparagraph (B).

(B) **FORMULA.**—The amount of the allotment for payments to eligible providers in each State for a fiscal year shall be equal to the product of—

(i) the total amount available for allotments under this paragraph for the fiscal year; and

(ii) the percentage of undocumented aliens residing in the State as compared to the total number of such aliens residing in all States, as determined by the Statistics Division of the Immigration and Naturalization Service, as of January 2003, based on the 2000 decennial census.

(2) BASED ON NUMBER OF UNDOCUMENTED ALIEN APPREHENSION STATES.—

(A) IN GENERAL.—Out of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall use \$83,000,000 of such amount to make allotments, in addition to amounts allotted under paragraph (1), for such fiscal year for each of the 6 States with the highest number of undocumented alien apprehensions for such fiscal year.

(B) DETERMINATION OF ALLOTMENTS.—The amount of the allotment for each State described in subparagraph (A) for a fiscal year shall be equal to the product of—

(i) the total amount available for allotments under this paragraph for the fiscal year; and

(ii) the percentage of undocumented alien apprehensions in the State in that fiscal year as compared to the total of such apprehensions for all such States for the preceding fiscal year.

(C) DATA.—For purposes of this paragraph, the highest number of undocumented alien apprehensions for a fiscal year shall be based on the apprehension rates for the 4-consecutive-quarter period ending before the beginning of the fiscal year for which information is available for undocumented aliens in such States, as reported by the Department of Homeland Security.

(c) USE OF FUNDS.—

(1) AUTHORITY TO MAKE PAYMENTS.—From the allotments made for a State under subsection (b) for a fiscal year, the Secretary shall pay the amount (subject to the total amount available from such allotments) determined under paragraph (2) directly to eligible providers located in the State for the provision of eligible services to aliens described in paragraph (5) to the extent that the eligible provider was not otherwise reimbursed (through insurance or otherwise) for such services during that fiscal year.

(2) DETERMINATION OF PAYMENT AMOUNTS.—

(A) IN GENERAL.—Subject to subparagraph (B), the payment amount determined under this paragraph shall be an amount determined by the Secretary that is equal to the lesser of—

(i) the amount that the provider demonstrates was incurred for the provision of such services; or

(ii) amounts determined under a methodology established by the Secretary for purposes of this subsection.

(B) PRO-RATA REDUCTION.—If the amount of funds allotted to a State under subsection (b) for a fiscal year is insufficient to ensure that each eligible provider in that State receives the amount of payment calculated under subparagraph (A), the Secretary shall reduce that amount of payment with respect to each eligible provider to ensure that the entire amount allotted to the State for that fiscal year is paid to such eligible providers.

(3) METHODOLOGY.—In establishing a methodology under paragraph (2)(A)(ii), the Secretary—

(A) may establish different methodologies for types of eligible providers;

(B) may base payments for hospital services on estimated hospital charges, adjusted to estimated cost, through the application of hospital-specific cost-to-charge ratios;

(C) shall provide for the election by a hospital to receive either payments to the hospital for—

(i) hospital and physician services; or

(ii) hospital services and for a portion of the on-call payments made by the hospital to physicians; and

(D) shall make quarterly payments under this section to eligible providers.

If a hospital makes the election under subparagraph (C)(i), the hospital shall pass on payments for services of a physician to the physician and may not charge any administrative or other fee with respect to such payments.

(4) LIMITATION ON USE OF FUNDS.—Payments made to eligible providers in a State from allotments made under subsection (b) for a fiscal year may only be used for costs incurred in providing eligible services to aliens described in paragraph (5).

(5) ALIENS DESCRIBED.—For purposes of paragraphs (1) and (2), aliens described in this paragraph are any of the following:

(A) Undocumented aliens.

(B) Aliens who have been paroled into the United States at a United States port of entry for the purpose of receiving eligible services.

(C) Mexican citizens permitted to enter the United States for not more than 72 hours under the authority of a biometric machine readable border crossing identification card (also referred to as a “laser visa”) issued in accordance with the requirements of regulations prescribed under section 101(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(6)).

(d) APPLICATIONS; ADVANCE PAYMENTS.—

(1) DEADLINE FOR ESTABLISHMENT OF APPLICATION PROCESS.—

(A) IN GENERAL.—Not later than September 1, 2004, the Secretary shall establish a process under which eligible providers located in a State may request payments under subsection (c).

(B) INCLUSION OF MEASURES TO COMBAT FRAUD AND ABUSE.—The Secretary shall include in the process established under subparagraph (A) measures to ensure that inappropriate, excessive, or fraudulent payments are not made from the allotments determined under subsection (b), including certification by the eligible provider of the veracity of the payment request.

(2) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—The process established under paragraph (1) may provide for making payments under this section for each quarter of a fiscal year on the basis of advance estimates of expenditures submitted by applicants for such payments and such other investigation as the Secretary may find necessary, and for making reductions or increases in the payments as necessary to adjust for any overpayment or underpayment for prior quarters of such fiscal year.

(e) DEFINITIONS.—In this section:

(1) **ELIGIBLE PROVIDER.**—The term “eligible provider” means a hospital, physician, or provider of ambulance services (including an Indian Health Service facility whether operated by the Indian Health Service or by an Indian tribe or tribal organization).

(2) **ELIGIBLE SERVICES.**—The term “eligible services” means health care services required by the application of section 1867 of the Social Security Act (42 U.S.C. 1395dd), and related hospital inpatient and outpatient services and ambulance services (as defined by the Secretary).

(3) **HOSPITAL.**—The term “hospital” has the meaning given such term in section 1861(e) of the Social Security Act (42 U.S.C. 1395x(e)), except that such term shall include a critical access hospital (as defined in section 1861(mm)(1) of such Act (42 U.S.C. 1395x(mm)(1))).

(4) **PHYSICIAN.**—The term “physician” has the meaning given that term in section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)).

(5) **INDIAN TRIBE; TRIBAL ORGANIZATION.**—The terms “Indian tribe” and “tribal organization” have the meanings given such terms in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

(6) **STATE.**—The term “State” means the 50 States and the District of Columbia.

SEC. 1012. COMMISSION ON SYSTEMIC INTEROPERABILITY.

42 USC 242b
note.

(a) **ESTABLISHMENT.**—The Secretary shall establish a commission to be known as the “Commission on Systemic Interoperability” (in this section referred to as the “Commission”).

(b) **DUTIES.**—

(1) **IN GENERAL.**—The Commission shall develop a comprehensive strategy for the adoption and implementation of health care information technology standards, that includes a timeline and prioritization for such adoption and implementation.

(2) **CONSIDERATIONS.**—In developing the comprehensive health care information technology strategy under paragraph (1), the Commission shall consider—

(A) the costs and benefits of the standards, both financial impact and quality improvement;

(B) the current demand on industry resources to implement this Act and other electronic standards, including HIPAA standards; and

(C) the most cost-effective and efficient means for industry to implement the standards.

(3) **NONINTERFERENCE.**—In carrying out this section, the Commission shall not interfere with any standards development of adoption processes underway in the private or public sector and shall not replicate activities related to such standards or the national health information infrastructure underway within the Department of Health and Human Services.

(4) **REPORT.**—Not later than October 31, 2005, the Commission shall submit to the Secretary and to Congress a report describing the strategy developed under paragraph (1), including an analysis of the matters considered under paragraph (2).

(c) **MEMBERSHIP.**—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 11 members appointed as follows:

(A) The President shall appoint three members, one of whom the President shall designate as Chairperson.

(B) The Majority Leader of the Senate shall appoint two members.

(C) The Minority Leader of the Senate shall appoint two members.

(D) The Speaker of the House of Representatives shall appoint two members.

(E) The Minority Leader of the House of Representatives shall appoint two members.

(2) QUALIFICATIONS.—The membership of the Commission shall include individuals with national recognition for their expertise in health finance and economics, health plans and integrated delivery systems, reimbursement of health facilities, practicing physicians, practicing pharmacists, and other providers of health services, health care technology and information systems, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

(d) TERMS.—Each member shall be appointed for the life of the Commission.

(e) COMPENSATION.—

(1) RATES OF PAY.—Members shall each be paid at a rate not to exceed the daily equivalent of the rate of basic pay for level IV of the Executive Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) PROHIBITION OF COMPENSATION OF FEDERAL EMPLOYEES.—Members of the Commission who are full-time officers or employees of the United States or Members of Congress may not receive additional pay, allowances, or benefits by reason of their service on the Commission.

(3) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(g) DIRECTOR AND STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.—

(1) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairperson. The Director shall be paid at a rate not to exceed the rate of basic pay for level IV of the Executive Schedule.

(2) STAFF.—With the approval of the Commission, the Director may appoint and fix the pay of such additional personnel as the Director considers appropriate.

(3) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so

appointed may not receive pay in excess of level IV of the Executive Schedule.

(4) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(5) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this Act.

(h) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission. For purposes of Federal income, estate, and gift taxes, property accepted under this subsection shall be considered as a gift, bequest, or devise to the United States.

(5) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(6) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this Act.

(7) CONTRACT AUTHORITY.—The Commission may enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Commission (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)).

(i) TERMINATION.—The Commission shall terminate on 30 days after submitting its report pursuant to subsection (b)(3).

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

42 USC 299b–7. **SEC. 1013. RESEARCH ON OUTCOMES OF HEALTH CARE ITEMS AND SERVICES.****(a) RESEARCH, DEMONSTRATIONS, AND EVALUATIONS.—****(1) IMPROVEMENT OF EFFECTIVENESS AND EFFICIENCY.—**

(A) **IN GENERAL.**—To improve the quality, effectiveness, and efficiency of health care delivered pursuant to the programs established under titles XVIII, XIX, and XXI of the Social Security Act, the Secretary acting through the Director of the Agency for Healthcare Research and Quality (in this section referred to as the “Director”), shall conduct and support research to meet the priorities and requests for scientific evidence and information identified by such programs with respect to—

(i) the outcomes, comparative clinical effectiveness, and appropriateness of health care items and services (including prescription drugs); and

(ii) strategies for improving the efficiency and effectiveness of such programs, including the ways in which such items and services are organized, managed, and delivered under such programs.

(B) **SPECIFICATION.**—To respond to priorities and information requests in subparagraph (A), the Secretary may conduct or support, by grant, contract, or interagency agreement, research, demonstrations, evaluations, technology assessments, or other activities, including the provision of technical assistance, scientific expertise, or methodological assistance.

(2) PRIORITIES.—

(A) **IN GENERAL.**—The Secretary shall establish a process to develop priorities that will guide the research, demonstrations, and evaluation activities undertaken pursuant to this section.

(B) **INITIAL LIST.**—Not later than 6 months after the date of the enactment of this Act, the Secretary shall establish an initial list of priorities for research related to health care items and services (including prescription drugs).

(C) **PROCESS.**—In carrying out subparagraph (A), the Secretary—

(i) shall ensure that there is broad and ongoing consultation with relevant stakeholders in identifying the highest priorities for research, demonstrations, and evaluations to support and improve the programs established under titles XVIII, XIX, and XXI of the Social Security Act;

(ii) may include health care items and services which impose a high cost on such programs, as well as those which may be underutilized or overutilized and which may significantly improve the prevention, treatment, or cure of diseases and conditions (including chronic conditions) which impose high direct or indirect costs on patients or society; and

(iii) shall ensure that the research and activities undertaken pursuant to this section are responsive to the specified priorities and are conducted in a timely manner.

(3) EVALUATION AND SYNTHESIS OF SCIENTIFIC EVIDENCE.—

(A) IN GENERAL.—The Secretary shall—

(i) evaluate and synthesize available scientific evidence related to health care items and services (including prescription drugs) identified as priorities in accordance with paragraph (2) with respect to the comparative clinical effectiveness, outcomes, appropriateness, and provision of such items and services (including prescription drugs);

(ii) identify issues for which existing scientific evidence is insufficient with respect to such health care items and services (including prescription drugs);

(iii) disseminate to prescription drug plans and MA–PD plans under part D of title XVIII of the Social Security Act, other health plans, and the public the findings made under clauses (i) and (ii); and

(iv) work in voluntary collaboration with public and private sector entities to facilitate the development of new scientific knowledge regarding health care items and services (including prescription drugs).

(B) INITIAL RESEARCH.—The Secretary shall complete the evaluation and synthesis of the initial research required by the priority list developed under paragraph (2)(B) not later than 18 months after the development of such list.

(C) DISSEMINATION.—

(i) IN GENERAL.—To enhance patient safety and the quality of health care, the Secretary shall make available and disseminate in appropriate formats to prescription drugs plans under part D, and MA–PD plans under part C, of title XVIII of the Social Security Act, other health plans, and the public the evaluations and syntheses prepared pursuant to subparagraph (A) and the findings of research conducted pursuant to paragraph (1). In carrying out this clause the Secretary, in order to facilitate the availability of such evaluations and syntheses or findings at every decision point in the health care system, shall—

(I) present such evaluations and syntheses or findings in a form that is easily understood by the individuals receiving health care items and services (including prescription drugs) under such plans and periodically assess that the requirements of this subclause have been met; and

(II) provide such evaluations and syntheses or findings and other relevant information through easily accessible and searchable electronic mechanisms, and in hard copy formats as appropriate.

(ii) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as—

(I) affecting the authority of the Secretary or the Commissioner of Food and Drugs under the Federal Food, Drug, and Cosmetic Act or the Public Health Service Act; or

(II) conferring any authority referred to in subclause (I) to the Director.

(D) ACCOUNTABILITY.—In carrying out this paragraph, the Secretary shall implement activities in a manner that—

(i) makes publicly available all scientific evidence relied upon and the methodologies employed, provided such evidence and method are not protected from public disclosure by section 1905 of title 18, United States Code, or other applicable law so that the results of the research, analyses, or syntheses can be evaluated or replicated; and

(ii) ensures that any information needs and unresolved issues identified in subparagraph (A)(ii) are taken into account in priority-setting for future research conducted by the Secretary.

(4) CONFIDENTIALITY.—

(A) IN GENERAL.—In making use of administrative, clinical, and program data and information developed or collected with respect to the programs established under titles XVIII, XIX, and XXI of the Social Security Act, for purposes of carrying out the requirements of this section or the activities authorized under title IX of the Public Health Service Act (42 U.S.C. 299 et seq.), such data and information shall be protected in accordance with the confidentiality requirements of title IX of the Public Health Service Act.

(B) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require or permit the disclosure of data provided to the Secretary that is otherwise protected from disclosure under the Federal Food, Drug, and Cosmetic Act, section 1905 of title 18, United States Code, or other applicable law.

(5) EVALUATIONS.—The Secretary shall conduct and support evaluations of the activities carried out under this section to determine the extent to which such activities have had an effect on outcomes and utilization of health care items and services.

(6) IMPROVING INFORMATION AVAILABLE TO HEALTH CARE PROVIDERS, PATIENTS, AND POLICYMAKERS.—Not later than 18 months after the date of enactment of this Act, the Secretary shall identify options that could be undertaken in voluntary collaboration with private and public entities (as appropriate) for the—

(A) provision of more timely information through the programs established under titles XVIII, XIX, and XXI of the Social Security Act, regarding the outcomes and quality of patient care, including clinical and patient-reported outcomes, especially with respect to interventions and conditions for which clinical trials would not be feasible or raise ethical concerns that are difficult to address;

(B) acceleration of the adoption of innovation and quality improvement under such programs; and

(C) development of management tools for the programs established under titles XIX and XXI of the Social Security Act, and with respect to the programs established under such titles, assess the feasibility of using administrative or claims data, to—

(i) improve oversight by State officials;

(ii) support Federal and State initiatives to improve the quality, safety, and efficiency of services provided under such programs; and

(iii) provide a basis for estimating the fiscal and coverage impact of Federal or State program and policy changes.

(b) RECOMMENDATIONS.—

(1) DISCLAIMER.—In carrying out this section, the Director shall—

(A) not mandate national standards of clinical practice or quality health care standards; and

(B) include in any recommendations resulting from projects funded and published by the Director, a corresponding reference to the prohibition described in subparagraph (A).

(2) REQUIREMENT FOR IMPLEMENTATION.—Research, evaluation, and communication activities performed pursuant to this section shall reflect the principle that clinicians and patients should have the best available evidence upon which to make choices in health care items and services, in providers, and in health care delivery systems, recognizing that patient subpopulations and patient and physician preferences may vary.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide the Director with authority to mandate a national standard or require a specific approach to quality measurement and reporting.

(c) RESEARCH WITH RESPECT TO DISSEMINATION.—The Secretary, acting through the Director, may conduct or support research with respect to improving methods of disseminating information in accordance with subsection (a)(3)(C).

(d) LIMITATION ON CMS.—The Administrator of the Centers for Medicare & Medicaid Services may not use data obtained in accordance with this section to withhold coverage of a prescription drug.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, \$50,000,000 for fiscal year 2004, and such sums as may be necessary for each fiscal year thereafter.

SEC. 1014. HEALTH CARE THAT WORKS FOR ALL AMERICANS: CITIZENS HEALTH CARE WORKING GROUP.

42 USC 299 note.

(a) FINDINGS.—Congress finds the following:

(1) In order to improve the health care system, the American public must engage in an informed national public debate to make choices about the services they want covered, what health care coverage they want, and how they are willing to pay for coverage.

(2) More than a trillion dollars annually is spent on the health care system, yet—

(A) 41,000,000 Americans are uninsured;

(B) insured individuals do not always have access to essential, effective services to improve and maintain their health; and

(C) employers, who cover over 170,000,000 Americans, find providing coverage increasingly difficult because of rising costs and double digit premium increases.

(3) Despite increases in medical care spending that are greater than the rate of inflation, population growth, and Gross Domestic Product growth, there has not been a commensurate improvement in our health status as a nation.

(4) Health care costs for even just 1 member of a family can be catastrophic, resulting in medical bills potentially harming the economic stability of the entire family.

(5) Common life occurrences can jeopardize the ability of a family to retain private coverage or jeopardize access to public coverage.

(6) Innovations in health care access, coverage, and quality of care, including the use of technology, have often come from States, local communities, and private sector organizations, but more creative policies could tap this potential.

(7) Despite our Nation's wealth, the health care system does not provide coverage to all Americans who want it.

(b) PURPOSES.—The purposes of this section are—

(1) to provide for a nationwide public debate about improving the health care system to provide every American with the ability to obtain quality, affordable health care coverage; and

(2) to provide for a vote by Congress on the recommendations that result from the debate.

(c) ESTABLISHMENT.—The Secretary, acting through the Agency for Healthcare Research and Quality, shall establish an entity to be known as the Citizens' Health Care Working Group (referred to in this section as the "Working Group").

(d) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Working Group shall be composed of 15 members. One member shall be the Secretary. The Comptroller General of the United States shall appoint 14 members.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—The membership of the Working Group shall include—

(i) consumers of health services that represent those individuals who have not had insurance within 2 years of appointment, that have had chronic illnesses, including mental illness, are disabled, and those who receive insurance coverage through medicare and medicaid; and

(ii) individuals with expertise in financing and paying for benefits and access to care, business and labor perspectives, and providers of health care.

The membership shall reflect a broad geographic representation and a balance between urban and rural representatives.

(B) PROHIBITED APPOINTMENTS.—Members of the Working Group shall not include Members of Congress or other elected government officials (Federal, State, or local). Individuals appointed to the Working Group shall not be paid employees or representatives of associations or advocacy organizations involved in the health care system.

(e) PERIOD OF APPOINTMENT.—Members of the Working Group shall be appointed for a life of the Working Group. Any vacancies shall not affect the power and duties of the Working Group but shall be filled in the same manner as the original appointment.

(f) DESIGNATION OF THE CHAIRPERSON.—Not later than 15 days after the date on which all members of the Working Group have

Deadline.

been appointed under subsection (d)(1), the Comptroller General shall designate the chairperson of the Working Group.

(g) SUBCOMMITTEES.—The Working Group may establish subcommittees if doing so increases the efficiency of the Working Group in completing its tasks.

(h) DUTIES.—

(1) HEARINGS.—Not later than 90 days after the date of the designation of the chairperson under subsection (f), the Working Group shall hold hearings to examine—

(A) the capacity of the public and private health care systems to expand coverage options;

(B) the cost of health care and the effectiveness of care provided at all stages of disease;

(C) innovative State strategies used to expand health care coverage and lower health care costs;

(D) local community solutions to accessing health care coverage;

(E) efforts to enroll individuals currently eligible for public or private health care coverage;

(F) the role of evidence-based medical practices that can be documented as restoring, maintaining, or improving a patient's health, and the use of technology in supporting providers in improving quality of care and lowering costs; and

(G) strategies to assist purchasers of health care, including consumers, to become more aware of the impact of costs, and to lower the costs of health care.

(2) ADDITIONAL HEARINGS.—The Working Group may hold additional hearings on subjects other than those listed in paragraph (1) so long as such hearings are determined to be necessary by the Working Group in carrying out the purposes of this section. Such additional hearings do not have to be completed within the time period specified in paragraph (1) but shall not delay the other activities of the Working Group under this section.

(3) THE HEALTH REPORT TO THE AMERICAN PEOPLE.—Not later than 90 days after the hearings described in paragraphs (1) and (2) are completed, the Working Group shall prepare and make available to health care consumers through the Internet and other appropriate public channels, a report to be entitled, "The Health Report to the American People". Such report shall be understandable to the general public and include—

(A) a summary of—

(i) health care and related services that may be used by individuals throughout their life span;

(ii) the cost of health care services and their medical effectiveness in providing better quality of care for different age groups;

(iii) the source of coverage and payment, including reimbursement, for health care services;

(iv) the reasons people are uninsured or underinsured and the cost to taxpayers, purchasers of health services, and communities when Americans are uninsured or underinsured;

(v) the impact on health care outcomes and costs when individuals are treated in all stages of disease;

(vi) health care cost containment strategies; and

- (vii) information on health care needs that need to be addressed;
- (B) examples of community strategies to provide health care coverage or access;
- (C) information on geographic-specific issues relating to health care;
- (D) information concerning the cost of care in different settings, including institutional-based care and home and community-based care;
- (E) a summary of ways to finance health care coverage; and
- (F) the role of technology in providing future health care including ways to support the information needs of patients and providers.

(4) COMMUNITY MEETINGS.—

(A) IN GENERAL.—Not later than 1 year after the date on which all the members of the Working Group have been appointed under subsection (d)(1) and appropriations are first made available to carry out this section, the Working Group shall initiate health care community meetings throughout the United States (in this paragraph referred to as “community meetings”). Such community meetings may be geographically or regionally based and shall be completed within 180 days after the initiation of the first meeting.

(B) NUMBER OF MEETINGS.—The Working Group shall hold a sufficient number of community meetings in order to receive information that reflects—

- (i) the geographic differences throughout the United States;
- (ii) diverse populations; and
- (iii) a balance among urban and rural populations.

(C) MEETING REQUIREMENTS.—

(i) FACILITATOR.—A State health officer may be the facilitator at the community meetings.

(ii) ATTENDANCE.—At least 1 member of the Working Group shall attend and serve as chair of each community meeting. Other members may participate through interactive technology.

(iii) TOPICS.—The community meetings shall, at a minimum, address the following questions:

- (I) What health care benefits and services should be provided?
- (II) How does the American public want health care delivered?
- (III) How should health care coverage be financed?
- (IV) What trade-offs are the American public willing to make in either benefits or financing to ensure access to affordable, high quality health care coverage and services?

(iv) INTERACTIVE TECHNOLOGY.—The Working Group may encourage public participation in community meetings through interactive technology and other means as determined appropriate by the Working Group.

(D) INTERIM REQUIREMENTS.—Not later than 180 days after the date of completion of the community meetings, the Working Group shall prepare and make available to the public through the Internet and other appropriate public channels, an interim set of recommendations on health care coverage and ways to improve and strengthen the health care system based on the information and preferences expressed at the community meetings. There shall be a 90-day public comment period on such recommendations.

(i) RECOMMENDATIONS.—Not later than 120 days after the expiration of the public comment period described in subsection (h)(4)(D), the Working Group shall submit to Congress and the President a final set of recommendations.

(j) ADMINISTRATION.—

(1) EXECUTIVE DIRECTOR.—There shall be an Executive Director of the Working Group who shall be appointed by the chairperson of the Working Group in consultation with the members of the Working Group.

(2) COMPENSATION.—While serving on the business of the Working Group (including travel time), a member of the Working Group shall be entitled to compensation at the per diem equivalent of the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code, and while so serving away from home and the member's regular place of business, a member may be allowed travel expenses, as authorized by the chairperson of the Working Group. For purposes of pay and employment benefits, rights, and privileges, all personnel of the Working Group shall be treated as if they were employees of the Senate.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Working Group may secure directly from any Federal department or agency such information as the Working Group considers necessary to carry out this section. Upon request of the Working Group, the head of such department or agency shall furnish such information.

(4) POSTAL SERVICES.—The Working Group may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(k) DETAIL.—Not more than 10 Federal Government employees employed by the Department of Labor and 10 Federal Government employees employed by the Department of Health and Human Services may be detailed to the Working Group under this section without further reimbursement. Any detail of an employee shall be without interruption or loss of civil service status or privilege.

(l) TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the Working Group may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(m) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter during the existence of the Working Group, the Working Group shall report to Congress and make public a detailed description of the expenditures

of the Working Group used to carry out its duties under this section.

(n) **SUNSET OF WORKING GROUP.**—The Working Group shall terminate on the date that is 2 years after the date on which all the members of the Working Group have been appointed under subsection (d)(1) and appropriations are first made available to carry out this section.

Reports.
Deadline.

(o) **ADMINISTRATION REVIEW AND COMMENTS.**—Not later than 45 days after receiving the final recommendations of the Working Group under subsection (i), the President shall submit a report to Congress which shall contain—

(1) additional views and comments on such recommendations; and

(2) recommendations for such legislation and administrative actions as the President considers appropriate.

(p) **REQUIRED CONGRESSIONAL ACTION.**—Not later than 45 days after receiving the report submitted by the President under subsection (o), each committee of jurisdiction of Congress, the Committee on Finance of the Senate, the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Energy and Commerce of the House of Representatives, Committee on Education and the Workforce of the House of Representatives, shall hold at least 1 hearing on such report and on the final recommendations of the Working Group submitted under subsection (i).

(q) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated to carry out this section, other than subsection (h)(3), \$3,000,000 for each of fiscal years 2005 and 2006.

(2) **HEALTH REPORT TO THE AMERICAN PEOPLE.**—There are authorized to be appropriated for the preparation and dissemination of the Health Report to the American People described in subsection (h)(3), such sums as may be necessary for the fiscal year in which the report is required to be submitted.

SEC. 1015. FUNDING START-UP ADMINISTRATIVE COSTS FOR MEDICARE REFORM.

(a) **IN GENERAL.**—There are appropriated to carry out this Act (including the amendments made by this Act), to be transferred from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund—

(1) not to exceed \$1,000,000,000 for the Centers for Medicare & Medicaid Services; and

(2) not to exceed \$500,000,000 for the Social Security Administration.

(b) **AVAILABILITY.**—Amounts provided under subsection (a) shall remain available until September 30, 2005.

(c) **APPLICATION.**—From amounts provided under subsection (a)(2), the Social Security Administration may reimburse the Internal Revenue Service for expenses in carrying out this Act (and the amendments made by this Act).

(d) **TRANSFER.**—The President may transfer amounts provided under subsection (a) between the Centers for Medicare & Medicaid Services and the Social Security Administration. Notice of such transfers shall be transmitted within 15 days to the authorizing committees of the House of Representatives and of the Senate.

SEC. 1016. HEALTH CARE INFRASTRUCTURE IMPROVEMENT PROGRAM.

Title XVIII is amended by adding at the end the following new section:

“HEALTH CARE INFRASTRUCTURE IMPROVEMENT PROGRAM

“SEC. 1897. (a) ESTABLISHMENT.—The Secretary shall establish a loan program that provides loans to qualifying hospitals for payment of the capital costs of projects described in subsection (d). 42 USC 1395hhh.

“(b) APPLICATION.—No loan may be provided under this section to a qualifying hospital except pursuant to an application that is submitted and approved in a time, manner, and form specified by the Secretary. A loan under this section shall be on such terms and conditions and meet such requirements as the Secretary determines appropriate.

“(c) SELECTION CRITERIA.—

“(1) IN GENERAL.—The Secretary shall establish criteria for selecting among qualifying hospitals that apply for a loan under this section. Such criteria shall consider the extent to which the project for which loan is sought is nationally or regionally significant, in terms of expanding or improving the health care infrastructure of the United States or the region or in terms of the medical benefit that the project will have.

“(2) QUALIFYING HOSPITAL DEFINED.—For purposes of this section, the term ‘qualifying hospital’ means a hospital that—

“(A) is engaged in research in the causes, prevention, and treatment of cancer; and

“(B) is designated as a cancer center for the National Cancer Institute or is designated by the State as the official cancer institute of the State.

“(d) PROJECTS.—A project described in this subsection is a project of a qualifying hospital that is designed to improve the health care infrastructure of the hospital, including construction, renovation, or other capital improvements.

“(e) STATE AND LOCAL PERMITS.—The provision of a loan under this section with respect to a project shall not—

“(1) relieve any recipient of the loan of any obligation to obtain any required State or local permit or approval with respect to the project;

“(2) limit the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or

“(3) otherwise supersede any State or local law (including any regulation) applicable to the construction or operation of the project.

“(f) FORGIVENESS OF INDEBTEDNESS.—The Secretary may forgive a loan provided to a qualifying hospital under this section under terms and conditions that are analogous to the loan forgiveness provision for student loans under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), except that the Secretary shall condition such forgiveness on the establishment by the hospital of—

“(A) an outreach program for cancer prevention, early diagnosis, and treatment that provides services to a substantial majority of the residents of a State or region, including residents of rural areas;

“(B) an outreach program for cancer prevention, early diagnosis, and treatment that provides services to multiple Indian tribes; and

“(C)(i) unique research resources (such as population databases); or

“(ii) an affiliation with an entity that has unique research resources.

“(g) FUNDING.—

“(1) IN GENERAL.—There are appropriated, out of amounts in the Treasury not otherwise appropriated, to carry out this section, \$200,000,000, to remain available during the period beginning on July 1, 2004, and ending on September 30, 2008.

“(2) ADMINISTRATIVE COSTS.—From funds made available under paragraph (1), the Secretary may use, for the administration of this section, not more than \$2,000,000 for each of fiscal years 2004 through 2008.

“(3) AVAILABILITY.—Amounts appropriated under this section shall be available for obligation on July 1, 2004.

Loans.

“(h) REPORT TO CONGRESS.—Not later than 4 years after the date of the enactment of this section, the Secretary shall submit to Congress a report on the projects for which loans are provided under this section and a recommendation as to whether the Congress should authorize the Secretary to continue loans under this section beyond fiscal year 2008.”.

TITLE XI—ACCESS TO AFFORDABLE PHARMACEUTICALS

Subtitle A—Access to Affordable Pharmaceuticals

SEC. 1101. THIRTY-MONTH STAY-OF-EFFECTIVENESS PERIOD.

(a) ABBREVIATED NEW DRUG APPLICATIONS.—Section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)) is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (B) and inserting the following:

“(B) NOTICE OF OPINION THAT PATENT IS INVALID OR WILL NOT BE INFRINGED.—

“(i) AGREEMENT TO GIVE NOTICE.—An applicant that makes a certification described in subparagraph (A)(vii)(IV) shall include in the application a statement that the applicant will give notice as required by this subparagraph.

“(ii) TIMING OF NOTICE.—An applicant that makes a certification described in subparagraph (A)(vii)(IV) shall give notice as required under this subparagraph—

“(I) if the certification is in the application, not later than 20 days after the date of the postmark on the notice with which the Secretary informs the applicant that the application has been filed; or

“(II) if the certification is in an amendment or supplement to the application, at the time at which the applicant submits the amendment or supplement, regardless of whether the applicant has already given notice with respect

to another such certification contained in the application or in an amendment or supplement to the application.

“(iii) RECIPIENTS OF NOTICE.—An applicant required under this subparagraph to give notice shall give notice to—

“(I) each owner of the patent that is the subject of the certification (or a representative of the owner designated to receive such a notice); and

“(II) the holder of the approved application under subsection (b) for the drug that is claimed by the patent or a use of which is claimed by the patent (or a representative of the holder designated to receive such a notice).

“(iv) CONTENTS OF NOTICE.—A notice required under this subparagraph shall—

“(I) state that an application that contains data from bioavailability or bioequivalence studies has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of the drug before the expiration of the patent referred to in the certification; and

“(II) include a detailed statement of the factual and legal basis of the opinion of the applicant that the patent is invalid or will not be infringed.”; and

(B) by adding at the end the following subparagraph:

“(D)(i) An applicant may not amend or supplement an application to seek approval of a drug referring to a different listed drug from the listed drug identified in the application as submitted to the Secretary.

“(ii) With respect to the drug for which an application is submitted, nothing in this subsection prohibits an applicant from amending or supplementing the application to seek approval of a different strength.

“(iii) Within 60 days after the date of the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the Secretary shall issue guidance defining the term ‘listed drug’ for purposes of this subparagraph.”; and

Deadline.

(2) in paragraph (5)—

(A) in subparagraph (B)—

(i) by striking “under the following” and inserting “by applying the following to each certification made under paragraph (2)(A)(vii)”;

(ii) in clause (iii)—

(I) in the first sentence, by striking “unless” and all that follows and inserting “unless, before the expiration of 45 days after the date on which the notice described in paragraph (2)(B) is received, an action is brought for infringement of the patent that is the subject of the certification and for which information was submitted to the Secretary under subsection (b)(1) or (c)(2) before the date on which the application (excluding an amendment or supplement to the application), which the Secretary later determines to be substantially complete, was submitted.”; and

(II) in the second sentence—

(aa) by striking subclause (I) and inserting the following:

“(I) if before the expiration of such period the district court decides that the patent is invalid or not infringed (including any substantive determination that there is no cause of action for patent infringement or invalidity), the approval shall be made effective on—

“(aa) the date on which the court enters judgment reflecting the decision; or

“(bb) the date of a settlement order or consent decree signed and entered by the court stating that the patent that is the subject of the certification is invalid or not infringed;”;

(bb) by striking subclause (II) and inserting the following:

“(II) if before the expiration of such period the district court decides that the patent has been infringed—

“(aa) if the judgment of the district court is appealed, the approval shall be made effective on—

“(AA) the date on which the court of appeals decides that the patent is invalid or not infringed (including any substantive determination that there is no cause of action for patent infringement or invalidity); or

“(BB) the date of a settlement order or consent decree signed and entered by the court of appeals stating that the patent that is the subject of the certification is invalid or not infringed; or

“(bb) if the judgment of the district court is not appealed or is affirmed, the approval shall be made effective on the date specified by the district court in a court order under section 271(e)(4)(A) of title 35, United States Code;”;

(cc) in subclause (III), by striking “on the date of such court decision.” and inserting “as provided in subclause (I); or”;

(dd) by inserting after subclause (III) the following:

“(IV) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commercial manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent has been infringed, the approval shall be made effective as provided in subclause (II).”; and

(ee) in the matter after and below subclause (IV) (as added by item (dd)), by striking “Until the expiration” and all that follows;

(B) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively; and

(C) by inserting after subparagraph (B) the following:

“(C) CIVIL ACTION TO OBTAIN PATENT CERTAINTY.—

“(i) DECLARATORY JUDGMENT ABSENT INFRINGEMENT ACTION.—

“(I) IN GENERAL.—No action may be brought under section 2201 of title 28, United States Code, by an applicant under paragraph (2) for a declaratory judgment with respect to a patent which is

the subject of the certification referred to in subparagraph (B)(iii) unless—

“(aa) the 45-day period referred to in such subparagraph has expired;

“(bb) neither the owner of such patent nor the holder of the approved application under subsection (b) for the drug that is claimed by the patent or a use of which is claimed by the patent brought a civil action against the applicant for infringement of the patent before the expiration of such period; and

“(cc) in any case in which the notice provided under paragraph (2)(B) relates to non-infringement, the notice was accompanied by a document described in subclause (III).

“(II) FILING OF CIVIL ACTION.—If the conditions described in items (aa), (bb), and as applicable, (cc) of subclause (I) have been met, the applicant referred to in such subclause may, in accordance with section 2201 of title 28, United States Code, bring a civil action under such section against the owner or holder referred to in such subclause (but not against any owner or holder that has brought such a civil action against the applicant, unless that civil action was dismissed without prejudice) for a declaratory judgment that the patent is invalid or will not be infringed by the drug for which the applicant seeks approval, except that such civil action may be brought for a declaratory judgment that the patent will not be infringed only in a case in which the condition described in subclause (I)(cc) is applicable. A civil action referred to in this subclause shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

“(III) OFFER OF CONFIDENTIAL ACCESS TO APPLICATION.—For purposes of subclause (I)(cc), the document described in this subclause is a document providing an offer of confidential access to the application that is in the custody of the applicant under paragraph (2) for the purpose of determining whether an action referred to in subparagraph (B)(iii) should be brought. The document providing the offer of confidential access shall contain such restrictions as to persons entitled to access, and on the use and disposition of any information accessed, as would apply had a protective order been entered for the purpose of protecting trade secrets and other confidential business information. A request for access to an application under an offer of confidential access shall be considered acceptance of the offer of confidential access with the restrictions as to persons entitled to access, and on the use and disposition of any information accessed, contained in the offer

of confidential access, and those restrictions and other terms of the offer of confidential access shall be considered terms of an enforceable contract. Any person provided an offer of confidential access shall review the application for the sole and limited purpose of evaluating possible infringement of the patent that is the subject of the certification under paragraph (2)(A)(vii)(IV) and for no other purpose, and may not disclose information of no relevance to any issue of patent infringement to any person other than a person provided an offer of confidential access. Further, the application may be redacted by the applicant to remove any information of no relevance to any issue of patent infringement.

“(ii) COUNTERCLAIM TO INFRINGEMENT ACTION.—

“(I) IN GENERAL.—If an owner of the patent or the holder of the approved application under subsection (b) for the drug that is claimed by the patent or a use of which is claimed by the patent brings a patent infringement action against the applicant, the applicant may assert a counterclaim seeking an order requiring the holder to correct or delete the patent information submitted by the holder under subsection (b) or (c) on the ground that the patent does not claim either—

“(aa) the drug for which the application was approved; or

“(bb) an approved method of using the drug.

“(II) NO INDEPENDENT CAUSE OF ACTION.—Subclause (I) does not authorize the assertion of a claim described in subclause (I) in any civil action or proceeding other than a counterclaim described in subclause (I).

“(iii) NO DAMAGES.—An applicant shall not be entitled to damages in a civil action under clause (i) or a counterclaim under clause (ii).”.

(b) APPLICATIONS GENERALLY.—Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended—

(1) in subsection (b)—

(A) by striking paragraph (3) and inserting the following:

“(3) NOTICE OF OPINION THAT PATENT IS INVALID OR WILL NOT BE INFRINGED.—

“(A) AGREEMENT TO GIVE NOTICE.—An applicant that makes a certification described in paragraph (2)(A)(iv) shall include in the application a statement that the applicant will give notice as required by this paragraph.

“(B) TIMING OF NOTICE.—An applicant that makes a certification described in paragraph (2)(A)(iv) shall give notice as required under this paragraph—

“(i) if the certification is in the application, not later than 20 days after the date of the postmark on the notice with which the Secretary informs the applicant that the application has been filed; or

“(ii) if the certification is in an amendment or supplement to the application, at the time at which the applicant submits the amendment or supplement, regardless of whether the applicant has already given notice with respect to another such certification contained in the application or in an amendment or supplement to the application.

“(C) RECIPIENTS OF NOTICE.—An applicant required under this paragraph to give notice shall give notice to—

“(i) each owner of the patent that is the subject of the certification (or a representative of the owner designated to receive such a notice); and

“(ii) the holder of the approved application under this subsection for the drug that is claimed by the patent or a use of which is claimed by the patent (or a representative of the holder designated to receive such a notice).

“(D) CONTENTS OF NOTICE.—A notice required under this paragraph shall—

“(i) state that an application that contains data from bioavailability or bioequivalence studies has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of the drug before the expiration of the patent referred to in the certification; and

“(ii) include a detailed statement of the factual and legal basis of the opinion of the applicant that the patent is invalid or will not be infringed.”; and

(B)(i) by redesignating paragraph (4) as paragraph (5); and

(ii) by inserting after paragraph (3) the following paragraph:

“(4)(A) An applicant may not amend or supplement an application referred to in paragraph (2) to seek approval of a drug that is a different drug than the drug identified in the application as submitted to the Secretary.

“(B) With respect to the drug for which such an application is submitted, nothing in this subsection or subsection (c)(3) prohibits an applicant from amending or supplementing the application to seek approval of a different strength.”; and

(2) in subsection (c)(3)—

(A) in the first sentence, by striking “under the following” and inserting “by applying the following to each certification made under subsection (b)(2)(A)”;

(B) in subparagraph (C)—

(i) in the first sentence, by striking “unless” and all that follows and inserting “unless, before the expiration of 45 days after the date on which the notice described in subsection (b)(3) is received, an action is brought for infringement of the patent that is the subject of the certification and for which information was submitted to the Secretary under paragraph (2) or subsection (b)(1) before the date on which the application (excluding an amendment or supplement to the application) was submitted.”;

(ii) in the second sentence—

(I) by striking “paragraph (3)(B)” and inserting “subsection (b)(3)”;

Effective date.

(II) by striking clause (i) and inserting the following:

“(i) if before the expiration of such period the district court decides that the patent is invalid or not infringed (including any substantive determination that there is no cause of action for patent infringement or invalidity), the approval shall be made effective on—

“(I) the date on which the court enters judgment reflecting the decision; or

“(II) the date of a settlement order or consent decree signed and entered by the court stating that the patent that is the subject of the certification is invalid or not infringed;”;

Effective date.

(III) by striking clause (ii) and inserting the following:

“(ii) if before the expiration of such period the district court decides that the patent has been infringed—

“(I) if the judgment of the district court is appealed, the approval shall be made effective on—

“(aa) the date on which the court of appeals decides that the patent is invalid or not infringed (including any substantive determination that there is no cause of action for patent infringement or invalidity); or

“(bb) the date of a settlement order or consent decree signed and entered by the court of appeals stating that the patent that is the subject of the certification is invalid or not infringed; or

“(II) if the judgment of the district court is not appealed or is affirmed, the approval shall be made effective on the date specified by the district court in a court order under section 271(e)(4)(A) of title 35, United States Code;”;

(IV) in clause (iii), by striking “on the date of such court decision.” and inserting “as provided in clause (i); or”;

Effective date.

(V) by inserting after clause (iii), the following:

“(iv) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commercial manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent has been infringed, the approval shall be made effective as provided in clause (ii).”; and

(VI) in the matter after and below clause (iv) (as added by subclause (V)), by striking “Until the expiration” and all that follows; and

(iii) in the third sentence, by striking “paragraph (3)(B)” and inserting “subsection (b)(3)”;

(C) by redesignating subparagraph (D) as subparagraph (E); and

(D) by inserting after subparagraph (C) the following:

“(D) CIVIL ACTION TO OBTAIN PATENT CERTAINTY.—

“(i) DECLARATORY JUDGMENT ABSENT INFRINGEMENT ACTION.—

“(I) IN GENERAL.—No action may be brought under section 2201 of title 28, United States Code,

by an applicant referred to in subsection (b)(2) for a declaratory judgment with respect to a patent which is the subject of the certification referred to in subparagraph (C) unless—

“(aa) the 45-day period referred to in such subparagraph has expired;

“(bb) neither the owner of such patent nor the holder of the approved application under subsection (b) for the drug that is claimed by the patent or a use of which is claimed by the patent brought a civil action against the applicant for infringement of the patent before the expiration of such period; and

“(cc) in any case in which the notice provided under paragraph (2)(B) relates to non-infringement, the notice was accompanied by a document described in subclause (III).

“(II) FILING OF CIVIL ACTION.—If the conditions described in items (aa), (bb), and as applicable, (cc) of subclause (I) have been met, the applicant referred to in such subclause may, in accordance with section 2201 of title 28, United States Code, bring a civil action under such section against the owner or holder referred to in such subclause (but not against any owner or holder that has brought such a civil action against the applicant, unless that civil action was dismissed without prejudice) for a declaratory judgment that the patent is invalid or will not be infringed by the drug for which the applicant seeks approval, except that such civil action may be brought for a declaratory judgment that the patent will not be infringed only in a case in which the condition described in subclause (I)(cc) is applicable. A civil action referred to in this subclause shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

“(III) OFFER OF CONFIDENTIAL ACCESS TO APPLICATION.—For purposes of subclause (I)(cc), the document described in this subclause is a document providing an offer of confidential access to the application that is in the custody of the applicant referred to in subsection (b)(2) for the purpose of determining whether an action referred to in subparagraph (C) should be brought. The document providing the offer of confidential access shall contain such restrictions as to persons entitled to access, and on the use and disposition of any information accessed, as would apply had a protective order been entered for the purpose of protecting trade secrets and other confidential business information. A request for access to an application under an offer of confidential access shall be considered acceptance of the offer of confidential access with the restrictions as to persons

entitled to access, and on the use and disposition of any information accessed, contained in the offer of confidential access, and those restrictions and other terms of the offer of confidential access shall be considered terms of an enforceable contract. Any person provided an offer of confidential access shall review the application for the sole and limited purpose of evaluating possible infringement of the patent that is the subject of the certification under subsection (b)(2)(A)(iv) and for no other purpose, and may not disclose information of no relevance to any issue of patent infringement to any person other than a person provided an offer of confidential access. Further, the application may be redacted by the applicant to remove any information of no relevance to any issue of patent infringement.

“(ii) COUNTERCLAIM TO INFRINGEMENT ACTION.—

“(I) IN GENERAL.—If an owner of the patent or the holder of the approved application under subsection (b) for the drug that is claimed by the patent or a use of which is claimed by the patent brings a patent infringement action against the applicant, the applicant may assert a counterclaim seeking an order requiring the holder to correct or delete the patent information submitted by the holder under subsection (b) or this subsection on the ground that the patent does not claim either—

“(aa) the drug for which the application was approved; or

“(bb) an approved method of using the drug.

“(II) NO INDEPENDENT CAUSE OF ACTION.—Subclause (I) does not authorize the assertion of a claim described in subclause (I) in any civil action or proceeding other than a counterclaim described in subclause (I).

“(iii) NO DAMAGES.—An applicant shall not be entitled to damages in a civil action under clause (i) or a counterclaim under clause (ii).”.

21 USC 355 note.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by subsections (a) and (b) apply to any proceeding under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) that is pending on or after the date of the enactment of this Act regardless of the date on which the proceeding was commenced or is commenced.

(2) NOTICE OF OPINION THAT PATENT IS INVALID OR WILL NOT BE INFRINGED.—The amendments made by subsections (a)(1) and (b)(1) apply with respect to any certification under subsection (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) submitted on or after August 18, 2003, in an application filed under subsection (b) or (j) of that section or in an amendment or supplement to an application filed under subsection (b) or (j) of that section.

(3) **EFFECTIVE DATE OF APPROVAL.**—The amendments made by subsections (a)(2)(A)(ii)(I) and (b)(2)(B)(i) apply with respect to any patent information submitted under subsection (b)(1) or (c)(2) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) on or after August 18, 2003.

(d) **INFRINGEMENT ACTIONS.**—Section 271(e) of title 35, United States Code, is amended by adding at the end the following:

“(5) Where a person has filed an application described in paragraph (2) that includes a certification under subsection (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355), and neither the owner of the patent that is the subject of the certification nor the holder of the approved application under subsection (b) of such section for the drug that is claimed by the patent or a use of which is claimed by the patent brought an action for infringement of such patent before the expiration of 45 days after the date on which the notice given under subsection (b)(3) or (j)(2)(B) of such section was received, the courts of the United States shall, to the extent consistent with the Constitution, have subject matter jurisdiction in any action brought by such person under section 2201 of title 28 for a declaratory judgment that such patent is invalid or not infringed.”.

SEC. 1102. FORFEITURE OF 180-DAY EXCLUSIVITY PERIOD.

(a) **IN GENERAL.**—Section 505(j)(5) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)(5)) (as amended by section 1101) is amended—

(1) in subparagraph (B), by striking clause (iv) and inserting the following:

“(iv) **180-DAY EXCLUSIVITY PERIOD.**—

“(I) **EFFECTIVENESS OF APPLICATION.**—Subject to subparagraph (D), if the application contains a certification described in paragraph (2)(A)(vii)(IV) and is for a drug for which a first applicant has submitted an application containing such a certification, the application shall be made effective on the date that is 180 days after the date of the first commercial marketing of the drug (including the commercial marketing of the listed drug) by any first applicant.

“(II) **DEFINITIONS.**—In this paragraph:

“(aa) **180-DAY EXCLUSIVITY PERIOD.**—The term ‘180-day exclusivity period’ means the 180-day period ending on the day before the date on which an application submitted by an applicant other than a first applicant could become effective under this clause.

“(bb) **FIRST APPLICANT.**—As used in this subsection, the term ‘first applicant’ means an applicant that, on the first day on which a substantially complete application containing a certification described in paragraph (2)(A)(vii)(IV) is submitted for approval of a drug, submits a substantially complete application that contains and lawfully maintains a certification described in paragraph (2)(A)(vii)(IV) for the drug.

“(cc) **SUBSTANTIALLY COMPLETE APPLICATION.**—As used in this subsection, the term ‘substantially complete application’ means an application under this subsection that on its face is sufficiently complete to permit

a substantive review and contains all the information required by paragraph (2)(A).

“(dd) TENTATIVE APPROVAL.—

“(AA) IN GENERAL.—The term ‘tentative approval’ means notification to an applicant by the Secretary that an application under this subsection meets the requirements of paragraph (2)(A), but cannot receive effective approval because the application does not meet the requirements of this subparagraph, there is a period of exclusivity for the listed drug under subparagraph (F) or section 505A, or there is a 7-year period of exclusivity for the listed drug under section 527.

“(BB) LIMITATION.—A drug that is granted tentative approval by the Secretary is not an approved drug and shall not have an effective approval until the Secretary issues an approval after any necessary additional review of the application.”; and

(2) by inserting after subparagraph (C) the following:

“(D) FORFEITURE OF 180-DAY EXCLUSIVITY PERIOD.—

“(i) DEFINITION OF FORFEITURE EVENT.—In this subparagraph, the term ‘forfeiture event’, with respect to an application under this subsection, means the occurrence of any of the following:

“(I) FAILURE TO MARKET.—The first applicant fails to market the drug by the later of—

“(aa) the earlier of the date that is—

“(AA) 75 days after the date on which the approval of the application of the first applicant is made effective under subparagraph (B)(iii); or

“(BB) 30 months after the date of submission of the application of the first applicant; or

“(bb) with respect to the first applicant or any other applicant (which other applicant has received tentative approval), the date that is 75 days after the date as of which, as to each of the patents with respect to which the first applicant submitted and lawfully maintained a certification qualifying the first applicant for the 180-day exclusivity period under subparagraph (B)(iv), at least 1 of the following has occurred:

“(AA) In an infringement action brought against that applicant with respect to the patent or in a declaratory judgment action brought by that applicant with respect to the patent, a court enters a final decision from which no appeal (other than a petition to the Supreme Court for a writ of certiorari) has been or can be taken that the patent is invalid or not infringed.

“(BB) In an infringement action or a declaratory judgment action described in subitem (AA), a court signs a settlement order or consent decree that enters a final judgment that includes a finding that the patent is invalid or not infringed.

“(CC) The patent information submitted under subsection (b) or (c) is withdrawn by the holder of the application approved under subsection (b).

“(II) WITHDRAWAL OF APPLICATION.—The first applicant withdraws the application or the Secretary considers the application to have been withdrawn as a result of a determination by the Secretary that the application does not meet the requirements for approval under paragraph (4).

“(III) AMENDMENT OF CERTIFICATION.—The first applicant amends or withdraws the certification for all of the patents with respect to which that applicant submitted a certification qualifying the applicant for the 180-day exclusivity period.

“(IV) FAILURE TO OBTAIN TENTATIVE APPROVAL.—The first applicant fails to obtain tentative approval of the application within 30 months after the date on which the application is filed, unless the failure is caused by a change in or a review of the requirements for approval of the application imposed after the date on which the application is filed.

“(V) AGREEMENT WITH ANOTHER APPLICANT, THE LISTED DRUG APPLICATION HOLDER, OR A PATENT OWNER.—The first applicant enters into an agreement with another applicant under this subsection for the drug, the holder of the application for the listed drug, or an owner of the patent that is the subject of the certification under paragraph (2)(A)(vii)(IV), the Federal Trade Commission or the Attorney General files a complaint, and there is a final decision of the Federal Trade Commission or the court with regard to the complaint from which no appeal (other than a petition to the Supreme Court for a writ of certiorari) has been or can be taken that the agreement has violated the antitrust laws (as defined in section 1 of the Clayton Act (15 U.S.C. 12), except that the term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that that section applies to unfair methods of competition).

“(VI) EXPIRATION OF ALL PATENTS.—All of the patents as to which the applicant submitted a certification qualifying it for the 180-day exclusivity period have expired.

“(ii) FORFEITURE.—The 180-day exclusivity period described in subparagraph (B)(iv) shall be forfeited by a first applicant if a forfeiture event occurs with respect to that first applicant.

“(iii) SUBSEQUENT APPLICANT.—If all first applicants forfeit the 180-day exclusivity period under clause (ii)—

“(I) approval of any application containing a certification described in paragraph (2)(A)(vii)(IV) shall be made effective in accordance with subparagraph (B)(iii); and

“(II) no applicant shall be eligible for a 180-day exclusivity period.”.

21 USC 355 note.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall be effective only with respect to an application filed under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)) after the date of the enactment of this Act for a listed drug for which no certification under section 505(j)(2)(A)(vii)(IV) of that Act was made before the date of the enactment of this Act.

(2) COLLUSIVE AGREEMENTS.—If a forfeiture event described in section 505(j)(5)(D)(i)(V) of that Act occurs in the case of an applicant, the applicant shall forfeit the 180-day period under section 505(j)(5)(B)(iv) of that Act without regard to when the first certification under section 505(j)(2)(A)(vii)(IV) of that Act for the listed drug was made.

(3) DECISION OF A COURT WHEN THE 180-DAY EXCLUSIVITY PERIOD HAS NOT BEEN TRIGGERED.—With respect to an application filed before, on, or after the date of the enactment of this Act for a listed drug for which a certification under section 505(j)(2)(A)(vii)(IV) of that Act was made before the date of the enactment of this Act and for which neither of the events described in subclause (I) or (II) of section 505(j)(5)(B)(iv) of that Act (as in effect on the day before the date of the enactment of this Act) has occurred on or before the date of the enactment of this Act, the term “decision of a court” as used in clause (iv) of section 505(j)(5)(B) of that Act means a final decision of a court from which no appeal (other than a petition to the Supreme Court for a writ of certiorari) has been or can be taken.

SEC. 1103. BIOAVAILABILITY AND BIOEQUIVALENCE.

(a) IN GENERAL.—Section 505(j)(8) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)(8)) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A)(i) The term ‘bioavailability’ means the rate and extent to which the active ingredient or therapeutic ingredient is absorbed from a drug and becomes available at the site of drug action.

“(ii) For a drug that is not intended to be absorbed into the bloodstream, the Secretary may assess bioavailability by scientifically valid measurements intended to reflect the rate and extent to which the active ingredient or therapeutic ingredient becomes available at the site of drug action.”; and

(2) by adding at the end the following:

“(C) For a drug that is not intended to be absorbed into the bloodstream, the Secretary may establish alternative, scientifically valid methods to show bioequivalence if the alternative methods are expected to detect a significant difference

between the drug and the listed drug in safety and therapeutic effect.”.

(b) EFFECT OF AMENDMENT.—The amendment made by subsection (a) does not alter the standards for approval of drugs under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)).

21 USC 355 note.

SEC. 1104. CONFORMING AMENDMENTS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended—

- (1) in subsections (b)(1)(A)(i) and (c)(1)(A)(i), by striking “(j)(5)(D)(ii)” each place it appears and inserting “(j)(5)(F)(ii)”;
- (2) in subsections (b)(1)(A)(ii) and (c)(1)(A)(ii), by striking “(j)(5)(D)” each place it appears and inserting “(j)(5)(F)”;
- (3) in subsections (e) and (l), by striking “505(j)(5)(D)” each place it appears and inserting “505(j)(5)(F)”.

Subtitle B—Federal Trade Commission Review

SEC. 1111. DEFINITIONS.

21 USC 355 note.

In this subtitle:

(1) ANDA.—The term “ANDA” means an abbreviated drug application, as defined under section 201(aa) of the Federal Food, Drug, and Cosmetic Act.

(2) ASSISTANT ATTORNEY GENERAL.—The term “Assistant Attorney General” means the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice.

(3) BRAND NAME DRUG.—The term “brand name drug” means a drug for which an application is approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, including an application referred to in section 505(b)(2) of such Act.

(4) BRAND NAME DRUG COMPANY.—The term “brand name drug company” means the party that holds the approved application referred to in paragraph (3) for a brand name drug that is a listed drug in an ANDA, or a party that is the owner of a patent for which information is submitted for such drug under subsection (b) or (c) of section 505 of the Federal Food, Drug, and Cosmetic Act.

(5) COMMISSION.—The term “Commission” means the Federal Trade Commission.

(6) GENERIC DRUG.—The term “generic drug” means a drug for which an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act is approved.

(7) GENERIC DRUG APPLICANT.—The term “generic drug applicant” means a person who has filed or received approval for an ANDA under section 505(j) of the Federal Food, Drug, and Cosmetic Act.

(8) LISTED DRUG.—The term “listed drug” means a brand name drug that is listed under section 505(j)(7) of the Federal Food, Drug, and Cosmetic Act.

SEC. 1112. NOTIFICATION OF AGREEMENTS.

21 USC 3155
note.

(a) AGREEMENT WITH BRAND NAME DRUG COMPANY.—

(1) REQUIREMENT.—A generic drug applicant that has submitted an ANDA containing a certification under section 505(j)(2)(A)(vii)(IV) of the Federal Food, Drug, and Cosmetic Act and a brand name drug company that enter into an agreement described in paragraph (2) shall each file the agreement in accordance with subsection (c). The agreement shall be filed prior to the date of the first commercial marketing of the generic drug that is the subject of the ANDA.

(2) SUBJECT MATTER OF AGREEMENT.—An agreement described in this paragraph between a generic drug applicant and a brand name drug company is an agreement regarding—

(A) the manufacture, marketing or sale of the brand name drug that is the listed drug in the ANDA involved;

(B) the manufacture, marketing, or sale of the generic drug for which the ANDA was submitted; or

(C) the 180-day period referred to in section 505(j)(5)(B)(iv) of the Federal Food, Drug, and Cosmetic Act as it applies to such ANDA or to any other ANDA based on the same brand name drug.

(b) AGREEMENT WITH ANOTHER GENERIC DRUG APPLICANT.—

(1) REQUIREMENT.—A generic drug applicant that has submitted an ANDA containing a certification under section 505(j)(2)(A)(vii)(IV) of the Federal Food, Drug, and Cosmetic Act with respect to a listed drug and another generic drug applicant that has submitted an ANDA containing such a certification for the same listed drug shall each file the agreement in accordance with subsection (c). The agreement shall be filed prior to the date of the first commercial marketing of either of the generic drugs for which such ANDAs were submitted.

(2) SUBJECT MATTER OF AGREEMENT.—An agreement described in this paragraph between two generic drug applicants is an agreement regarding the 180-day period referred to in section 505(j)(5)(B)(iv) of the Federal Food, Drug, and Cosmetic Act as it applies to the ANDAs with which the agreement is concerned.

(c) FILING.—

(1) AGREEMENT.—The parties that are required in subsection (a) or (b) to file an agreement in accordance with this subsection shall file with the Assistant Attorney General and the Commission the text of any such agreement, except that such parties are not required to file an agreement that solely concerns—

(A) purchase orders for raw material supplies;

(B) equipment and facility contracts;

(C) employment or consulting contracts; or

(D) packaging and labeling contracts.

(2) OTHER AGREEMENTS.—The parties that are required in subsection (a) or (b) to file an agreement in accordance with this subsection shall file with the Assistant Attorney General and the Commission the text of any agreements between the parties that are not described in such subsections and are contingent upon, provide a contingent condition for, or are otherwise related to an agreement that is required in subsection (a) or (b) to be filed in accordance with this subsection.

(3) DESCRIPTION.—In the event that any agreement required in subsection (a) or (b) to be filed in accordance with this subsection has not been reduced to text, each of the parties

involved shall file written descriptions of such agreement that are sufficient to disclose all the terms and conditions of the agreement.

SEC. 1113. FILING DEADLINES.

21 USC 355 note.

Any filing required under section 1112 shall be filed with the Assistant Attorney General and the Commission not later than 10 business days after the date the agreements are executed.

SEC. 1114. DISCLOSURE EXEMPTION.

21 USC 355 note.

Any information or documentary material filed with the Assistant Attorney General or the Commission pursuant to this subtitle shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding. Nothing in this section is intended to prevent disclosure to either body of the Congress or to any duly authorized committee or subcommittee of the Congress.

SEC. 1115. ENFORCEMENT.

21 USC 355 note.

(a) **CIVIL PENALTY.**—Any brand name drug company or generic drug applicant which fails to comply with any provision of this subtitle shall be liable for a civil penalty of not more than \$11,000, for each day during which such entity is in violation of this subtitle. Such penalty may be recovered in a civil action brought by the United States, or brought by the Commission in accordance with the procedures established in section 16(a)(1) of the Federal Trade Commission Act (15 U.S.C. 56(a)).

(b) **COMPLIANCE AND EQUITABLE RELIEF.**—If any brand name drug company or generic drug applicant fails to comply with any provision of this subtitle, the United States district court may order compliance, and may grant such other equitable relief as the court in its discretion determines necessary or appropriate, upon application of the Assistant Attorney General or the Commission.

SEC. 1116. RULEMAKING.

21 USC 355 note.

The Commission, with the concurrence of the Assistant Attorney General and by rule in accordance with section 553 of title 5, United States Code, consistent with the purposes of this subtitle—

- (1) may define the terms used in this subtitle;
- (2) may exempt classes of persons or agreements from the requirements of this subtitle; and
- (3) may prescribe such other rules as may be necessary and appropriate to carry out the purposes of this subtitle.

SEC. 1117. SAVINGS CLAUSE.

21 USC 355 note.

Any action taken by the Assistant Attorney General or the Commission, or any failure of the Assistant Attorney General or the Commission to take action, under this subtitle shall not at any time bar any proceeding or any action with respect to any agreement between a brand name drug company and a generic drug applicant, or any agreement between generic drug applicants, under any other provision of law, nor shall any filing under this subtitle constitute or create a presumption of any violation of any competition laws.

21 USC 355 note. **SEC. 1118. EFFECTIVE DATE.**

This subtitle shall—

(1) take effect 30 days after the date of the enactment of this Act; and

(2) shall apply to agreements described in section 1112 that are entered into 30 days after the date of the enactment of this Act.

Subtitle C—Importation of Prescription Drugs

SEC. 1121. IMPORTATION OF PRESCRIPTION DRUGS.

21 USC 535. (a) **IN GENERAL.**—Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.) is amended by striking section 804 and inserting the following:

“SEC. 804. IMPORTATION OF PRESCRIPTION DRUGS.

“(a) **DEFINITIONS.**—In this section:

“(1) **IMPORTER.**—The term ‘importer’ means a pharmacist or wholesaler.

“(2) **PHARMACIST.**—The term ‘pharmacist’ means a person licensed by a State to practice pharmacy, including the dispensing and selling of prescription drugs.

“(3) **PRESCRIPTION DRUG.**—The term ‘prescription drug’ means a drug subject to section 503(b), other than—

“(A) a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

“(B) a biological product (as defined in section 351 of the Public Health Service Act (42 U.S.C. 262));

“(C) an infused drug (including a peritoneal dialysis solution);

“(D) an intravenously injected drug;

“(E) a drug that is inhaled during surgery; or

“(F) a drug which is a parenteral drug, the importation of which pursuant to subsection (b) is determined by the Secretary to pose a threat to the public health, in which case section 801(d)(1) shall continue to apply.

“(4) **QUALIFYING LABORATORY.**—The term ‘qualifying laboratory’ means a laboratory in the United States that has been approved by the Secretary for the purposes of this section.

“(5) **WHOLESALE.**—

“(A) **IN GENERAL.**—The term ‘wholesaler’ means a person licensed as a wholesaler or distributor of prescription drugs in the United States under section 503(e)(2)(A).

“(B) **EXCLUSION.**—The term ‘wholesaler’ does not include a person authorized to import drugs under section 801(d)(1).

“(b) **REGULATIONS.**—The Secretary, after consultation with the United States Trade Representative and the Commissioner of Customs, shall promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States.

“(c) **LIMITATION.**—The regulations under subsection (b) shall—

“(1) require that safeguards be in place to ensure that each prescription drug imported under the regulations complies with section 505 (including with respect to being safe and

effective for the intended use of the prescription drug), with sections 501 and 502, and with other applicable requirements of this Act;

“(2) require that an importer of a prescription drug under the regulations comply with subsections (d)(1) and (e); and

“(3) contain any additional provisions determined by the Secretary to be appropriate as a safeguard to protect the public health or as a means to facilitate the importation of prescription drugs.

“(d) INFORMATION AND RECORDS.—

“(1) IN GENERAL.—The regulations under subsection (b) shall require an importer of a prescription drug under subsection (b) to submit to the Secretary the following information and documentation:

“(A) The name and quantity of the active ingredient of the prescription drug.

“(B) A description of the dosage form of the prescription drug.

“(C) The date on which the prescription drug is shipped.

“(D) The quantity of the prescription drug that is shipped.

“(E) The point of origin and destination of the prescription drug.

“(F) The price paid by the importer for the prescription drug.

“(G) Documentation from the foreign seller specifying—

“(i) the original source of the prescription drug; and

“(ii) the quantity of each lot of the prescription drug originally received by the seller from that source.

“(H) The lot or control number assigned to the prescription drug by the manufacturer of the prescription drug.

“(I) The name, address, telephone number, and professional license number (if any) of the importer.

“(J)(i) In the case of a prescription drug that is shipped directly from the first foreign recipient of the prescription drug from the manufacturer:

“(I) Documentation demonstrating that the prescription drug was received by the recipient from the manufacturer and subsequently shipped by the first foreign recipient to the importer.

“(II) Documentation of the quantity of each lot of the prescription drug received by the first foreign recipient demonstrating that the quantity being imported into the United States is not more than the quantity that was received by the first foreign recipient.

“(III)(aa) In the case of an initial imported shipment, documentation demonstrating that each batch of the prescription drug in the shipment was statistically sampled and tested for authenticity and degradation.

“(bb) In the case of any subsequent shipment, documentation demonstrating that a statistically valid sample of the shipment was tested for authenticity and degradation.

“(ii) In the case of a prescription drug that is not shipped directly from the first foreign recipient of the prescription drug from the manufacturer, documentation demonstrating that each batch in each shipment offered for importation into the United States was statistically sampled and tested for authenticity and degradation.

“(K) Certification from the importer or manufacturer of the prescription drug that the prescription drug—

“(i) is approved for marketing in the United States and is not adulterated or misbranded; and

“(ii) meets all labeling requirements under this Act.

“(L) Laboratory records, including complete data derived from all tests necessary to ensure that the prescription drug is in compliance with established specifications and standards.

“(M) Documentation demonstrating that the testing required by subparagraphs (J) and (L) was conducted at a qualifying laboratory.

“(N) Any other information that the Secretary determines is necessary to ensure the protection of the public health.

Records.

“(2) MAINTENANCE BY THE SECRETARY.—The Secretary shall maintain information and documentation submitted under paragraph (1) for such period of time as the Secretary determines to be necessary.

“(e) TESTING.—The regulations under subsection (b) shall require—

“(1) that testing described in subparagraphs (J) and (L) of subsection (d)(1) be conducted by the importer or by the manufacturer of the prescription drug at a qualified laboratory;

“(2) if the tests are conducted by the importer—

“(A) that information needed to—

“(i) authenticate the prescription drug being tested; and

“(ii) confirm that the labeling of the prescription drug complies with labeling requirements under this Act;

be supplied by the manufacturer of the prescription drug to the pharmacist or wholesaler; and

Confidentiality.

“(B) that the information supplied under subparagraph (A) be kept in strict confidence and used only for purposes of testing or otherwise complying with this Act; and

“(3) may include such additional provisions as the Secretary determines to be appropriate to provide for the protection of trade secrets and commercial or financial information that is privileged or confidential.

“(f) REGISTRATION OF FOREIGN SELLERS.—Any establishment within Canada engaged in the distribution of a prescription drug that is imported or offered for importation into the United States shall register with the Secretary the name and place of business of the establishment and the name of the United States agent for the establishment.

“(g) SUSPENSION OF IMPORTATION.—The Secretary shall require that importations of a specific prescription drug or importations by a specific importer under subsection (b) be immediately suspended on discovery of a pattern of importation of that specific

prescription drug or by that specific importer of drugs that are counterfeit or in violation of any requirement under this section, until an investigation is completed and the Secretary determines that the public is adequately protected from counterfeit and violative prescription drugs being imported under subsection (b).

“(h) APPROVED LABELING.—The manufacturer of a prescription drug shall provide an importer written authorization for the importer to use, at no cost, the approved labeling for the prescription drug.

“(i) CHARITABLE CONTRIBUTIONS.—Notwithstanding any other provision of this section, section 801(d)(1) continues to apply to a prescription drug that is donated or otherwise supplied at no charge by the manufacturer of the drug to a charitable or humanitarian organization (including the United Nations and affiliates) or to a government of a foreign country.

“(j) WAIVER AUTHORITY FOR IMPORTATION BY INDIVIDUALS.—

“(1) DECLARATIONS.—Congress declares that in the enforcement against individuals of the prohibition of importation of prescription drugs and devices, the Secretary should—

“(A) focus enforcement on cases in which the importation by an individual poses a significant threat to public health; and

“(B) exercise discretion to permit individuals to make such importations in circumstances in which—

“(i) the importation is clearly for personal use; and

“(ii) the prescription drug or device imported does not appear to present an unreasonable risk to the individual.

“(2) WAIVER AUTHORITY.—

“(A) IN GENERAL.—The Secretary may grant to individuals, by regulation or on a case-by-case basis, a waiver of the prohibition of importation of a prescription drug or device or class of prescription drugs or devices, under such conditions as the Secretary determines to be appropriate.

“(B) GUIDANCE ON CASE-BY-CASE WAIVERS.—The Secretary shall publish, and update as necessary, guidance that accurately describes circumstances in which the Secretary will consistently grant waivers on a case-by-case basis under subparagraph (A), so that individuals may know with the greatest practicable degree of certainty whether a particular importation for personal use will be permitted.

“(3) DRUGS IMPORTED FROM CANADA.—In particular, the Secretary shall by regulation grant individuals a waiver to permit individuals to import into the United States a prescription drug that—

“(A) is imported from a licensed pharmacy for personal use by an individual, not for resale, in quantities that do not exceed a 90-day supply;

“(B) is accompanied by a copy of a valid prescription;

“(C) is imported from Canada, from a seller registered with the Secretary;

“(D) is a prescription drug approved by the Secretary under chapter V;

Regulations.

“(E) is in the form of a final finished dosage that was manufactured in an establishment registered under section 510; and

“(F) is imported under such other conditions as the Secretary determines to be necessary to ensure public safety.

“(k) CONSTRUCTION.—Nothing in this section limits the authority of the Secretary relating to the importation of prescription drugs, other than with respect to section 801(d)(1) as provided in this section.

“(1) EFFECTIVENESS OF SECTION.—

“(1) COMMENCEMENT OF PROGRAM.—This section shall become effective only if the Secretary certifies to the Congress that the implementation of this section will—

(A) pose no additional risk to the public’s health and safety; and

(B) result in a significant reduction in the cost of covered products to the American consumer.

“(2) TERMINATION OF PROGRAM.—

“(A) IN GENERAL.—If, after the date that is 1 year after the effective date of the regulations under subsection (b) and before the date that is 18 months after the effective date, the Secretary submits to Congress a certification that, in the opinion of the Secretary, based on substantial evidence obtained after the effective date, the benefits of implementation of this section do not outweigh any detriment of implementation of this section, this section shall cease to be effective as of the date that is 30 days after the date on which the Secretary submits the certification.

“(B) PROCEDURE.—The Secretary shall not submit a certification under subparagraph (A) unless, after a hearing on the record under sections 556 and 557 of title 5, United States Code, the Secretary—

“(i)(I) determines that it is more likely than not that implementation of this section would result in an increase in the risk to the public health and safety;

“(II) identifies specifically, in qualitative and quantitative terms, the nature of the increased risk;

“(III) identifies specifically the causes of the increased risk; and

“(IV)(aa) considers whether any measures can be taken to avoid, reduce, or mitigate the increased risk; and

“(bb) if the Secretary determines that any measures described in item (aa) would require additional statutory authority, submits to Congress a report describing the legislation that would be required;

“(ii) identifies specifically, in qualitative and quantitative terms, the benefits that would result from implementation of this section (including the benefit of reductions in the cost of covered products to consumers in the United States, allowing consumers to procure needed medication that consumers might not otherwise be able to procure without foregoing other necessities of life); and

“(iii)(I) compares in specific terms the detriment identified under clause (i) with the benefits identified under clause (ii); and

“(II) determines that the benefits do not outweigh the detriment.

“(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”.

(b) CONFORMING AMENDMENTS.—The Federal Food, Drug, and Cosmetic Act is amended—

(1) in section 301(aa) (21 U.S.C. 331(aa)), by striking “covered product in violation of section 804” and inserting “prescription drug in violation of section 804”; and

(2) in section 303(a)(6) (21 U.S.C. 333(a)(6)), by striking “covered product pursuant to section 804(a)” and inserting “prescription drug under section 804(b)”.

SEC. 1122. STUDY AND REPORT ON IMPORTATION OF DRUGS.

21 USC 384 note.

The Secretary, in consultation with appropriate government agencies, shall conduct a study on the importation of drugs into the United States pursuant to section 804 of the Federal Food, Drug, and Cosmetic Act (as added by section 1121 of this Act). Not later than 12 months after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report providing the findings of such study.

SEC. 1123. STUDY AND REPORT ON TRADE IN PHARMACEUTICALS.

21 USC 381 note.

The President’s designees shall conduct a study and report on issues related to trade and pharmaceuticals.

TITLE XII—TAX INCENTIVES FOR HEALTH AND RETIREMENT SECURITY

SEC. 1201. HEALTH SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

26 USC 223, 224.

“SEC. 223. HEALTH SAVINGS ACCOUNTS.

26 USC 223.

“(a) DEDUCTION ALLOWED.—In the case of an individual who is an eligible individual for any month during the taxable year, there shall be allowed as a deduction for the taxable year an amount equal to the aggregate amount paid in cash during such taxable year by or on behalf of such individual to a health savings account of such individual.

“(b) LIMITATIONS.—

“(1) IN GENERAL.—The amount allowable as a deduction under subsection (a) to an individual for the taxable year shall not exceed the sum of the monthly limitations for months during such taxable year that the individual is an eligible individual.

“(2) MONTHLY LIMITATION.—The monthly limitation for any month is $\frac{1}{12}$ of—

“(A) in the case of an eligible individual who has self-only coverage under a high deductible health plan as of the first day of such month, the lesser of—

“(i) the annual deductible under such coverage,

or

“(ii) \$2,250, or

“(B) in the case of an eligible individual who has family coverage under a high deductible health plan as of the first day of such month, the lesser of—

“(i) the annual deductible under such coverage,

or

“(ii) \$4,500.

“(3) ADDITIONAL CONTRIBUTIONS FOR INDIVIDUALS 55 OR OLDER.—

“(A) IN GENERAL.—In the case of an individual who has attained age 55 before the close of the taxable year, the applicable limitation under subparagraphs (A) and (B) of paragraph (2) shall be increased by the additional contribution amount.

“(B) ADDITIONAL CONTRIBUTION AMOUNT.—For purposes of this section, the additional contribution amount is the amount determined in accordance with the following table:

“For taxable years beginning in:

	The additional contribution amount is:
2004	\$500
2005	\$600
2006	\$700
2007	\$800
2008	\$900
2009 and thereafter	\$1,000.

“(4) COORDINATION WITH OTHER CONTRIBUTIONS.—The limitation which would (but for this paragraph) apply under this subsection to an individual for any taxable year shall be reduced (but not below zero) by the sum of—

“(A) the aggregate amount paid for such taxable year to Archer MSAs of such individual, and

“(B) the aggregate amount contributed to health savings accounts of such individual which is excludable from the taxpayer’s gross income for such taxable year under section 106(d) (and such amount shall not be allowed as a deduction under subsection (a)).

Subparagraph (A) shall not apply with respect to any individual to whom paragraph (5) applies.

“(5) SPECIAL RULE FOR MARRIED INDIVIDUALS.—In the case of individuals who are married to each other, if either spouse has family coverage—

“(A) both spouses shall be treated as having only such family coverage (and if such spouses each have family coverage under different plans, as having the family coverage with the lowest annual deductible), and

“(B) the limitation under paragraph (1) (after the application of subparagraph (A) and without regard to any additional contribution amount under paragraph (3))—

“(i) shall be reduced by the aggregate amount paid to Archer MSAs of such spouses for the taxable year, and

“(ii) after such reduction, shall be divided equally between them unless they agree on a different division.

“(6) DENIAL OF DEDUCTION TO DEPENDENTS.—No deduction shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins.

“(7) MEDICARE ELIGIBLE INDIVIDUALS.—The limitation under this subsection for any month with respect to an individual shall be zero for the first month such individual is entitled to benefits under title XVIII of the Social Security Act and for each month thereafter.

“(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) ELIGIBLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘eligible individual’ means, with respect to any month, any individual if—

“(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

“(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

“(I) which is not a high deductible health plan, and

“(II) which provides coverage for any benefit which is covered under the high deductible health plan.

“(B) CERTAIN COVERAGE DISREGARDED.—Subparagraph (A)(ii) shall be applied without regard to—

“(i) coverage for any benefit provided by permitted insurance, and

“(ii) coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

“(2) HIGH DEDUCTIBLE HEALTH PLAN.—

“(A) IN GENERAL.—The term ‘high deductible health plan’ means a health plan—

“(i) which has an annual deductible which is not less than—

“(I) \$1,000 for self-only coverage, and

“(II) twice the dollar amount in subclause (I) for family coverage, and

“(ii) the sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits does not exceed—

“(I) \$5,000 for self-only coverage, and

“(II) twice the dollar amount in subclause (I) for family coverage.

“(B) EXCLUSION OF CERTAIN PLANS.—Such term does not include a health plan if substantially all of its coverage is coverage described in paragraph (1)(B).

“(C) SAFE HARBOR FOR ABSENCE OF PREVENTIVE CARE DEDUCTIBLE.—A plan shall not fail to be treated as a high deductible health plan by reason of failing to have a deductible for preventive care (within the meaning of section 1871 of the Social Security Act, except as otherwise provided by the Secretary).

“(D) SPECIAL RULES FOR NETWORK PLANS.—In the case of a plan using a network of providers—

“(i) ANNUAL OUT-OF-POCKET LIMITATION.—Such plan shall not fail to be treated as a high deductible health plan by reason of having an out-of-pocket limitation for services provided outside of such network which exceeds the applicable limitation under subparagraph (A)(ii).

“(ii) ANNUAL DEDUCTIBLE.—Such plan’s annual deductible for services provided outside of such network shall not be taken into account for purposes of subsection (b)(2).

“(3) PERMITTED INSURANCE.—The term ‘permitted insurance’ means—

“(A) insurance if substantially all of the coverage provided under such insurance relates to—

“(i) liabilities incurred under workers’ compensation laws,

“(ii) tort liabilities,

“(iii) liabilities relating to ownership or use of property, or

“(iv) such other similar liabilities as the Secretary may specify by regulations,

“(B) insurance for a specified disease or illness, and

“(C) insurance paying a fixed amount per day (or other period) of hospitalization.

“(4) FAMILY COVERAGE.—The term ‘family coverage’ means any coverage other than self-only coverage.

“(5) ARCHER MSA.—The term ‘Archer MSA’ has the meaning given such term in section 220(d).

“(d) HEALTH SAVINGS ACCOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘health savings account’ means a trust created or organized in the United States as a health savings account exclusively for the purpose of paying the qualified medical expenses of the account beneficiary, but only if the written governing instrument creating the trust meets the following requirements:

“(A) Except in the case of a rollover contribution described in subsection (f)(5) or section 220(f)(5), no contribution will be accepted—

“(i) unless it is in cash, or

“(ii) to the extent such contribution, when added to previous contributions to the trust for the calendar year, exceeds the sum of—

“(I) the dollar amount in effect under subsection (b)(2)(B)(ii), and

“(II) the dollar amount in effect under subsection (b)(3)(B).

“(B) The trustee is a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of

the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

“(C) No part of the trust assets will be invested in life insurance contracts.

“(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

“(E) The interest of an individual in the balance in his account is nonforfeitable.

“(2) QUALIFIED MEDICAL EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified medical expenses’ means, with respect to an account beneficiary, amounts paid by such beneficiary for medical care (as defined in section 213(d) for such individual, the spouse of such individual, and any dependent (as defined in section 152) of such individual, but only to the extent such amounts are not compensated for by insurance or otherwise.

“(B) HEALTH INSURANCE MAY NOT BE PURCHASED FROM ACCOUNT.—Subparagraph (A) shall not apply to any payment for insurance.

“(C) EXCEPTIONS.—Subparagraph (B) shall not apply to any expense for coverage under—

“(i) a health plan during any period of continuation coverage required under any Federal law,

“(ii) a qualified long-term care insurance contract (as defined in section 7702B(b)),

“(iii) a health plan during a period in which the individual is receiving unemployment compensation under any Federal or State law, or

“(iv) in the case of an account beneficiary who has attained the age specified in section 1811 of the Social Security Act, any health insurance other than a medicare supplemental policy (as defined in section 1882 of the Social Security Act).

“(3) ACCOUNT BENEFICIARY.—The term ‘account beneficiary’ means the individual on whose behalf the health savings account was established.

“(4) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

“(A) Section 219(d)(2) (relating to no deduction for rollovers).

“(B) Section 219(f)(3) (relating to time when contributions deemed made).

“(C) Except as provided in section 106(d), section 219(f)(5) (relating to employer payments).

“(D) Section 408(g) (relating to community property laws).

“(E) Section 408(h) (relating to custodial accounts).

“(e) TAX TREATMENT OF ACCOUNTS.—

“(1) IN GENERAL.—A health savings account is exempt from taxation under this subtitle unless such account has ceased to be a health savings account. Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

“(2) ACCOUNT TERMINATIONS.—Rules similar to the rules of paragraphs (2) and (4) of section 408(e) shall apply to health savings accounts, and any amount treated as distributed under such rules shall be treated as not used to pay qualified medical expenses.

“(f) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) AMOUNTS USED FOR QUALIFIED MEDICAL EXPENSES.—Any amount paid or distributed out of a health savings account which is used exclusively to pay qualified medical expenses of any account beneficiary shall not be includible in gross income.

“(2) INCLUSION OF AMOUNTS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Any amount paid or distributed out of a health savings account which is not used exclusively to pay the qualified medical expenses of the account beneficiary shall be included in the gross income of such beneficiary.

“(3) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—

“(A) IN GENERAL.—If any excess contribution is contributed for a taxable year to any health savings account of an individual, paragraph (2) shall not apply to distributions from the health savings accounts of such individual (to the extent such distributions do not exceed the aggregate excess contributions to all such accounts of such individual for such year) if—

“(i) such distribution is received by the individual on or before the last day prescribed by law (including extensions of time) for filing such individual’s return for such taxable year, and

“(ii) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in clause (ii) shall be included in the gross income of the individual for the taxable year in which it is received.

“(B) EXCESS CONTRIBUTION.—For purposes of subparagraph (A), the term ‘excess contribution’ means any contribution (other than a rollover contribution described in paragraph (5) or section 220(f)(5)) which is neither excludable from gross income under section 106(d) nor deductible under this section.

“(4) ADDITIONAL TAX ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—

“(A) IN GENERAL.—The tax imposed by this chapter on the account beneficiary for any taxable year in which there is a payment or distribution from a health savings account of such beneficiary which is includible in gross income under paragraph (2) shall be increased by 10 percent of the amount which is so includible.

“(B) EXCEPTION FOR DISABILITY OR DEATH.—Subparagraph (A) shall not apply if the payment or distribution is made after the account beneficiary becomes disabled within the meaning of section 72(m)(7) or dies.

“(C) EXCEPTION FOR DISTRIBUTIONS AFTER MEDICARE ELIGIBILITY.—Subparagraph (A) shall not apply to any payment or distribution after the date on which the account

beneficiary attains the age specified in section 1811 of the Social Security Act.

“(5) ROLLOVER CONTRIBUTION.—An amount is described in this paragraph as a rollover contribution if it meets the requirements of subparagraphs (A) and (B).

“(A) IN GENERAL.—Paragraph (2) shall not apply to any amount paid or distributed from a health savings account to the account beneficiary to the extent the amount received is paid into a health savings account for the benefit of such beneficiary not later than the 60th day after the day on which the beneficiary receives the payment or distribution.

“(B) LIMITATION.—This paragraph shall not apply to any amount described in subparagraph (A) received by an individual from a health savings account if, at any time during the 1-year period ending on the day of such receipt, such individual received any other amount described in subparagraph (A) from a health savings account which was not includible in the individual’s gross income because of the application of this paragraph.

“(6) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—For purposes of determining the amount of the deduction under section 213, any payment or distribution out of a health savings account for qualified medical expenses shall not be treated as an expense paid for medical care.

“(7) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individual’s interest in a health savings account to an individual’s spouse or former spouse under a divorce or separation instrument described in subparagraph (A) of section 71(b)(2) shall not be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest shall, after such transfer, be treated as a health savings account with respect to which such spouse is the account beneficiary.

“(8) TREATMENT AFTER DEATH OF ACCOUNT BENEFICIARY.—

“(A) TREATMENT IF DESIGNATED BENEFICIARY IS SPOUSE.—If the account beneficiary’s surviving spouse acquires such beneficiary’s interest in a health savings account by reason of being the designated beneficiary of such account at the death of the account beneficiary, such health savings account shall be treated as if the spouse were the account beneficiary.

“(B) OTHER CASES.—

“(i) IN GENERAL.—If, by reason of the death of the account beneficiary, any person acquires the account beneficiary’s interest in a health savings account in a case to which subparagraph (A) does not apply—

“(I) such account shall cease to be a health savings account as of the date of death, and

“(II) an amount equal to the fair market value of the assets in such account on such date shall be includible if such person is not the estate of such beneficiary, in such person’s gross income for the taxable year which includes such date, or if such person is the estate of such beneficiary,

in such beneficiary's gross income for the last taxable year of such beneficiary.

“(ii) SPECIAL RULES.—

“(I) REDUCTION OF INCLUSION FOR PREDEATH EXPENSES.—The amount includible in gross income under clause (i) by any person (other than the estate) shall be reduced by the amount of qualified medical expenses which were incurred by the decedent before the date of the decedent's death and paid by such person within 1 year after such date.

“(II) DEDUCTION FOR ESTATE TAXES.—An appropriate deduction shall be allowed under section 691(c) to any person (other than the decedent or the decedent's spouse) with respect to amounts included in gross income under clause (i) by such person.

“(g) COST-OF-LIVING ADJUSTMENT.—

“(1) IN GENERAL.—Each dollar amount in subsections (b)(2) and (c)(2)(A) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins determined by substituting for ‘calendar year 1992’ in subparagraph (B) thereof—

“(i) except as provided in clause (ii), ‘calendar year 1997’, and

“(ii) in the case of each dollar amount in subsection (c)(2)(A), ‘calendar year 2003’.

“(2) ROUNDING.—If any increase under paragraph (1) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.

“(h) REPORTS.—The Secretary may require—

“(1) the trustee of a health savings account to make such reports regarding such account to the Secretary and to the account beneficiary with respect to contributions, distributions, the return of excess contributions, and such other matters as the Secretary determines appropriate, and

“(2) any person who provides an individual with a high deductible health plan to make such reports to the Secretary and to the account beneficiary with respect to such plan as the Secretary determines appropriate.

The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by the Secretary.”.

(b) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 of such Code is amended by inserting after paragraph (18) the following new paragraph:

“(19) HEALTH SAVINGS ACCOUNTS.—The deduction allowed by section 223.”.

(c) ROLLOVERS FROM ARCHER MSAS PERMITTED.—Subparagraph (A) of section 220(f)(5) of such Code (relating to rollover contribution) is amended by inserting “or a health savings account (as defined in section 223(d))” after “paid into an Archer MSA”.

(d) EXCLUSIONS FOR EMPLOYER CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNTS.—

26 USC 62.

26 USC 220.

(1) EXCLUSION FROM INCOME TAX.—Section 106 of such Code (relating to contributions by employer to accident and health plans) is amended by adding at the end the following new subsection: 26 USC 106.

“(d) CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNTS.—

“(1) IN GENERAL.—In the case of an employee who is an eligible individual (as defined in section 223(c)(1)), amounts contributed by such employee’s employer to any health savings account (as defined in section 223(d)) of such employee shall be treated as employer-provided coverage for medical expenses under an accident or health plan to the extent such amounts do not exceed the limitation under section 223(b) (determined without regard to this subsection) which is applicable to such employee for such taxable year.

“(2) SPECIAL RULES.—Rules similar to the rules of paragraphs (2), (3), (4), and (5) of subsection (b) shall apply for purposes of this subsection.

“(3) CROSS REFERENCE.—

“For penalty on failure by employer to make comparable contributions to the health savings accounts of comparable employees, see section 4980G.”.

(2) EXCLUSION FROM EMPLOYMENT TAXES.—

(A) RAILROAD RETIREMENT TAX.—Subsection (e) of section 3231 of such Code is amended by adding at the end the following new paragraph: 26 USC 3231.

“(11) HEALTH SAVINGS ACCOUNT CONTRIBUTIONS.—The term ‘compensation’ shall not include any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(d).”.

(B) UNEMPLOYMENT TAX.—Subsection (b) of section 3306 of such Code is amended by striking “or” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting “; or”, and by inserting after paragraph (17) the following new paragraph: 26 USC 3306.

“(18) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(d).”.

(C) WITHHOLDING TAX.—Subsection (a) of section 3401 of such Code is amended by striking “or” at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting “; or”, and by inserting after paragraph (21) the following new paragraph: 26 USC 3401.

“(22) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(d).”.

(3) EMPLOYER CONTRIBUTIONS REQUIRED TO BE SHOWN ON W-2.—Subsection (a) of section 6051 of such Code is amended by striking “and” at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting “, and”, and by inserting after paragraph (11) the following new paragraph: 26 USC 6051.

“(12) the amount contributed to any health savings account (as defined in section 223(d)) of such employee or such employee’s spouse.”.

(4) PENALTY FOR FAILURE OF EMPLOYER TO MAKE COMPARABLE HEALTH SAVINGS ACCOUNT CONTRIBUTIONS.—

(A) IN GENERAL.—Chapter 43 of such Code is amended by adding after section 4980F the following new section:

26 USC 4980G. **“SEC. 4980G. FAILURE OF EMPLOYER TO MAKE COMPARABLE HEALTH SAVINGS ACCOUNT CONTRIBUTIONS.**

“(a) GENERAL RULE.—In the case of an employer who makes a contribution to the health savings account of any employee during a calendar year, there is hereby imposed a tax on the failure of such employer to meet the requirements of subsection (b) for such calendar year.

“(b) RULES AND REQUIREMENTS.—Rules and requirements similar to the rules and requirements of section 4980E shall apply for purposes of this section.

“(c) REGULATIONS.—The Secretary shall issue regulations to carry out the purposes of this section, including regulations providing special rules for employers who make contributions to Archer MSAs and health savings accounts during the calendar year.”.

(B) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding after the item relating to section 4980F the following new item:

“Sec. 4980G. Failure of employer to make comparable health savings account contributions.”.

26 USC 4973.

(e) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended—

(1) by striking “or” at the end of subsection (a)(3), by inserting “or” at the end of subsection (a)(4), and by inserting after subsection (a)(4) the following new paragraph:

“(5) a health savings account (within the meaning of section 223(d)),” and

(2) by adding at the end the following new subsection:

“(g) EXCESS CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNTS.—For purposes of this section, in the case of health savings accounts (within the meaning of section 223(d)), the term ‘excess contributions’ means the sum of—

“(1) the aggregate amount contributed for the taxable year to the accounts (other than a rollover contribution described in section 220(f)(5) or 223(f)(5)) which is neither excludable from gross income under section 106(d) nor allowable as a deduction under section 223 for such year, and

“(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—

“(A) the distributions out of the accounts which were included in gross income under section 223(f)(2), and

“(B) the excess (if any) of—

“(i) the maximum amount allowable as a deduction under section 223(b) (determined without regard to section 106(d)) for the taxable year, over

“(ii) the amount contributed to the accounts for the taxable year.

For purposes of this subsection, any contribution which is distributed out of the health savings account in a distribution to which section 223(f)(3) applies shall be treated as an amount not contributed.”.

(f) TAX ON PROHIBITED TRANSACTIONS.—

(1) Section 4975 of such Code (relating to tax on prohibited transactions) is amended by adding at the end of subsection (c) the following new paragraph: 26 USC 4975.

“(6) SPECIAL RULE FOR HEALTH SAVINGS ACCOUNTS.—An individual for whose benefit a health savings account (within the meaning of section 223(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a health savings account by reason of the application of section 223(e)(2) to such account.”.

(2) Paragraph (1) of section 4975(e) of such Code is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

“(E) a health savings account described in section 223(d).”.

(g) FAILURE TO PROVIDE REPORTS ON HEALTH SAVINGS ACCOUNTS.—Paragraph (2) of section 6693(a) of such Code (relating to reports) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph: 26 USC 6693.

“(C) section 223(h) (relating to health savings accounts).”.

(h) EXCEPTION FROM CAPITALIZATION OF POLICY ACQUISITION EXPENSES.—Subparagraph (B) of section 848(e)(1) of such Code (defining specified insurance contract) is amended by striking “and” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, and”, and by adding at the end the following new clause: 26 USC 848.

“(v) any contract which is a health savings account (as defined in section 223(d)).”.

(i) HEALTH SAVINGS ACCOUNTS MAY BE OFFERED UNDER CAFETERIA PLANS.—Paragraph (2) of section 125(d) (relating to cafeteria plan defined) is amended by adding at the end the following new subparagraph: 26 USC 125.

“(D) EXCEPTION FOR HEALTH SAVINGS ACCOUNTS.—Subparagraph (A) shall not apply to a plan to the extent of amounts which a covered employee may elect to have the employer pay as contributions to a health savings account established on behalf of the employee.”.

(j) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following:

“Sec. 223. Health savings accounts.

“Sec. 224. Cross reference.”.

(k) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003. 26 USC 62 note.

SEC. 1202. EXCLUSION FROM GROSS INCOME OF CERTAIN FEDERAL SUBSIDIES FOR PRESCRIPTION DRUG PLANS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139 the following new section:

26 USC 139A. **“SEC. 139A. FEDERAL SUBSIDIES FOR PRESCRIPTION DRUG PLANS.**

“Gross income shall not include any special subsidy payment received under section 1860D–22 of the Social Security Act. This section shall not be taken into account for purposes of determining whether any deduction is allowable with respect to any cost taken into account in determining such payment.”.

26 USC 56. (b) ALTERNATIVE MINIMUM TAX RELIEF.—Section 56(g)(4)(B) of such Code is amended by inserting “or 139A” after “section 114”.

(c) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139 the following new item:

“Sec. 139A. Federal subsidies for prescription drug plans.”.

26 USC 56 note. (d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 1203. EXCEPTION TO INFORMATION REPORTING REQUIREMENTS RELATED TO CERTAIN HEALTH ARRANGEMENTS.

26 USC 6041. (a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986 (relating to information at source) is amended by adding at the end the following new subsection:

“(f) SECTION DOES NOT APPLY TO CERTAIN HEALTH ARRANGEMENTS.—This section shall not apply to any payment for medical care (as defined in section 213(d)) made under—

“(1) a flexible spending arrangement (as defined in section 106(c)(2)), or

“(2) a health reimbursement arrangement which is treated as employer-provided coverage under an accident or health plan for purposes of section 106.”.

26 USC 6041 note. (b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2002.

Approved December 8, 2003.

LEGISLATIVE HISTORY—H.R. 1 (S. 1):

HOUSE REPORTS: No. 108–391 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 26, considered and passed House.

July 7, considered and passed Senate, amended, in lieu of S. 1.

Nov. 21, House agreed to conference report.

Nov. 25, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 8, Presidential remarks and statement.



Public Law 108–174
108th Congress

An Act

To reauthorize the ban on undetectable firearms.

Dec. 9, 2003

[H.R. 3348]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION OF THE BAN ON UNDETECTABLE FIREARMS.

Section 2(f)(2) of the Undetectable Firearms Act of 1988 (18 U.S.C. 922 note) is amended—

(1) by striking “15” and inserting “25”;

(2) in subparagraph (B)—

(A) by striking “and (h)” and inserting “through (o)”;

and

(B) by striking “and (g)” and inserting “through (n)”;

and

(3) by striking subparagraphs (D) and (E) and inserting the following:

“(D) section 924(a)(1) of such title is amended by striking ‘this subsection, subsection (b), (c), or (f) of this section, or in section 929’ and inserting ‘this chapter’; and

“(E) section 925(a) of such title is amended—

“(i) in paragraph (1), by striking ‘and provisions relating to firearms subject to the prohibitions of section 922(p)’; and

“(ii) in paragraph (2), by striking ‘, except for provisions relating to firearms subject to the prohibitions of section 922(p),’; and

“(iii) in each of paragraphs (3) and (4), by striking ‘except for provisions relating to firearms subject to the prohibitions of section 922(p),’.”

18 USC 924.

18 USC 924, 925.

Approved December 9, 2003.

LEGISLATIVE HISTORY—H.R. 3348:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 5, considered and passed House.

Nov. 25, considered and passed Senate.



Public Law 108–175
108th Congress

An Act

Dec. 12, 2003
[H.R. 1828]

Syria
Accountability
and Lebanese
Sovereignty
Restoration Act
of 2003.
22 USC 2151
note.
22 USC 2151
note.

To halt Syrian support for terrorism, end its occupation of Lebanon, and stop its development of weapons of mass destruction, and by so doing hold Syria accountable for the serious international security problems it has caused in the Middle East, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Syria Accountability and Lebanese Sovereignty Restoration Act of 2003”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) On June 24, 2002, President Bush stated “Syria must choose the right side in the war on terror by closing terrorist camps and expelling terrorist organizations”.

(2) United Nations Security Council Resolution 1373 (September 28, 2001) mandates that all states “refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts”, take “the necessary steps to prevent the commission of terrorist acts”, and “deny safe haven to those who finance, plan, support, or commit terrorist acts”.

(3) The Government of Syria is currently prohibited by United States law from receiving United States assistance because it has repeatedly provided support for acts of international terrorism, as determined by the Secretary of State for purposes of section 6(j)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)) and other relevant provisions of law.

(4) Although the Department of State lists Syria as a state sponsor of terrorism and reports that Syria provides “safe haven and support to several terrorist groups”, fewer United States sanctions apply with respect to Syria than with respect to any other country that is listed as a state sponsor of terrorism.

(5) Terrorist groups, including Hizballah, Hamas, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine—General Command, maintain offices, training camps, and other facilities on Syrian territory, and operate in areas of Lebanon occupied by the Syrian armed forces and receive supplies from Iran through Syria.

(6) United Nations Security Council Resolution 520 (September 17, 1982) calls for “strict respect of the sovereignty, territorial integrity, unity and political independence of Lebanon under the sole and exclusive authority of the Government of Lebanon through the Lebanese Army throughout Lebanon”.

(7) Approximately 20,000 Syrian troops and security personnel occupy much of the sovereign territory of Lebanon exerting undue influence upon its government and undermining its political independence.

(8) Since 1990 the Senate and House of Representatives have passed seven bills and resolutions which call for the withdrawal of Syrian armed forces from Lebanon.

(9) On March 3, 2003, Secretary of State Colin Powell declared that it is the objective of the United States to “let Lebanon be ruled by the Lebanese people without the presence of [the Syrian] occupation army”.

(10) Large and increasing numbers of the Lebanese people from across the political spectrum in Lebanon have mounted peaceful and democratic calls for the withdrawal of the Syrian Army from Lebanese soil.

(11) Israel has withdrawn all of its armed forces from Lebanon in accordance with United Nations Security Council Resolution 425 (March 19, 1978), as certified by the United Nations Secretary General.

(12) Even in the face of this United Nations certification that acknowledged Israel’s full compliance with Security Council Resolution 425, Syrian- and Iranian-supported Hizballah continues to attack Israeli outposts at Shebaa Farms, under the pretense that Shebaa Farms is territory from which Israel was required to withdraw by Security Council Resolution 425, and Syrian- and Iranian-supported Hizballah and other militant organizations continue to attack civilian targets in Israel.

(13) Syria will not allow Lebanon—a sovereign country—to fulfill its obligation in accordance with Security Council Resolution 425 to deploy its troops to southern Lebanon.

(14) As a result, the Israeli-Lebanese border and much of southern Lebanon is under the control of Hizballah, which continues to attack Israeli positions, allows Iranian Revolutionary Guards and other militant groups to operate freely in the area, and maintains thousands of rockets along Israel’s northern border, destabilizing the entire region.

(15) On February 12, 2003, Director of Central Intelligence George Tenet stated the following with respect to the Syrian- and Iranian-supported Hizballah: “[A]s an organization with capability and worldwide presence [it] is [al Qaeda’s] equal if not a far more capable organization * * * [T]hey’re a notch above in many respects, in terms of in their relationship with the Iranians and the training they receive, [which] puts them in a state-sponsored category with a potential for lethality that’s quite great.”.

(16) In the State of the Union address on January 29, 2002, President Bush declared that the United States will “work closely with our coalition to deny terrorists and their state sponsors the materials, technology, and expertise to make and deliver weapons of mass destruction”.

(17) The Government of Syria continues to develop and deploy short- and medium-range ballistic missiles.

(18) According to the December 2001 unclassified Central Intelligence Agency report entitled “Foreign Missile Developments and the Ballistic Missile Threat through 2015”, “Syria maintains a ballistic missile and rocket force of hundreds of FROG rockets, Scuds, and SS-21 SRBMs [and] Syria has developed [chemical weapons] warheads for its Scuds”.

(19) The Government of Syria is pursuing the development and production of biological and chemical weapons and has a nuclear research and development program that is cause for concern.

(20) According to the Central Intelligence Agency’s “Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions”, released January 7, 2003: “[Syria] already holds a stockpile of the nerve agent sarin but apparently is trying to develop more toxic and persistent nerve agents. Syria remains dependent on foreign sources for key elements of its [chemical weapons] program, including precursor chemicals and key production equipment. It is highly probable that Syria also is developing an offensive [biological weapons] capability.”.

(21) On May 6, 2002, the Under Secretary of State for Arms Control and International Security, John Bolton, stated: “The United States also knows that Syria has long had a chemical warfare program. It has a stockpile of the nerve agent sarin and is engaged in research and development of the more toxic and persistent nerve agent VX. Syria, which has signed but not ratified the [Biological Weapons Convention], is pursuing the development of biological weapons and is able to produce at least small amounts of biological warfare agents.”.

(22) According to the Central Intelligence Agency’s “Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions”, released January 7, 2003: “Russia and Syria have approved a draft cooperative program on cooperation on civil nuclear power. In principal, broader access to Russian expertise provides opportunities for Syria to expand its indigenous capabilities, should it decide to pursue nuclear weapons.”.

(23) Under the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483), which entered force on March 5, 1970, and to which Syria is a party, Syria has undertaken not to acquire or produce nuclear weapons and has accepted full scope safeguards of the International Atomic Energy Agency to detect diversions of nuclear materials from peaceful activities to the production of nuclear weapons or other nuclear explosive devices.

(24) Syria is not a party to the Chemical Weapons Convention or the Biological Weapons Convention, which entered into force on April 29, 1997, and on March 26, 1975, respectively.

(25) Syrian President Bashar Assad promised Secretary of State Powell in February 2001 to end violations of Security Council Resolution 661, which restricted the sale of oil and other commodities by Saddam Hussein’s regime, except to the

extent authorized by other relevant resolutions, but this pledge was never fulfilled.

(26) Syria's illegal imports and transshipments of Iraqi oil during Saddam Hussein's regime earned Syria \$50,000,000 or more per month as Syria continued to sell its own Syrian oil at market prices.

(27) Syria's illegal imports and transshipments of Iraqi oil earned Saddam Hussein's regime \$2,000,000 per day.

(28) On March 28, 2003, Secretary of Defense Donald Rumsfeld warned: "[W]e have information that shipments of military supplies have been crossing the border from Syria into Iraq, including night-vision goggles * * * These deliveries pose a direct threat to the lives of coalition forces. We consider such trafficking as hostile acts, and will hold the Syrian government accountable for such shipments."

(29) According to Article 23(1) of the United Nations Charter, members of the United Nations are elected as non-permanent members of the United Nations Security Council with "due regard being specially paid, in the first instance to the contribution of members of the United Nations to the maintenance of international peace and security and to other purposes of the Organization".

(30) Despite Article 23(1) of the United Nations Charter, Syria was elected on October 8, 2001, to a 2-year term as a nonpermanent member of the United Nations Security Council beginning January 1, 2002, and served as President of the Security Council during June 2002 and August 2003.

(31) On March 31, 2003, the Syrian Foreign Minister, Farouq al-Sharra, made the Syrian regime's intentions clear when he explicitly stated that "Syria's interest is to see the invaders defeated in Iraq".

(32) On April 13, 2003, Secretary of Defense Donald Rumsfeld charged that "busloads" of Syrian fighters entered Iraq with "hundreds of thousands of dollars" and leaflets offering rewards for dead American soldiers.

(33) On September 16, 2003, the Under Secretary of State for Arms Control and International Security, John Bolton, appeared before the Subcommittee on the Middle East and Central Asia of the Committee on International Relations of the House of Representatives, and underscored Syria's "hostile actions" toward coalition forces during Operation Iraqi Freedom. Under Secretary Bolton added that: "Syria allowed military equipment to flow into Iraq on the eve of and during the war. Syria permitted volunteers to pass into Iraq to attack and kill our service members during the war, and is still doing so * * * [Syria's] behavior during Operation Iraqi Freedom underscores the importance of taking seriously reports and information on Syria's WMD capabilities."

(34) During his appearance before the Committee on International Relations of the House of Representatives on September 25, 2003, Ambassador L. Paul Bremer, III, Administrator of the Coalition Provisional Authority in Iraq, stated that out of the 278 third-country nationals who were captured by coalition forces in Iraq, the "single largest group are Syrians".

22 USC 2151
note.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Government of Syria should immediately and unconditionally halt support for terrorism, permanently and openly declare its total renunciation of all forms of terrorism, and close all terrorist offices and facilities in Syria, including the offices of Hamas, Hizballah, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine—General Command;

(2) the Government of Syria should—

(A) immediately and unconditionally stop facilitating transit from Syria to Iraq of individuals, military equipment, and all lethal items, except as authorized by the Coalition Provisional Authority or a representative, internationally recognized Iraqi government;

(B) cease its support for “volunteers” and terrorists who are traveling from and through Syria into Iraq to launch attacks; and

(C) undertake concrete, verifiable steps to deter such behavior and control the use of territory under Syrian control;

(3) the Government of Syria should immediately declare its commitment to completely withdraw its armed forces, including military, paramilitary, and security forces, from Lebanon, and set a firm timetable for such withdrawal;

(4) the Government of Lebanon should deploy the Lebanese armed forces to all areas of Lebanon, including South Lebanon, in accordance with United Nations Security Council Resolution 520 (September 17, 1982), in order to assert the sovereignty of the Lebanese state over all of its territory, and should evict all terrorist and foreign forces from southern Lebanon, including Hizballah and the Iranian Revolutionary Guards;

(5) the Government of Syria should halt the development and deployment of medium- and long-range surface-to-surface missiles and cease the development and production of biological and chemical weapons;

(6) the Governments of Lebanon and Syria should enter into serious unconditional bilateral negotiations with the Government of Israel in order to realize a full and permanent peace;

(7) the United States should continue to provide humanitarian and educational assistance to the people of Lebanon only through appropriate private, nongovernmental organizations and appropriate international organizations, until such time as the Government of Lebanon asserts sovereignty and control over all of its territory and borders and achieves full political independence, as called for in United Nations Security Council Resolution 520; and

(8) as a violator of several key United Nations Security Council resolutions and as a nation that pursues policies which undermine international peace and security, Syria should not have been permitted to join the United Nations Security Council or serve as the Security Council’s President, and should be removed from the Security Council.

SEC. 4. STATEMENT OF POLICY.22 USC 2151
note.

It is the policy of the United States that—

(1) Syria should bear responsibility for attacks committed by Hizballah and other terrorist groups with offices, training camps, or other facilities in Syria, or bases in areas of Lebanon occupied by Syria;

(2) the United States will work to deny Syria the ability to support acts of international terrorism and efforts to develop or acquire weapons of mass destruction;

(3) the Secretary of State will continue to list Syria as a state sponsor of terrorism until Syria ends its support for terrorism, including its support of Hizballah and other terrorist groups in Lebanon and its hosting of terrorist groups in Damascus, and comes into full compliance with United States law relating to terrorism and United Nations Security Council Resolution 1373 (September 28, 2001);

(4) the full restoration of Lebanon's sovereignty, political independence, and territorial integrity is in the national security interest of the United States;

(5) Syria is in violation of United Nations Security Council Resolution 520 (September 17, 1982) through its continued occupation of Lebanese territory and its encroachment upon Lebanon's political independence;

(6) Syria's obligation to withdraw from Lebanon is not conditioned upon progress in the Israeli-Syrian or Israeli-Lebanese peace process but derives from Syria's obligation under Security Council Resolution 520;

(7) Syria's acquisition of weapons of mass destruction and ballistic missile programs threaten the security of the Middle East and the national security interests of the United States;

(8) Syria will be held accountable for any harm to Coalition armed forces or to any United States citizen in Iraq if the government of Syria is found to be responsible due to its facilitation of terrorist activities and its shipments of military supplies to Iraq; and

(9) the United States will not provide any assistance to Syria and will oppose multilateral assistance for Syria until Syria ends all support for terrorism, withdraws its armed forces from Lebanon, and halts the development and deployment of weapons of mass destruction and medium- and long-range surface-to-surface ballistic missiles.

SEC. 5. PENALTIES AND AUTHORIZATION.President.
22 USC 2151
note.
Certification.

(a) **PENALTIES.**—Until the President makes the determination that Syria meets all the requirements described in paragraphs (1) through (4) of subsection (d) and certifies such determination to Congress in accordance with such subsection—

(1) the President shall prohibit the export to Syria of any item, including the issuance of a license for the export of any item, on the United States Munitions List or Commerce Control List of dual-use items in the Export Administration Regulations (15 CFR part 730 et seq.); and

(2) the President shall impose two or more of the following sanctions:

(A) Prohibit the export of products of the United States (other than food and medicine) to Syria.

(B) Prohibit United States businesses from investing or operating in Syria.

(C) Restrict Syrian diplomats in Washington, D.C., and at the United Nations in New York City, to travel only within a 25-mile radius of Washington, D.C., or the United Nations headquarters building, respectively.

(D) Prohibit aircraft of any air carrier owned or controlled by Syria to take off from, land in, or overfly the United States.

(E) Reduce United States diplomatic contacts with Syria (other than those contacts required to protect United States interests or carry out the purposes of this Act).

(F) Block transactions in any property in which the Government of Syria has any interest, by any person, or with respect to any property, subject to the jurisdiction of the United States.

Reports.

(b) WAIVER.—The President may waive the application of subsection (a)(1), (a)(2), or both if the President determines that it is in the national security interest of the United States to do so and submits to the appropriate congressional committees a report containing the reasons for the determination.

(c) AUTHORITY TO PROVIDE ASSISTANCE TO SYRIA.—If the President—

Certification.

(1) makes the determination that Syria meets the requirements described in paragraphs (1) through (4) of subsection (d) and certifies such determination to Congress in accordance with such subsection;

(2) determines that substantial progress has been made both in negotiations aimed at achieving a peace agreement between Israel and Syria and in negotiations aimed at achieving a peace agreement between Israel and Lebanon; and

(3) determines that the Government of Syria is strictly respecting the sovereignty, territorial integrity, unity, and political independence of Lebanon under the sole and exclusive authority of the Government of Lebanon through the Lebanese army throughout Lebanon, as required under paragraph (4) of United Nations Security Council Resolution 520 (1982),

then the President is authorized to provide assistance to Syria under chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance).

(d) CERTIFICATION.—A certification under this subsection is a certification transmitted to the appropriate congressional committees of a determination made by the President that—

(1) the Government of Syria has ceased providing support for international terrorist groups and does not allow terrorist groups, such as Hamas, Hizballah, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine—General Command to maintain facilities in territory under Syrian control;

(2) the Government of Syria ended its occupation of Lebanon described in section 2(7) of this Act;

(3) the Government of Syria has ceased the development and deployment of medium- and long-range surface-to-surface ballistic missiles, is not pursuing or engaged in the research, development, acquisition, production, transfer, or deployment of biological, chemical, or nuclear weapons, has provided credible assurances that such behavior will not be undertaken

in the future, and has agreed to allow United Nations and other international observers to verify such actions and assurances; and

(4) the Government of Syria has ceased all support for, and facilitation of, all terrorist activities inside of Iraq, including preventing the use of territory under its control by any means whatsoever to support those engaged in terrorist activities inside of Iraq.

SEC. 6. REPORT.

22 USC 2151
note.
Deadlines.

(a) **REPORT.**—Not later than 6 months after the date of the enactment of this Act, and every 12 months thereafter until the conditions described in paragraphs (1) through (4) of section 5(d) are satisfied, the Secretary of State shall submit to the appropriate congressional committees a report on—

(1) Syria’s progress toward meeting the conditions described in paragraphs (1) through (4) of section 5(d);

(2) connections, if any, between individual terrorists and terrorist groups which maintain offices, training camps, or other facilities on Syrian territory, or operate in areas of Lebanon occupied by the Syrian armed forces, and terrorist attacks on the United States or its citizens, installations, or allies; and

(3) how the United States is increasing its efforts against Hizballah and other terrorist organizations supported by Syria.

(b) **FORM.**—The report submitted under subsection (a) shall be in unclassified form but may include a classified annex.

SEC. 7. DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES.

22 USC 2151
note.

In this Act, the term “appropriate congressional committees” means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

Approved December 12, 2003.

LEGISLATIVE HISTORY—H.R. 1828:

HOUSE REPORTS: No. 108–314 (Comm. on International Relations).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 15, considered and passed House.

Nov. 11, considered and passed Senate, amended.

Nov. 20, House concurred in Senate amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 12, Presidential statement.



Public Law 108–176
108th Congress

An Act

Dec. 12, 2003
[H.R. 2115]

To amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Vision 100—
Century of
Aviation
Reauthorization
Act.
49 USC 40101
note.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Vision 100—Century of Aviation Reauthorization Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Amendments to title 49, United States Code.
- Sec. 3. Applicability.
- Sec. 4. Findings.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENTS

Subtitle A—Funding of FAA Programs

- Sec. 101. Airport planning and development and noise compatibility planning and programs.
- Sec. 102. Air navigation facilities and equipment.
- Sec. 103. Federal Aviation Administration operations.
- Sec. 104. Funding for aviation programs.
- Sec. 105. Agreements for operation of airport facilities.
- Sec. 106. Insurance.

Subtitle B—Passenger Facility Fees

- Sec. 121. Low-emission airport vehicles and ground support equipment.
- Sec. 122. Use of fees to pay debt service.
- Sec. 123. Streamlining of the passenger facility fee program.
- Sec. 124. Financial management of passenger facility fees.

Subtitle C—AIP Modifications

- Sec. 141. Airfield pavement.
- Sec. 142. Replacement of baggage conveyor systems.
- Sec. 143. Authority to use certain funds for airport security programs and activities.
- Sec. 144. Grant assurances.
- Sec. 145. Clarification of allowable project costs.
- Sec. 146. Apportionments to primary airports.
- Sec. 147. Cargo airports.
- Sec. 148. Considerations in making discretionary grants.
- Sec. 149. Flexible funding for nonprimary airport apportionments.
- Sec. 150. Use of apportioned amounts.
- Sec. 151. Increase in apportionment for, and flexibility of, noise compatibility planning programs.
- Sec. 152. Pilot program for purchase of airport development rights.
- Sec. 153. Military airport program.
- Sec. 154. Airport safety data collection.
- Sec. 155. Airport privatization pilot program.
- Sec. 156. Innovative financing techniques.
- Sec. 157. Airport security program.

- Sec. 158. Emission credits for air quality projects.
- Sec. 159. Low-emission airport vehicles and infrastructure.
- Sec. 160. Compatible land use planning and projects by State and local governments.
- Sec. 161. Temporary increase in Government share of certain AIP project costs.
- Sec. 162. Share of airport project costs.
- Sec. 163. Federal share for private ownership of airports.
- Sec. 164. Disposition of land acquired for noise compatibility purposes.
- Sec. 165. Hangar construction grant assurance.
- Sec. 166. Terminal development costs.

Subtitle D—Miscellaneous

- Sec. 181. Design-build contracting.
- Sec. 182. Pilot program for innovative financing of air traffic control equipment.
- Sec. 183. Cost sharing of air traffic modernization projects.
- Sec. 184. Facilities and equipment reports.
- Sec. 185. Civil penalty for permanent closure of an airport without providing sufficient notice.
- Sec. 186. Midway Island Airport.
- Sec. 187. Intermodal planning.
- Sec. 188. Marshall Islands, Micronesia, and Palau.
- Sec. 189. Limitation on approval of certain programs.
- Sec. 190. Conveyance of airport.

TITLE II—FAA ORGANIZATION

Subtitle A—FAA Reform

- Sec. 201. Management advisory committee members.
- Sec. 202. Reorganization of the air traffic services subcommittee.
- Sec. 203. Clarification of the responsibilities of the Chief Operating Officer.
- Sec. 204. Deputy Administrator.

Subtitle B—Miscellaneous

- Sec. 221. Controller staffing.
- Sec. 222. Whistleblower protection under acquisition management system.
- Sec. 223. FAA purchase cards.
- Sec. 224. Procurement.
- Sec. 225. Definitions.
- Sec. 226. Air traffic controller retirement.
- Sec. 227. Design organization certificates.
- Sec. 228. Judicial review.
- Sec. 229. Overflight fees.

TITLE III—ENVIRONMENTAL PROCESS

Subtitle A—Aviation Development Streamlining

- Sec. 301. Short title.
- Sec. 302. Findings.
- Sec. 303. Airport capacity enhancement.
- Sec. 304. Aviation project streamlining.
- Sec. 305. Elimination of duplicative requirements.
- Sec. 306. Construction of certain airport capacity projects.
- Sec. 307. Issuance of orders.
- Sec. 308. Limitations.
- Sec. 309. Relationship to other requirements.

Subtitle B—Miscellaneous

- Sec. 321. Report on long-term environmental improvements.
- Sec. 322. Noise disclosure.
- Sec. 323. Overflights of national parks.
- Sec. 324. Noise exposure maps.
- Sec. 325. Implementation of Chapter 4 noise standards.
- Sec. 326. Reduction of noise and emissions from civilian aircraft.
- Sec. 327. Special rule for airport in Illinois.

TITLE IV—AIRLINE SERVICE IMPROVEMENTS

Subtitle A—Small Community Air Service

- Sec. 401. Exemption from hold-in requirements.
- Sec. 402. Adjustments to account for significantly increased costs.
- Sec. 403. Joint proposals.

- Sec. 404. Essential air service authorization.
- Sec. 405. Community and regional choice programs.
- Sec. 406. Code-sharing pilot program.
- Sec. 407. Tracking service.
- Sec. 408. EAS local participation program.
- Sec. 409. Measurement of highway miles for purposes of determining eligibility of essential air service subsidies.
- Sec. 410. Incentive program.
- Sec. 411. National Commission on Small Community Air Service.
- Sec. 412. Small community air service.

Subtitle B—Miscellaneous

- Sec. 421. Data on incidents and complaints involving passenger and baggage security screening.
- Sec. 422. Delay reduction actions.
- Sec. 423. Collaborative decisionmaking pilot program.
- Sec. 424. Competition disclosure requirement for large and medium hub airports.
- Sec. 425. Slot exemptions at Ronald Reagan Washington National Airport.
- Sec. 426. Definition of commuter aircraft.
- Sec. 427. Airfares for members of the Armed Forces.
- Sec. 428. Air carriers required to honor tickets for suspended service.

TITLE V—AVIATION SAFETY

- Sec. 501. Counterfeit or fraudulently represented parts violations.
- Sec. 502. Runway safety standards.
- Sec. 503. Civil penalties.
- Sec. 504. Improvement of curriculum standards for aviation maintenance technicians.
- Sec. 505. Assessment of wake turbulence research and development program.
- Sec. 506. FAA inspector training.
- Sec. 507. Air transportation oversight system plan.

TITLE VI—AVIATION SECURITY

- Sec. 601. Certificate actions in response to a security threat.
- Sec. 602. Justification for air defense identification zone.
- Sec. 603. Crew training.
- Sec. 604. Study of effectiveness of transportation security system.
- Sec. 605. Airport security improvement projects.
- Sec. 606. Charter security.
- Sec. 607. CAPPS2.
- Sec. 608. Report on passenger prescreening program.
- Sec. 609. Arming cargo pilots against terrorism.
- Sec. 610. Removal of cap on TSA staffing level.
- Sec. 611. Foreign repair stations.
- Sec. 612. Flight training.
- Sec. 613. Deployment of screeners at Kenai, Homer, and Valdez, Alaska.

TITLE VII—AVIATION RESEARCH

- Sec. 701. Authorization of appropriations.
- Sec. 702. Federal Aviation Administration Science and Technology Scholarship Program.
- Sec. 703. National Aeronautics and Space Administration Science and Technology Scholarship Program.
- Sec. 704. Research program to improve airfield pavements.
- Sec. 705. Ensuring appropriate standards for airfield pavements.
- Sec. 706. Development of analytical tools and certification methods.
- Sec. 707. Research on aviation training.
- Sec. 708. FAA Center for Excellence for applied research and training in the use of advanced materials in transport aircraft.
- Sec. 709. Air Transportation System Joint Planning and Development Office.
- Sec. 710. Next generation air transportation senior policy committee.
- Sec. 711. Rotorcraft research and development initiative.
- Sec. 712. Airport Cooperative Research Program.

TITLE VIII—MISCELLANEOUS

- Sec. 801. Definitions.
- Sec. 802. Report on aviation safety reporting system.
- Sec. 803. Anchorage air traffic control.
- Sec. 804. Extension of Metropolitan Washington Airports Authority.
- Sec. 805. Improvement of aviation information collection.

- Sec. 806. Government-financed air transportation.
- Sec. 807. Air carrier citizenship.
- Sec. 808. United States presence in global air cargo industry.
- Sec. 809. Availability of aircraft accident site information.
- Sec. 810. Notice concerning aircraft assembly.
- Sec. 811. Type certificates.
- Sec. 812. Reciprocal airworthiness certification.
- Sec. 813. International role of the FAA.
- Sec. 814. Flight attendant certification.
- Sec. 815. Air quality in aircraft cabins.
- Sec. 816. Recommendations concerning travel agents.
- Sec. 817. Reimbursement for losses incurred by general aviation entities.
- Sec. 818. International air show.
- Sec. 819. Report on certain market developments and government policies.
- Sec. 820. International air transportation.
- Sec. 821. Reimbursement of air carriers for certain screening and related activities.
- Sec. 822. Charter airlines.
- Sec. 823. General aviation flights at Ronald Reagan Washington National Airport.
- Sec. 824. Review of air carrier compensation.
- Sec. 825. Noise control plan for certain airports.
- Sec. 826. GAO report on airlines' actions to improve finances and on executive compensation.
- Sec. 827. Private air carriage in Alaska.
- Sec. 828. Report on waivers of preference for buying goods produced in the United States.
- Sec. 829. Navigation fees.

TITLE IX—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND
EXPENDITURE AUTHORITY

- Sec. 901. Extension of expenditure authority.
- Sec. 902. Technical correction to flight segment.

SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. APPLICABILITY.

49 USC 106 note.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall apply only to fiscal years beginning after September 30, 2003.

SEC. 4. FINDINGS.

49 USC 40101
note.

Congress finds the following:

(1) The United States has revolutionized the way people travel, developing new technologies and aircraft to move people more efficiently and more safely.

(2) Past Federal investment in aeronautics research and development has benefited the economy and national security of the United States and the quality of life of its citizens.

(3) The total impact of civil aviation on the United States economy exceeds \$900,000,000,000 annually and accounts for 9 percent of the gross national product and 11,000,000 jobs in the national workforce. Civil aviation products and services generate a significant surplus for United States trade accounts, and amount to significant numbers of the Nation's highly skilled, technologically qualified work force.

(4) Aerospace technologies, products, and services underpin the advanced capabilities of our men and women in uniform and those charged with homeland security.

(5) Future growth in civil aviation increasingly will be constrained by concerns related to aviation system safety and

security, aviation system capabilities, aircraft noise, emissions, and fuel consumption.

(6) Revitalization and coordination of the United States efforts to maintain its leadership in aviation and aeronautics are critical and must begin now.

(7) A recent report by the Commission on the Future of the United States Aerospace Industry outlined the scope of the problems confronting the aerospace and aviation industries in the United States and found that—

(A) aerospace will be at the core of the Nation's leadership and strength throughout the 21st century;

(B) aerospace will play an integral role in the Nation's economy, security, and mobility; and

(C) global leadership in aerospace is a national imperative.

(8) Despite the downturn in the global economy, projections of the Federal Aviation Administration indicate that upwards of 1,000,000,000 people will fly annually by 2013. Efforts must begin now to prepare for future growth in the number of airline passengers.

(9) The United States must increase its investment in research and development to revitalize the aviation and aerospace industries, to create jobs, and to provide educational assistance and training to prepare workers in those industries for the future.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENTS

Subtitle A—Funding of FAA Programs

SEC. 101. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

(a) AUTHORIZATION.—Section 48103 is amended—

(1) by striking “September 30, 1998” and inserting “September 30, 2003”; and

(2) by striking paragraphs (1) through (5) and inserting the following:

“(1) \$3,400,000,000 for fiscal year 2004;

“(2) \$3,500,000,000 for fiscal year 2005;

“(3) \$3,600,000,000 for fiscal year 2006; and

“(4) \$3,700,000,000 for fiscal year 2007.”.

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) is amended by striking “September 30, 2003” and inserting “September 30, 2007”.

SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.

Section 48101 is amended—

(1) in subsection (a) by striking paragraphs (1) through (5) and inserting the following:

“(1) \$3,138,000,000 for fiscal year 2004;

“(2) \$2,993,000,000 for fiscal year 2005;

“(3) \$3,053,000,000 for fiscal year 2006; and

“(4) \$3,110,000,000 for fiscal year 2007.”;

(2) by striking subsections (b), (d), and (e) and redesignating subsection (c) as subsection (b);

(3) by inserting after subsection (b) (as so redesignated) the following:

“(c) ENHANCED SAFETY AND SECURITY FOR AIRCRAFT OPERATIONS IN THE GULF OF MEXICO.—Of amounts appropriated under subsection (a), such sums as may be necessary for fiscal years 2004 through 2007 may be used to expand and improve the safety, efficiency, and security of air traffic control, navigation, low altitude communications and surveillance, and weather services in the Gulf of Mexico.

“(d) OPERATIONAL BENEFITS OF WAKE VORTEX ADVISORY SYSTEM.—Of amounts appropriated under subsection (a), such sums as may be necessary for each of fiscal years 2004 through 2007 may be used for the development and analysis of wake vortex advisory systems.

“(e) GROUND-BASED PRECISION NAVIGATIONAL AIDS.—Of amounts appropriated under subsection (a), such sums as may be necessary for each of fiscal years 2004 to 2007 may be used to establish a program for the installation of a precision approach aid designed to improve aircraft accessibility at mountainous airports with limited land if the approach aid is able to provide curved and segmented approach guidance for noise abatement purposes and other such approach aids and is certified or approved by the Administrator.”;

(4) in subsection (f)—

(A) by striking “for fiscal years beginning after September 30, 2000”; and

(B) by inserting “may be used” after “necessary”; and

(5) by adding at the end the following:

“(h) STANDBY POWER EFFICIENCY PROGRAM.—Of amounts appropriated under subsection (a), such sums as may be necessary for each of fiscal years 2004 through 2007 may be used by the Secretary of Transportation, in cooperation with the Secretary of Energy and, where applicable, the Secretary of Defense, to establish a program to improve the efficiency, cost effectiveness, and environmental performance of standby power systems at Federal Aviation Administration sites, including the implementation of fuel cell technology.

“(i) PILOT PROGRAM TO PROVIDE INCENTIVES FOR DEVELOPMENT OF NEW TECHNOLOGIES.—Of amounts appropriated under subsection (a), \$500,000 for fiscal year 2004 may be used for the conduct of a pilot program to provide operating incentives to users of the airspace for the deployment of new technologies, including technologies to facilitate expedited flight routing and sequencing of takeoffs and landings.”.

SEC. 103. FEDERAL AVIATION ADMINISTRATION OPERATIONS.

(a) IN GENERAL.—Section 106(k)(1) is amended to read as follows:

“(1) SALARIES, OPERATIONS, AND MAINTENANCE.—There is authorized to be appropriated to the Secretary of Transportation for salaries, operations, and maintenance of the Administration—

“(A) \$7,591,000,000 for fiscal year 2004;

“(B) \$7,732,000,000 for fiscal year 2005;

“(C) \$7,889,000,000 for fiscal year 2006; and

“(D) \$8,064,000,000 for fiscal year 2007.
Such sums shall remain available until expended.”.

(b) AUTHORIZED EXPENDITURES.—Section 106(k)(2) is amended—

(1) by striking subparagraphs (A) and (B) and subparagraphs (F) through (I);

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (A), (B), and (C), respectively;

(3) in subparagraphs (A), (B), and (C) (as so redesignated) by striking “fiscal years 2000 through 2003” and inserting “fiscal years 2004 through 2007”; and

(4) by adding after subparagraph (C) (as so redesignated) the following:

“(D) Such sums as may be necessary for fiscal years 2004 through 2007 for the Center for Management Development of the Federal Aviation Administration to operate training courses and to support associated student travel for both residential and field courses.

“(E) Such sums as may be necessary for fiscal years 2004 through 2007 to carry out and expand the Air Traffic Control Collegiate Training Initiative.

“(F) Such sums as may be necessary for fiscal years 2004 through 2007 for the completion of the Alaska aviation safety project with respect to the 3 dimensional mapping of Alaska’s main aviation corridors.

“(G) Such sums as may be necessary for fiscal years 2004 through 2007 to carry out the Aviation Safety Reporting System.”.

Appropriation
authorization.

(c) AIRLINE DATA AND ANALYSIS.—There is authorized to be appropriated to the Secretary of Transportation, out of the Airport and Airway Trust Fund established by section 9502 of the Internal Revenue Code of 1986 (26 U.S.C. 9502), \$3,971,000 for fiscal year 2004, \$4,045,000 for fiscal year 2005, \$4,127,000 for fiscal year 2006, and \$4,219,000 for fiscal year 2007 to gather aviation data and conduct analyses of such data in the Bureau of Transportation Statistics of the Department of Transportation.

SEC. 104. FUNDING FOR AVIATION PROGRAMS.

(a) IN GENERAL.—Chapter 481 is further amended by adding at the end the following:

“§ 48114. Funding for aviation programs

“(a) AUTHORIZATION OF APPROPRIATIONS.—

“(1) AIRPORT AND AIRWAY TRUST FUND GUARANTEE.—

“(A) IN GENERAL.—The total budget resources made available from the Airport and Airway Trust Fund each fiscal year through fiscal year 2007 pursuant to sections 48101, 48102, 48103, and 106(k) of title 49, United States Code, shall be equal to the level of receipts plus interest credited to the Airport and Airway Trust Fund for that fiscal year. Such amounts may be used only for aviation investment programs listed in subsection (b).

“(B) GUARANTEE.—No funds may be appropriated or limited for aviation investment programs listed in subsection (b) unless the amount described in subparagraph (A) has been provided.

“(2) ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS FROM THE GENERAL FUND.—In any fiscal year through fiscal year 2007, if the amount described in paragraph (1) is appropriated, there is further authorized to be appropriated from the general fund of the Treasury such sums as may be necessary for the Federal Aviation Administration Operations account.

“(b) DEFINITIONS.—In this section, the following definitions apply:

“(1) TOTAL BUDGET RESOURCES.—The term ‘total budget resources’ means the total amount made available from the Airport and Airway Trust Fund for the sum of obligation limitations and budget authority made available for a fiscal year for the following budget accounts that are subject to the obligation limitation on contract authority provided in this title and for which appropriations are provided pursuant to authorizations contained in this title:

“(A) 69-8106-0-7-402 (Grants in Aid for Airports).

“(B) 69-8107-0-7-402 (Facilities and Equipment).

“(C) 69-8108-0-7-402 (Research and Development).

“(D) 69-8104-0-7-402 (Trust Fund Share of Operations).

“(2) LEVEL OF RECEIPTS PLUS INTEREST.—The term ‘level of receipts plus interest’ means the level of excise taxes and interest credited to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 for a fiscal year as set forth in the President’s budget baseline projection as defined in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) (Treasury identification code 20-8103-0-7-402) for that fiscal year submitted pursuant to section 1105 of title 31, United States Code.

“(c) ENFORCEMENT OF GUARANTEES.—

“(1) TOTAL AIRPORT AND AIRWAY TRUST FUND FUNDING.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause total budget resources in a fiscal year for aviation investment programs described in subsection (b) to be less than the amount required by subsection (a)(1)(A) for such fiscal year.

“(2) CAPITAL PRIORITY.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that provides an appropriation (or any amendment thereto) for any fiscal year through fiscal year 2007 for Research and Development or Operations if the sum of the obligation limitation for Grants-in-Aid for Airports and the appropriation for Facilities and Equipment for such fiscal year is below the sum of the authorized levels for Grants-in-Aid for Airports and for Facilities and Equipment for such fiscal year.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 481 is amended by adding at the end the following:

“48114. Funding for aviation programs.”.

(c) REPEAL.—Section 106 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (49 U.S.C. 48101 note) and the item relating to such section in the table of contents in section 1(b) of such Act are repealed.

SEC. 105. AGREEMENTS FOR OPERATION OF AIRPORT FACILITIES.

Section 47124 is amended—

(1) by striking subsection (a) and inserting the following:

“(a) **GOVERNMENT RELIEF FROM LIABILITY.**—The Secretary of Transportation shall ensure that an agreement under this subchapter with a qualified entity (as determined by the Secretary), State, or a political subdivision of a State to allow the entity, State, or subdivision to operate an airport facility relieves the United States Government from any liability arising out of, or related to, acts or omissions of employees of the entity, State, or subdivision in operating the airport facility.”;

(2) by striking subsection (b)(2) and inserting the following:

“(2) The Secretary may make a contract with a qualified entity (as determined by the Secretary) or, on a sole source basis, with a State or a political subdivision of a State to allow the entity, State, or subdivision to operate an airport traffic control tower classified as a level I (Visual Flight Rules) tower if the Secretary decides that the entity, State, or subdivision has the capability to comply with the requirements of this paragraph. The contract shall require that the entity, State, or subdivision comply with applicable safety regulations in operating the facility and with applicable competition requirements in making a subcontract to perform work to carry out the contract.”;

(3) in subsection (b)(3)—

(A) in the paragraph heading by striking “PILOT”;

(B) by striking “pilot” each place it appears; and

(C) in subparagraph (E) by striking “\$6,000,000 per fiscal year” and inserting “\$6,500,000 for fiscal 2004, \$7,000,000 for fiscal year 2005, \$7,500,000 for fiscal year 2006, and \$8,000,000 for fiscal year 2007”; and

(4) in subsection (b)(4)(C) by striking “\$1,100,000.” and inserting “\$1,500,000.”.

SEC. 106. INSURANCE.

(a) **AIRCRAFT MANUFACTURERS.**—

(1) **IN GENERAL.**—Section 44302 is amended by adding at the end the following:

“(g) **AIRCRAFT MANUFACTURERS.**—

“(1) **IN GENERAL.**—The Secretary may provide to an aircraft manufacturer insurance for loss or damage resulting from operation of an aircraft by an air carrier and involving war or terrorism.

“(2) **AMOUNT.**—Insurance provided by the Secretary under this subsection shall be for loss or damage in excess of the greater of the amount of available primary insurance or \$50,000,000.

“(3) **TERMS AND CONDITIONS.**—Insurance provided by the Secretary under this subsection shall be subject to the terms and conditions set forth in this chapter and such other terms and conditions as the Secretary may prescribe.”.

(2) **DEFINITION OF AIRCRAFT MANUFACTURER.**—Section 44301 is amended—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2) (as so redesignated) the following:

“(1) ‘aircraft manufacturer’ means any company or other business entity, the majority ownership and control of which is by United States citizens, that manufactures aircraft or aircraft engines.”.

(3) COVERAGE.—Section 44303(a) is amended—

(A) in the subsection heading by striking “IN GENERAL” and inserting “IN GENERAL”; and

(B) by adding at the end the following:

“(6) loss or damage of an aircraft manufacturer resulting from operation of an aircraft by an air carrier and involving war or terrorism.”.

(b) AIRCRAFT MANUFACTURER LIABILITY FOR THIRD-PARTY CLAIMS ARISING OUT OF ACTS OF TERRORISM.—Section 44303(b) is amended by adding at the end the following: “The Secretary may extend the provisions of this subsection to an aircraft manufacturer (as defined in section 44301) of the aircraft of the air carrier involved.”.

(c) PREMIUMS AND LIMITATIONS ON COVERAGE AND CLAIMS.—Section 44306(b) is amended by striking “air” and inserting “insurance”.

(d) ENDING EFFECTIVE DATE.—Section 44310 is amended by striking “December 31, 2004” and inserting “March 30, 2008”.

(e) TECHNICAL CORRECTION.—Effective November 19, 2001, section 124(b) of the Aviation and Transportation Security Act (115 Stat. 631) is amended by striking “to carry out foreign policy” and inserting “to carry out the foreign policy”.

Effective date.

49 USC 44306.

Subtitle B—Passenger Facility Fees

SEC. 121. LOW-EMISSION AIRPORT VEHICLES AND GROUND SUPPORT EQUIPMENT.

(a) IN GENERAL.—Section 40117(a)(3) is amended by inserting at the end the following:

“(G) A project for converting vehicles and ground support equipment used at a commercial service airport to low-emission technology (as defined in section 47102) or to use cleaner burning conventional fuels, retrofitting of any such vehicles or equipment that are powered by a diesel or gasoline engine with emission control technologies certified or verified by the Environmental Protection Agency to reduce emissions, or acquiring for use at a commercial service airport vehicles and ground support equipment that include low-emission technology or use cleaner burning fuels if the airport is located in an air quality nonattainment area (as defined in section 171(2) of the Clean Air Act (42 U.S.C. 7501(2))) or a maintenance area referred to in section 175A of such Act (42 U.S.C. 7505a) and if such project will result in an airport receiving appropriate emission credits as described in section 47139.”.

(b) MAXIMUM COST FOR CERTAIN LOW-EMISSION TECHNOLOGY PROJECTS.—Section 40117(b) is amended by adding at the end the following:

“(5) MAXIMUM COST FOR CERTAIN LOW-EMISSION TECHNOLOGY PROJECTS.—The maximum cost that may be financed by imposition of a passenger facility fee under this section

for a project described in subsection (a)(3)(G) with respect to a vehicle or ground support equipment may not exceed the incremental amount of the project cost that is greater than the cost of acquiring a vehicle or equipment that is not low-emission and would be used for the same purpose, or the cost of low-emission retrofitting, as determined by the Secretary.”.

(c) GROUND SUPPORT EQUIPMENT DEFINED.—Section 40117(a) is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following:

“(4) GROUND SUPPORT EQUIPMENT.—The term ‘ground support equipment’ means service and maintenance equipment used at an airport to support aeronautical operations and related activities.”.

49 USC 40117
note.

(d) GUIDANCE.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall issue guidance determining eligibility of projects, and how benefits to air quality must be demonstrated, under the amendments made by this section.

SEC. 122. USE OF FEES TO PAY DEBT SERVICE.

Sections 40117(b) is further amended by adding at the end the following:

“(6) DEBT SERVICE FOR CERTAIN PROJECTS.—In addition to the uses specified in paragraphs (1) and (4), the Secretary may authorize a passenger facility fee imposed under paragraph (1) or (4) to be used for making payments for debt service on indebtedness incurred to carry out at the airport a project that is not an eligible airport-related project if the Secretary determines that such use is necessary due to the financial need of the airport.”.

SEC. 123. STREAMLINING OF THE PASSENGER FACILITY FEE PROGRAM.

(a) APPLICATION REQUIREMENTS.—Section 40117(c) is amended—

(1) by adding at the end of paragraph (2) the following:

“(E) The agency must include in its application or notice submitted under subparagraph (A) copies of all certifications of agreement or disagreement received under subparagraph (D).

“(F) For the purpose of this section, an eligible agency providing notice and an opportunity for consultation to an air carrier or foreign air carrier is deemed to have satisfied the requirements of this paragraph if the eligible agency limits such notices and consultations to air carriers and foreign air carriers that have a significant business interest at the airport. In the subparagraph, the term ‘significant business interest’ means an air carrier or foreign air carrier that had no less than 1.0 percent of passenger boardings at the airport in the prior calendar year, had at least 25,000 passenger boardings at the airport in the prior calendar year, or provides scheduled service at the airport.”;

(2) by redesignating paragraph (3) as paragraph (4);

(3) by inserting after paragraph (2) the following:

“(3) Before submitting an application, the eligible agency must provide reasonable notice and an opportunity for public comment. The Secretary shall prescribe regulations that define reasonable notice and provide for at least the following under this paragraph:

Notice.
Regulations.

“(A) A requirement that the eligible agency provide public notice of intent to collect a passenger facility fee so as to inform those interested persons and agencies that may be affected. The public notice may include—

“(i) publication in local newspapers of general circulation;

“(ii) publication in other local media; and

“(iii) posting the notice on the agency’s Internet website.

“(B) A requirement for submission of public comments no sooner than 30 days, and no later than 45 days, after the date of the publication of the notice.

“(C) A requirement that the agency include in its application or notice submitted under subparagraph (A) copies of all comments received under subparagraph (B).”; and

(4) in the first sentence of paragraph (4) (as redesignated by paragraph (2) of this subsection) by striking “shall” and inserting “may”.

(b) PILOT PROGRAM FOR PASSENGER FACILITY FEE AUTHORIZATIONS AT NONHUB AIRPORTS.—Section 40117 is amended by adding at the end the following:

“(1) PILOT PROGRAM FOR PASSENGER FACILITY FEE AUTHORIZATIONS AT NONHUB AIRPORTS.—

“(1) IN GENERAL.—The Secretary shall establish a pilot program to test alternative procedures for authorizing eligible agencies for nonhub airports to impose passenger facility fees. An eligible agency may impose in accordance with the provisions of this subsection a passenger facility fee under this section. For purposes of the pilot program, the procedures in this subsection shall apply instead of the procedures otherwise provided in this section.

Applicability.

“(2) NOTICE AND OPPORTUNITY FOR CONSULTATION.—The eligible agency must provide reasonable notice and an opportunity for consultation to air carriers and foreign air carriers in accordance with subsection (c)(2) and must provide reasonable notice and opportunity for public comment in accordance with subsection (c)(3).

“(3) NOTICE OF INTENTION.—The eligible agency must submit to the Secretary a notice of intention to impose a passenger facility fee under this subsection. The notice shall include—

“(A) information that the Secretary may require by regulation on each project for which authority to impose a passenger facility fee is sought;

“(B) the amount of revenue from passenger facility fees that is proposed to be collected for each project; and

“(C) the level of the passenger facility fee that is proposed.

“(4) ACKNOWLEDGEMENT OF RECEIPT AND INDICATION OF OBJECTION.—The Secretary shall acknowledge receipt of the

Deadline.

notice and indicate any objection to the imposition of a passenger facility fee under this subsection for any project identified in the notice within 30 days after receipt of the eligible agency's notice.

Deadline.

“(5) **AUTHORITY TO IMPOSE FEE.**—Unless the Secretary objects within 30 days after receipt of the eligible agency's notice, the eligible agency is authorized to impose a passenger facility fee in accordance with the terms of its notice under this subsection.

Deadline.

“(6) **REGULATIONS.**—Not later than 180 days after the date of enactment of this subsection, the Secretary shall propose such regulations as may be necessary to carry out this subsection.

“(7) **SUNSET.**—This subsection shall cease to be effective beginning on the date that is 3 years after the date of issuance of regulations to carry out this subsection.

“(8) **ACKNOWLEDGEMENT NOT AN ORDER.**—An acknowledgment issued under paragraph (4) shall not be considered an order issued by the Secretary for purposes of section 46110.”.

(c) **CLARIFICATION OF APPLICABILITY OF PFC'S TO MILITARY CHARTERS.**—Section 40117(e)(2) is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a semicolon;

(2) by striking “and” at the end of subparagraph (D);

(3) by striking the period at the end of subparagraph (E) and inserting “; and”; and

(4) by adding after subparagraph (E) the following:

“(F) enplaning at an airport if the passenger did not pay for the air transportation which resulted in such enplanement due to charter arrangements and payment by the Department of Defense.”.

(d) **TECHNICAL AMENDMENTS.**—Section 40117(a)(3)(C) is amended—

(1) by striking “for costs” and inserting “A project for costs”; and

(2) by striking the semicolon and inserting a period.

Deadline.
Federal Register,
publication.
49 USC 40117
note.

(e) **ELIGIBILITY OF AIRPORT GROUND ACCESS TRANSPORTATION PROJECTS.**—Not later than 60 days after the enactment of this Act, the Administrator of the Federal Aviation Administration shall publish in the Federal Register the current policy of the Administration, consistent with current law, with respect to the eligibility of airport ground access transportation projects for the use of passenger facility fees under section 40117 of title 49, United States Code.

SEC. 124. FINANCIAL MANAGEMENT OF PASSENGER FACILITY FEES.

Section 40117 is further amended by adding at the end the following:

“(m) **FINANCIAL MANAGEMENT OF FEES.**—

“(1) **HANDLING OF FEES.**—A covered air carrier shall segregate in a separate account passenger facility revenue equal to the average monthly liability for fees collected under this section by such carrier or any of its agents for the benefit of the eligible agencies entitled to such revenue.

“(2) **TRUST FUND STATUS.**—If a covered air carrier or its agent fails to segregate passenger facility revenue in violation of the subsection, the trust fund status of such revenue shall

not be defeated by an inability of any party to identify and trace the precise funds in the accounts of the air carrier.

“(3) PROHIBITION.—A covered air carrier and its agents may not grant to any third party any security or other interest in passenger facility revenue.

“(4) COMPENSATION TO ELIGIBLE ENTITIES.—A covered air carrier that fails to comply with any requirement of this subsection, or otherwise unnecessarily causes an eligible entity to expend funds, through litigation or otherwise, to recover or retain payment of passenger facility revenue to which the eligible entity is otherwise entitled shall be required to compensate the eligible agency for the costs so incurred.

“(5) INTEREST ON AMOUNTS.—A covered air carrier that collects passenger facility fees is entitled to receive the interest on passenger facility fee accounts if the accounts are established and maintained in compliance with this subsection.

“(6) EXISTING REGULATIONS.—The provisions of section 158.49 of title 14, Code of Federal Regulations, that permit the commingling of passenger facility fees with other air carrier revenue shall not apply to a covered air carrier.

“(7) COVERED AIR CARRIER DEFINED.—In this section, the term ‘covered air carrier’ means an air carrier that files for chapter 7 or chapter 11 of title 11 bankruptcy protection, or has an involuntary chapter 7 of title 11 bankruptcy proceeding commenced against it, after the date of enactment of this subsection.”.

Subtitle C—AIP Modifications

SEC. 141. AIRFIELD PAVEMENT.

Section 47102(3)(H) is amended by inserting “nonhub airports and” before “airports that are not primary airports”.

SEC. 142. REPLACEMENT OF BAGGAGE CONVEYOR SYSTEMS.

Section 47102(3)(B)(x) is amended by striking the period at the end and inserting the following: “; except that such activities shall be eligible for funding under this subchapter only using amounts apportioned under section 47114.”.

SEC. 143. AUTHORITY TO USE CERTAIN FUNDS FOR AIRPORT SECURITY PROGRAMS AND ACTIVITIES.

Section 308 of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 44901 note; 110 Stat. 3253), and the item relating to such section in the table of contents contained in section 1(b) of that Act, are repealed.

SEC. 144. GRANT ASSURANCES.

(a) STATUTE OF LIMITATIONS.—Section 47107(l)(5)(A) is amended by inserting “or any other governmental entity” after “sponsor”.

(b) AUDIT CERTIFICATION.—Section 47107(m) is amended—

(1) in paragraph (1) by striking “promulgate regulations that” and inserting “include a provision in the compliance supplement provisions to”;

(2) in paragraph (1) by striking “and opinion of the review”; and

(3) by striking paragraph (3).

SEC. 145. CLARIFICATION OF ALLOWABLE PROJECT COSTS.

Section 47110(b)(1) is amended by inserting before the semicolon at the end “and any cost of moving a Federal facility impeding the project if the rebuilt facility is of an equivalent size and type”.

SEC. 146. APPORTIONMENTS TO PRIMARY AIRPORTS.

(a) IN GENERAL.—Section 47114(c)(1) is amended by adding at the end the following:

“(F) SPECIAL RULE FOR FISCAL YEARS 2004 AND 2005.—Notwithstanding subparagraph (A) and the absence of scheduled passenger aircraft service at an airport, the Secretary may apportion in fiscal years 2004 and 2005 to the sponsor of the airport an amount equal to the amount apportioned to that sponsor in fiscal year 2002 or 2003, whichever amount is greater, if the Secretary finds that—

“(i) the passenger boardings at the airport were below 10,000 in calendar year 2002 or 2003;

“(ii) the airport had at least 10,000 passenger boardings and scheduled passenger aircraft service in either calendar year 2000 or 2001; and

“(iii) the reason that passenger boardings described in clause (i) were below 10,000 was the decrease in passengers following the terrorist attacks of September 11, 2001.”.

(b) SPECIAL RULE FOR TRANSITIONING AIRPORTS.—Section 47114(f)(3) is amended—

(1) in the paragraph heading by striking “AIRPORTS” and inserting “AIRPORTS”; and

(2) in subparagraph (B) by striking “fiscal years 2000 through 2003” and inserting “fiscal year 2004”.

SEC. 147. CARGO AIRPORTS.

Section 47114(c)(2) is amended—

(1) in the paragraph heading by striking “ONLY”; and

(2) in subparagraph (A) by striking “3 percent” and inserting “3.5 percent”.

SEC. 148. CONSIDERATIONS IN MAKING DISCRETIONARY GRANTS.

Section 47115(d) is amended to read as follows:

“(d) CONSIDERATIONS.—

“(1) FOR CAPACITY ENHANCEMENT PROJECTS.—In selecting a project for a grant to preserve and improve capacity funded in whole or in part from the fund, the Secretary shall consider—

“(A) the effect that the project will have on overall national transportation system capacity;

“(B) the benefit and cost of the project, including, in the case of a project at a reliever airport, the number of operations projected to be diverted from a primary airport to the reliever airport as a result of the project, as well as the cost savings projected to be realized by users of the local airport system;

“(C) the financial commitment from non-United States Government sources to preserve or improve airport capacity;

“(D) the airport improvement priorities of the States to the extent such priorities are not in conflict with subparagraphs (A) and (B);

“(E) the projected growth in the number of passengers or aircraft that will be using the airport at which the project will be carried out; and

“(F) the ability of the project to foster United States competitiveness in securing global air cargo activity at a United States airport.

“(2) FOR ALL PROJECTS.—In selecting a project for a grant under this section, the Secretary shall consider among other factors whether—

“(A) funding has been provided for all other projects qualifying for funding during the fiscal year under this chapter that have attained a higher score under the numerical priority system employed by the Secretary in administering the fund; and

“(B) the sponsor will be able to commence the work identified in the project application in the fiscal year in which the grant is made or within 6 months after the grant is made, whichever is later.”.

SEC. 149. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT APPORTIONMENTS.

(a) PROJECT GRANT AGREEMENTS.—Section 47108(a) is amended by inserting “or 47114(d)(3)(A)” after “under section 47114(c)”.

(b) ALLOWABLE PROJECT COSTS.—Section 47110 is amended—

(1) in subsection (b)(2)(C) by striking “of this title” and inserting “or section 47114(d)(3)(A)”;

(2) in subsection (g)—

(A) by inserting “or section 47114(d)(3)(A)” after “of section 47114(c)”;

(B) by striking “of project” and inserting “of the project”; and

(3) by adding at the end the following:

“(h) NONPRIMARY AIRPORTS.—The Secretary may decide that the costs of revenue producing aeronautical support facilities, including fuel farms and hangars, are allowable for an airport development project at a nonprimary airport if the Government’s share of such costs is paid only with funds apportioned to the airport sponsor under section 47114(d)(3)(A) and if the Secretary determines that the sponsor has made adequate provision for financing airside needs of the airport.”.

(c) WAIVER.—Section 47117(c)(2) is amended to read as follows:

“(2) WAIVER.—A sponsor of an airport may make an agreement with the Secretary of Transportation waiving the sponsor’s claim to any part of the amount apportioned for the airport under sections 47114(c) and 47114(d)(3)(A) if the Secretary agrees to make the waived amount available for a grant for another public-use airport in the same State or geographical area as the airport, as determined by the Secretary.”.

(d) TERMINAL DEVELOPMENT COSTS.—Section 47119(b) is amended—

(1) by striking “or” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting “; or”; and

(3) by adding at the end the following:

“(5) to a sponsor of a nonprimary airport, any part of amounts apportioned to the sponsor for the fiscal year under

section 47114(d)(3)(A) for project costs allowable under section 47110(d).”.

SEC. 150. USE OF APPORTIONED AMOUNTS.

The first sentence of section 47117(b) is amended by striking “primary airport” and all that follows through “calendar year” and inserting “nonhub airport or any airport that is not a commercial service airport”.

SEC. 151. INCREASE IN APPORTIONMENT FOR, AND FLEXIBILITY OF, NOISE COMPATIBILITY PLANNING PROGRAMS.

Section 47117(e)(1)(A) is amended—

(1) by striking “At least 34 percent” and inserting “At least 35 percent”;

(2) by striking “of this title and” and inserting a comma;

(3) by striking “of this title.” and inserting “, for noise mitigation projects approved in an environmental record of decision for an airport development project under this title, for compatible land use planning and projects carried out by State and local governments under section 47141, and for airport development described in section 47102(3)(F), 47102(3)(K), or 47102(3)(L) to comply with the Clean Air Act (42 U.S.C. 7401 et seq.).”; and

(4) by striking “34 percent requirement” and inserting “35 percent requirement”.

SEC. 152. PILOT PROGRAM FOR PURCHASE OF AIRPORT DEVELOPMENT RIGHTS.

(a) IN GENERAL.—Subchapter I of chapter 471 is amended by adding at the end the following:

“§ 47138. Pilot program for purchase of airport development rights

“(a) IN GENERAL.—The Secretary of Transportation shall establish a pilot program to support the purchase, by a State or political subdivision of a State, of development rights associated with, or directly affecting the use of, privately owned public use airports located in that State. Under the program, the Secretary may make a grant to a State or political subdivision of a State from funds apportioned under section 47114 for the purchase of such rights.

“(b) GRANT REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the grant is made—

“(A) to enable the State or political subdivision to purchase development rights in order to ensure that the airport property will continue to be available for use as a public airport; and

“(B) subject to a requirement that the State or political subdivision acquire an easement or other appropriate covenant requiring that the airport shall remain a public use airport in perpetuity.

“(2) MATCHING REQUIREMENT.—The amount of a grant under the program may not exceed 90 percent of the costs of acquiring the development rights.

“(c) GRANT STANDARDS.—The Secretary shall prescribe standards for grants under subsection (a), including—

“(1) grant application and approval procedures; and

“(2) requirements for the content of the instrument recording the purchase of the development rights.

“(d) RELEASE OF PURCHASED RIGHTS AND COVENANT.—Any development rights purchased under the program shall remain the property of the State or political subdivision unless the Secretary approves the transfer or disposal of the development rights after making a determination that the transfer or disposal of that right is in the public interest.

“(e) LIMITATION.—The Secretary may not make a grant under the pilot program for the purchase of development rights at more than 10 airports.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 471 is amended by inserting after the item relating to section 47137 the following:

“47138. Pilot program for purchase of airport development rights.”.

SEC. 153. MILITARY AIRPORT PROGRAM.

Section 47118 is amended—

(1) in subsection (e) by striking “Not more than \$7,000,000 for each airport from amounts the Secretary distributes under section 47115 of this title for a fiscal year is available” and inserting “From amounts the Secretary distributes to an airport under section 47115, \$10,000,000 for each of fiscal years 2004 and 2005, and \$7,000,000 for each fiscal year thereafter, is available”;

(2) in subsection (f) by striking “Not more than a total of \$7,000,000 for each airport from amounts the Secretary distributes under section 47115 of this title for fiscal years beginning after September 30, 1992, is available” and inserting the following:

“(1) CONSTRUCTION.—From amounts the Secretary distributes to an airport under section 47115, \$10,000,000 for each of fiscal years 2004 and 2005, and \$7,000,000 for each fiscal year thereafter, is available”; and

(3) by adding at the end of subsection (f) the following:

“(2) REIMBURSEMENT.—Upon approval of the Secretary, the sponsor of a current or former military airport the Secretary designates under this section may use an amount apportioned under section 47114, or made available under section 47115 or 47117(e)(1)(B), to the airport for reimbursement of costs incurred by the airport in fiscal years 2003 and 2004 for construction, improvement, or repair described in paragraph (1).”.

SEC. 154. AIRPORT SAFETY DATA COLLECTION.

Section 47130 is amended to read as follows:

“§ 47130. Airport safety data collection

“Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration may award a contract, using sole source or limited source authority, or enter into a cooperative agreement with, or provide a grant from amounts made available under section 48103 to, a private company or entity for the collection of airport safety data. In the event that a grant is provided under this section, the United States Government’s share of the cost of the data collection shall be 100 percent.”.

SEC. 155. AIRPORT PRIVATIZATION PILOT PROGRAM.

(a) IN GENERAL.—Section 47134(b)(1) is amended—

(1) in subparagraph (A) by striking clauses (i) and (ii) and inserting the following:

“(i) in the case of a primary airport, by at least 65 percent of the scheduled air carriers serving the airport and by scheduled and nonscheduled air carriers whose aircraft landing at the airport during the preceding calendar year, had a total landed weight during the preceding calendar year of at least 65 percent of the total landed weight of all aircraft landing at the airport during such year; or

“(ii) in the case of a nonprimary airport, by the Secretary after the airport has consulted with at least 65 percent of the owners of aircraft based at that airport, as determined by the Secretary.”;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

“(B) OBJECTION TO EXEMPTION.—An air carrier shall be deemed to have approved a sponsor’s application for an exemption under subparagraph (A) unless the air carrier has submitted an objection, in writing, to the sponsor within 60 days of the filing of the sponsor’s application with the Secretary, or within 60 days of the service of the application upon that air carrier, whichever is later.”.

Deadline.

49 USC 47134
note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall not affect any application submitted before the date of enactment of this Act.

SEC. 156. INNOVATIVE FINANCING TECHNIQUES.

The first sentence of section 47135(a) is amended by inserting after “approve” the following: “, after the date of enactment of the Vision 100—Century of Aviation Reauthorization Act,”.

SEC. 157. AIRPORT SECURITY PROGRAM.

Section 47137 is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following:

“(e) ADMINISTRATION.—The Secretary, in cooperation with the Secretary of Homeland Security, shall administer the program authorized by this section.”.

SEC. 158. EMISSION CREDITS FOR AIR QUALITY PROJECTS.

(a) EMISSIONS CREDIT.—Subchapter I of chapter 471 is further amended by adding at the end the following:

“§ 47139. Emission credits for air quality projects

“(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Transportation, shall issue guidance on how to ensure that airport sponsors receive appropriate emission reduction credits for carrying out projects described in sections 40117(a)(3)(G), 47102(3)(F), 47102(3)(K), and 47102(3)(L). Such guidance shall include, at a minimum, the following conditions:

“(1) The provision of credits is consistent with the Clean Air Act (42 U.S.C. 7402 et seq.).

“(2) Credits generated by the emissions reductions are kept by the airport sponsor and may only be used for purposes of any current or future general conformity determination under the Clean Air Act or as offsets under the Environmental Protection Agency’s new source review program for projects on the airport or associated with the airport.

“(3) Credits are calculated and provided to airports on a consistent basis nationwide.

“(4) Credits are provided to airport sponsors in a timely manner.

“(5) The establishment of a method to assure the Secretary that, for any specific airport project for which funding is being requested, the appropriate credits will be granted.

“(b) ASSURANCE OF RECEIPT OF CREDITS.—As a condition for making a grant for a project described in section 47102(3)(F), 47102(3)(K), 47102(3)(L), or 47140 or as a condition for granting approval to collect or use a passenger facility fee for a project described in section 40117(a)(3)(G), 47103(3)(F), 47102(3)(K), 47102(3)(L), or 47140, the Secretary must receive assurance from the State in which the project is located, or from the Administrator of the Environmental Protection Agency where there is a Federal implementation plan, that the airport sponsor will receive appropriate emission credits in accordance with the conditions of this section.

“(c) PREVIOUSLY APPROVED PROJECTS.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary, shall determine how to provide appropriate emissions credits to airport projects previously approved under section 47136 consistent with the guidance and conditions specified in subsection (a).

“(d) STATE AUTHORITY UNDER CAA.—Nothing in this section shall be construed as overriding existing State law or regulation pursuant to section 116 of the Clean Air Act (42 U.S.C. 7416).”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 471 is further amended by inserting after the item relating to section 47138 the following:

“47139. Emission credits for air quality projects.”.

SEC. 159. LOW-EMISSION AIRPORT VEHICLES AND INFRASTRUCTURE.

(a) AIRPORT GROUND SUPPORT EQUIPMENT EMISSIONS RETROFIT PILOT PROGRAM.—

(1) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

“§ 47140. Airport ground support equipment emissions retrofit pilot program

“(a) IN GENERAL.—The Secretary of Transportation shall carry out a pilot program at not more than 10 commercial service airports under which the sponsors of such airports may use an amount made available under section 48103 to retrofit existing eligible airport ground support equipment that burns conventional fuels to achieve lower emissions utilizing emission control technologies certified or verified by the Environmental Protection Agency.

“(b) LOCATION IN AIR QUALITY NONATTAINMENT OR MAINTENANCE AREAS.—A commercial service airport shall be eligible for participation in the pilot program only if the airport is located in an air quality nonattainment area (as defined in section 171(2))

of the Clean Air Act (42 U.S.C. 7501(2))) or a maintenance area referred to in section 175A of such Act (42 U.S.C. 7505a).

“(c) SELECTION CRITERIA.—In selecting from among applicants for participation in the pilot program, the Secretary shall give priority consideration to applicants that will achieve the greatest air quality benefits measured by the amount of emissions reduced per dollar of funds expended under the pilot program.

“(d) MAXIMUM AMOUNT.—Not more than \$500,000 may be expended under the pilot program at any single commercial service airport.

“(e) GUIDELINES.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish guidelines regarding the types of retrofit projects eligible under the pilot program by considering remaining equipment useful life, amounts of emission reduction in relation to the cost of projects, and other factors necessary to carry out this section. The Secretary may give priority to ground support equipment owned by the airport and used for airport purposes.

“(f) ELIGIBLE EQUIPMENT DEFINED.—In this section, the term ‘eligible equipment’ means ground service or maintenance equipment that is located at the airport, is used to support aeronautical and related activities at the airport, and will remain in operation at the airport for the life or useful life of the equipment, whichever is earlier.”

(2) CONFORMING AMENDMENT.—The analysis for chapter 471 is further amended by inserting after the item relating to section 47139 the following:

“47140. Airport ground support equipment emissions retrofit pilot program.”

(b) ACTIVITIES ADDED TO DEFINITION OF AIRPORT DEVELOPMENT.—

(1) IN GENERAL.—Section 47102(3) is amended—

(A) by striking subparagraphs (J), (K), and (L) and redesignating subparagraph (M) as subparagraph (J); and

(B) by adding at the end the following:

“(K) work necessary to construct or modify airport facilities to provide low-emission fuel systems, gate electrification, and other related air quality improvements at a commercial service airport if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175A of the Clean Air Act (42 U.S.C. 7501(2); 7505a) and if such project will result in an airport receiving appropriate emission credits, as described in section 47139.

“(L) a project for the acquisition or conversion of vehicles and ground support equipment, owned by a commercial service airport, to low-emission technology, if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175A of the Clean Air Act (42 U.S.C. 7501(2); 7505a) and if such project will result in an airport receiving appropriate emission credits as described in section 47139.”

(2) GUIDANCE.—

(A) ELIGIBLE LOW-EMISSION MODIFICATIONS AND IMPROVEMENTS.—The Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall issue guidance describing eligible low-emission modifications and improvements, and stating

how airport sponsors will demonstrate benefits, under section 47102(3)(K) of title 49, United States Code, as added by this subsection.

(B) ELIGIBLE LOW-EMISSION VEHICLE TECHNOLOGY.—

The Secretary, in consultation with the Administrator, shall issue guidance describing eligible low-emission vehicle technology, and stating how airport sponsors will demonstrate benefits, under section 47102(3)(L) of title 49, United States Code, as added by this subsection.

(c) ALLOWABLE PROJECT COST.—Section 47110(b) is amended—

(1) by striking “and” at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting “; and”; and

(3) by adding at the end the following:

“(6) if the cost is for a project not described in section 47102(3) for acquiring for use at a commercial service airport vehicles and ground support equipment owned by an airport that include low-emission technology, but only to the extent of the incremental cost of equipping such vehicles or equipment with low-emission technology, as determined by the Secretary.”.

(d) LOW-EMISSION TECHNOLOGY EQUIPMENT.—Section 47102 (as amended by section 801 of this Act) is further amended by inserting after paragraph (10) the following:

“(11) ‘low-emission technology’ means technology for vehicles and equipment whose emission performance is the best achievable under emission standards established by the Environmental Protection Agency and that relies exclusively on alternative fuels that are substantially nonpetroleum based, as defined by the Department of Energy, but not excluding hybrid systems or natural gas powered vehicles.”.

SEC. 160. COMPATIBLE LAND USE PLANNING AND PROJECTS BY STATE AND LOCAL GOVERNMENTS.

(a) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

“§ 47141. Compatible land use planning and projects by State and local governments

“(a) IN GENERAL.—The Secretary of Transportation may make grants, from amounts set aside under section 47117(e)(1)(A), to States and units of local government for development and implementation of land use compatibility plans and implementation of land use compatibility projects resulting from those plans for the purposes of making the use of land areas around large hub airports and medium hub airports compatible with aircraft operations. The Secretary may make a grant under this section for a land use compatibility plan or a project resulting from such plan only if—

“(1) the airport operator has not submitted a noise compatibility program to the Secretary under section 47504 or has not updated such program within the preceding 10 years; and

“(2) the land use plan or project meets the requirements of this section.

“(b) ELIGIBILITY.—In order to receive a grant under this section, a State or unit of local government must—

“(1) have the authority to plan and adopt land use control measures, including zoning, in the planning area in and around a large or medium hub airport;

“(2) enter into an agreement with the airport owner or operator that the development of the land use compatibility plan will be done cooperatively; and

“(3) provide written assurance to the Secretary that it will achieve, to the maximum extent possible, compatible land uses consistent with Federal land use compatibility criteria under section 47502(3) and that those compatible land uses will be maintained.

“(c) ASSURANCES.—The Secretary shall require a State or unit of local government to which a grant may be made under this section for a land use plan or a project resulting from such plan to provide—

“(1) assurances satisfactory to the Secretary that the plan—

“(A) is reasonably consistent with the goal of reducing existing noncompatible land uses and preventing the introduction of additional noncompatible land uses;

“(B) addresses ways to achieve and maintain compatible land uses, including zoning, building codes, and any other land use compatibility measures under section 47504(a)(2) that are within the authority of the State or unit of local government to implement;

“(C) uses noise contours provided by the airport operator that are consistent with the airport operation and planning, including any noise abatement measures adopted by the airport operator as part of its own noise mitigation efforts;

“(D) does not duplicate, and is not inconsistent with, the airport operator’s noise compatibility measures for the same area; and

“(E) has been approved jointly by the airport owner or operator and the State or unit of local government; and

“(2) such other assurances as the Secretary determines to be necessary to carry out this section.

“(d) GUIDELINES.—The Secretary shall establish guidelines to administer this section in accordance with the purposes and conditions described in this section. The Secretary may require a State or unit of local government to which a grant may be made under this section to provide progress reports and other information as the Secretary determines to be necessary to carry out this section.

“(e) ELIGIBLE PROJECTS.—The Secretary may approve a grant under this section to a State or unit of local government for a project resulting from a land use compatibility plan only if the Secretary is satisfied that the project is consistent with the guidelines established by the Secretary under this section, the State or unit of local government has provided the assurances required by this section, the State or unit of local government has implemented (or has made provision to implement) those elements of the plan that are not eligible for Federal financial assistance, and that the project is not inconsistent with applicable Federal Aviation Administration standards.

“(f) SUNSET.—This section shall not be in effect after September 30, 2007.”.

(b) CONFORMING AMENDMENT.—The analysis of subchapter I of chapter 471 is further amended by adding at the end the following:

“47141. Compatible land use planning and projects by State and local governments.”.

SEC. 161. TEMPORARY INCREASE IN GOVERNMENT SHARE OF CERTAIN AIP PROJECT COSTS.

49 USC 47109 note.

Notwithstanding section 47109(a) of title 49, United States Code, the Government’s share of allowable project costs for a grant made in each of fiscal years 2004 through 2007 under chapter 471 of that title for a project described in paragraph (2) or (3) of that section shall be 95 percent.

SEC. 162. SHARE OF AIRPORT PROJECT COSTS.

(a) IN GENERAL.—Section 47109 is amended—

- (1) by redesignating subsection (c) as subsection (d); and
- (2) by inserting after subsection (b) the following:

“(c) GRANDFATHER RULE.—

“(1) IN GENERAL.—In the case of any project approved after September 30, 2003, at a small hub airport or nonhub airport that is located in a State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) of more than 5 percent of the total area of all lands in the State, the Government’s share of allowable costs of the project shall be increased by the same ratio as the basic share of allowable costs of a project divided into the increased (Public Lands States) share of allowable costs of a project as shown on documents of the Federal Aviation Administration dated August 3, 1979, at airports for which the general share was 80 percent on August 3, 1979. This subsection shall apply only if—

Applicability.

“(A) the State contained unappropriated and unreserved public lands and nontaxable Indian lands of more than 5 percent of the total area of all lands in the State on August 3, 1979; and

“(B) the application under subsection (b), does not increase the Government’s share of allowable costs of the project.

“(2) LIMITATION.—The Government’s share of allowable project costs determined under this subsection shall not exceed the lesser of 93.75 percent or the highest percentage Government share applicable to any project in any State under subsection (b).”.

(b) CONFORMING AMENDMENT.—Subsection (a) of section 47109 is amended by striking “Except as provided in subsection (b)” and inserting “Except as provided in subsection (b) or subsection (c)”.

SEC. 163. FEDERAL SHARE FOR PRIVATE OWNERSHIP OF AIRPORTS.

Section 47109(a)(4) is amended by striking “40 percent” and inserting “70 percent”.

SEC. 164. DISPOSITION OF LAND ACQUIRED FOR NOISE COMPATIBILITY PURPOSES.

Section 47107(c)(2)(A)(iii) is amended by inserting before the semicolon at the end the following: “, including the purchase of nonresidential buildings or property in the vicinity of residential

buildings or property previously purchased by the airport as part of a noise compatibility program”.

SEC. 165. HANGAR CONSTRUCTION GRANT ASSURANCE.

Section 47107(a) is amended—

(1) by striking “and” at the end of paragraph (19);
(2) by striking the period at the end of paragraph (20) and inserting “; and”; and

(3) by adding at the end the following:

“(21) if the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner’s expense, the airport owner or operator will grant to the aircraft owner for the hangar a long-term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.”.

SEC. 166. TERMINAL DEVELOPMENT COSTS.

Section 47119(a) is amended to read as follows:

“(a) REPAYING BORROWED MONEY.—

“(1) TERMINAL DEVELOPMENT COSTS INCURRED AFTER JUNE 30, 1970, AND BEFORE JULY 12, 1976.—An amount apportioned under section 47114 and made available to the sponsor of a commercial service airport at which terminal development was carried out after June 30, 1970, and before July 12, 1976, is available to repay immediately money borrowed and used to pay the costs for such terminal development if those costs would be allowable project costs under section 47110(d) if they had been incurred after September 3, 1982.

“(2) TERMINAL DEVELOPMENT COSTS INCURRED BETWEEN JANUARY 1, 1992, AND OCTOBER 31, 1992.—An amount apportioned under section 47114 and made available to the sponsor of a nonhub airport at which terminal development was carried out between January 1, 1992, and October 31, 1992, is available to repay immediately money borrowed and to pay the costs for such terminal development if those costs would be allowable project costs under section 47110(d).

“(3) TERMINAL DEVELOPMENT COSTS AT PRIMARY AIRPORTS.—An amount apportioned under section 47114 or available under subsection (b)(3) to a primary airport—

“(A) that was a nonhub airport in the most recent year used to calculate apportionments under section 47114;

“(B) that is a designated airport under section 47118 in fiscal year 2003; and

“(C) at which terminal development is carried out between January 2003 and August 2004,
is available to repay immediately money borrowed and used to pay the costs for such terminal development if those costs would be allowable project costs under section 47110(d).

“(4) CONDITIONS FOR GRANT.—An amount is available for a grant under this subsection only if—

“(A) the sponsor submits the certification required under section 47110(d);

“(B) the Secretary of Transportation decides that using the amount to repay the borrowed money will not defer an airport development project outside the terminal area at that airport; and

“(C) amounts available for airport development under this subchapter will not be used for additional terminal development projects at the airport for at least 1 year beginning on the date the grant is used to repay the borrowed money.

“(5) APPLICABILITY OF CERTAIN LIMITATIONS.—A grant under this subsection shall be subject to the limitations in subsection (b)(1) and (2).”.

Subtitle D—Miscellaneous

SEC. 181. DESIGN-BUILD CONTRACTING.

(a) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

“§ 47142. Design-build contracting

“(a) IN GENERAL.—The Administrator of the Federal Aviation Administration may approve an application of an airport sponsor under this section to authorize the airport sponsor to award a design-build contract using a selection process permitted under applicable State or local law if—

“(1) the Administrator approves the application using criteria established by the Administrator;

“(2) the design-build contract is in a form that is approved by the Administrator;

“(3) the Administrator is satisfied that the contract will be executed pursuant to competitive procedures and contains a schematic design adequate for the Administrator to approve the grant;

“(4) use of a design-build contract will be cost effective and expedite the project;

“(5) the Administrator is satisfied that there will be no conflict of interest; and

“(6) the Administrator is satisfied that the selection process will be as open, fair, and objective as the competitive bid system and that at least 3 or more bids will be submitted for each project under the selection process.

“(b) REIMBURSEMENT OF COSTS.—The Administrator may reimburse an airport sponsor for design and construction costs incurred before a grant is made pursuant to this section if the project is approved by the Administrator in advance and is carried out in accordance with all administrative and statutory requirements that would have been applicable under this chapter if the project were carried out after a grant agreement had been executed.

“(c) DESIGN-BUILD CONTRACT DEFINED.—In this section, the term ‘design-build contract’ means an agreement that provides for both design and construction of a project by a contractor.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 471 is further amended by inserting after the item relating to section 47141 the following:

“47142. Design-build contracting.”.

SEC. 182. PILOT PROGRAM FOR INNOVATIVE FINANCING OF AIR TRAFFIC CONTROL EQUIPMENT.

49 USC 44502
note.

(a) IN GENERAL.—In order to test the cost effectiveness and feasibility of long-term financing of modernization of major air

traffic control systems, the Administrator of the Federal Aviation Administration may establish a pilot program to test innovative financing techniques through amending, subject to section 1341 of title 31, United States Code, a contract for more than one, but not more than 20, fiscal years to purchase and install air traffic control equipment for the Administration. Such amendments may be for more than one, but not more than 10, fiscal years.

(b) CANCELLATION.—A contract described in subsection (a) may include a cancellation provision if the Administrator determines that such a provision is necessary and in the best interest of the United States. Any such provision shall include a cancellation liability schedule that covers reasonable and allocable costs incurred by the contractor through the date of cancellation plus reasonable profit, if any, on those costs. Any such provision shall not apply if the contract is terminated by default of the contractor.

(c) CONTRACT PROVISIONS.—If feasible and practicable for the pilot program, the Administrator may make an advance contract provision to achieve economic-lot purchases and more efficient production rates.

(d) LIMITATION.—The Administrator may not amend a contract under this section until the program for the terminal automation replacement systems has been rebaselined in accordance with the acquisition management system of the Administration.

(e) ANNUAL REPORTS.—At the end of each fiscal year during the term of the pilot program, the Administrator shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on how the Administrator has implemented in such fiscal year the pilot program, the number and types of contracts or contract amendments that are entered into under the program, and the program's cost effectiveness.

(f) FUNDING.—Out of amounts appropriated under section 48101 for fiscal year 2004, such sums as may be necessary shall be available to carry out this section.

SEC. 183. COST SHARING OF AIR TRAFFIC MODERNIZATION PROJECTS.

(a) IN GENERAL.—Chapter 445 is amended by adding at the end the following:

“§ 44517. Program to permit cost sharing of air traffic modernization projects

“(a) IN GENERAL.—Subject to the requirements of this section, the Secretary may carry out a program under which the Secretary may make grants to project sponsors for not more than 10 eligible projects per fiscal year for the purpose of improving aviation safety and enhancing mobility of the Nation's air transportation system by encouraging non-Federal investment in critical air traffic control equipment and software.

“(b) FEDERAL SHARE.—The Federal share of the cost of an eligible project carried out under the program shall not exceed 33 percent. The non-Federal share of the cost of an eligible project shall be provided from non-Federal sources, including revenues collected pursuant to section 40117.

“(c) LIMITATION ON GRANT AMOUNTS.—No eligible project may receive more than \$5,000,000 in Federal funds under the program.

“(d) FUNDING.—The Secretary shall use amounts appropriated under section 48101(a) to carry out the program.

“(e) DEFINITIONS.—In this section, the following definitions apply:

“(1) ELIGIBLE PROJECT.—The term ‘eligible project’ means a project to purchase equipment or software relating to the Nation’s air traffic control system that is certified or approved by the Administrator of the Federal Aviation Administration and that promotes safety, efficiency, or mobility. Such projects may include—

“(A) airport-specific air traffic facilities and equipment, including local area augmentation systems, instrument landing systems, weather and wind shear detection equipment, and lighting improvements;

“(B) automation tools to effect improvements in airport capacity, including passive final approach spacing tools and traffic management advisory equipment; and

“(C) equipment and software that enhance airspace control procedures or assist in en route surveillance, including oceanic and offshore flight tracking.

“(2) PROJECT SPONSOR.—The term ‘project sponsor’ means any major user of the national airspace system, as determined by the Secretary, including a public-use airport or a joint venture between a public-use airport and one or more air carriers.

“(f) TRANSFERS OF EQUIPMENT.—Notwithstanding any other provision of law, and upon agreement by the Administrator, a project sponsor may transfer, without consideration, to the Federal Aviation Administration, facilities, equipment, or automation tools, the purchase of which was assisted by a grant made under this section, if such facilities, equipment or tools meet Federal Aviation Administration operation and maintenance criteria.

“(g) GUIDELINES.—The Administrator shall issue advisory guidelines on the implementation of the program. The guidelines shall not be subject to administrative rulemaking requirements under subchapter II of chapter 5 of title 5.”

(b) CONFORMING AMENDMENT.—The analysis for chapter 445 is amended by adding at the end the following:

“44517. Program to permit cost sharing of air traffic modernization projects.”

SEC. 184. FACILITIES AND EQUIPMENT REPORTS.

(a) BIENNIAL REPORTS.—Beginning 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure every 6 months that describes—

- (1) the 10 largest programs funded under section 48101(a) of title 49, United States Code;
- (2) any changes in the budget for such programs;
- (3) the program schedule; and
- (4) technical risks associated with the programs.

(b) SUNSET PROVISION.—This section shall cease to be effective beginning on the date that is 4 years after the date of enactment of this Act.

SEC. 185. CIVIL PENALTY FOR PERMANENT CLOSURE OF AN AIRPORT WITHOUT PROVIDING SUFFICIENT NOTICE.

(a) IN GENERAL.—Chapter 463 is amended by adding at the end the following:

49 USC 48101
note.
Effective date.

“§ 46319. Permanent closure of an airport without providing sufficient notice

Deadline.

“(a) PROHIBITION.—A public agency (as defined in section 47102) may not permanently close an airport listed in the national plan of integrated airport systems under section 47103 without providing written notice to the Administrator of the Federal Aviation Administration at least 30 days before the date of the closure.

Federal Register, publication.

“(b) PUBLICATION OF NOTICE.—The Administrator shall publish each notice received under subsection (a) in the Federal Register.

“(c) CIVIL PENALTY.—A public agency violating subsection (a) shall be liable for a civil penalty of \$10,000 for each day that the airport remains closed without having given the notice required by this section.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 463 is amended by adding at the end the following:

“46319. Permanent closure of an airport without providing sufficient notice.”.

SEC. 186. MIDWAY ISLAND AIRPORT.

(a) FINDINGS.—Congress finds that the continued operation of the Midway Island Airport in accordance with the standards of the Federal Aviation Administration applicable to commercial airports is critical to the safety of commercial, military, and general aviation in the mid-Pacific Ocean region.

(b) MEMORANDUM OF UNDERSTANDING ON SALE OF AIRCRAFT FUEL.—The Secretaries of Transportation, Defense, Interior, and Homeland Security shall enter into a memorandum of understanding to facilitate the sale of aircraft fuel on Midway Island at a price that will generate sufficient revenue to improve the ability of the airport to operate on a self-sustaining basis in accordance with the standards of the Federal Aviation Administration applicable to commercial airports. The memorandum shall also address the long-range potential of promoting tourism as a means to generate revenue to operate the airport.

(c) TRANSFER OF NAVIGATION AIDS AT MIDWAY ISLAND AIRPORT.—The Midway Island Airport may transfer, without consideration, to the Administrator the navigation aids at the airport. The Administrator shall accept the navigation aids and operate and maintain the navigation aids under criteria of the Administrator.

(d) FUNDING TO SECRETARY OF THE INTERIOR FOR MIDWAY ISLAND AIRPORT.—The Secretary of Transportation may enter into a reimbursable agreement with the Secretary of the Interior for the purpose of funding airport development, as defined in section 47102(3) of title 49, United States Code, at Midway Island Airport for fiscal years ending before October 1, 2007, from amounts available in the discretionary fund established by section 47115 of such title. The maximum obligation under the agreement for any such fiscal year shall be \$2,500,000.

SEC. 187. INTERMODAL PLANNING.

Section 47106(c)(1)(A) is amended—

- (1) by striking “and” at the end of clause (i);
- (2) by adding “and” at the end of clause (ii); and
- (3) by adding at the end the following:

“(iii) with respect to an airport development project involving the location of an airport, runway, or major runway extension at a medium or large hub airport, the airport

sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.”.

SEC. 188. MARSHALL ISLANDS, MICRONESIA, AND PALAU.

Section 47115 is amended by adding at the end the following:

“(j) MARSHALL ISLANDS, MICRONESIA, AND PALAU.—For fiscal years 2004 through 2007, the sponsors of airports located in the Republic of the Marshall Islands, Federated States of Micronesia, and Republic of Palau shall be eligible for grants under this section and section 47116.”.

SEC. 189. LIMITATION ON APPROVAL OF CERTAIN PROGRAMS.

Section 47504(b) is amended by adding at the end the following:

“(4) The Secretary shall not approve in fiscal years 2004 through 2007 a program submitted under subsection (a) if the program requires the expenditure of funds made available under section 48103 for mitigation of aircraft noise less than 65 DNL.”.

SEC. 190. CONVEYANCE OF AIRPORT.

Alaska.

(a) OFFER OF CONVEYANCE.—Subject to the requirements of this section, the Chaluka Corporation is hereby offered ownership of the surface estate in the former Nikolski Radio Relay Site on Umnak Island, Alaska, and the Aleut Corporation is hereby offered the subsurface estate of that Site, in exchange for relinquishment by the Chaluka Corporation and the Aleut Corporation of Lot 1, Section 14, Township 81 South, Range 133 West, Seward Meridian, Alaska.

(b) ACCEPTANCE AND RELINQUISHMENT.—

(1) IN GENERAL.—The Secretary of the Interior shall convey the land as provided in subsection (c) if the Chaluka Corporation and the Aleut Corporation take the actions specified in paragraphs (2) and (3), respectively.

(2) CHALUKA CORPORATION.—As a condition for conveyance under subsection (c), the Chaluka Corporation shall notify the Secretary of the Interior within 180 days after the date of enactment of this Act that, by means of a legally binding resolution of the Board of Directors, the Chaluka Corporation—

Notification.
Deadline.

(A) accepts the offer under subsection (a);

(B) confirms that the area surveyed by the Bureau of Land Management for the purpose of fulfilling the Chaluka Corporation’s final entitlements under sections 12(a) and 12(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) and (b)), identified as Group Survey Number 773, accurately represents the Chaluka Corporation’s final, irrevocable Alaska Native Claims Settlement Act priorities and entitlements unless any tract in Group Survey Number 773 is ultimately not conveyed as the result of an appeal; and

(C) relinquishes Lot 1, Section 14, Township 81 South, Range 133 West, Seward Meridian, Alaska, which will be charged against the Chaluka Corporation’s final entitlement under section 12(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(b)).

Notification.
Deadline.

(3) ALEUT CORPORATION.—As a condition for the conveyance under subsection (c), the Aleut Corporation shall notify the Secretary of the Interior within 180 days after the date of enactment of this Act that, by means of a legally binding resolution of the Board of Directors, accompanied by the written legal opinion of counsel as to the legal sufficiency of the Board of Directors' action, the Aleut Corporation—

(A) accepts the offer under subsection (a); and

(B) relinquishes all rights to Lot 1, Section 14, Township 81 South, Range 133 West, Seward Meridian, Alaska.

(c) REQUIREMENT TO CONVEY.—

(1) CONVEYANCE.—Notwithstanding the existence of Public Land Order 2374, upon receipt from the Chaluka Corporation and from the Aleut Corporation of their acceptances made in accordance with the requirements of subsections (b)(2) and (b)(3), respectively, of the offer under subsection (a), the Secretary of the Interior shall convey to the Chaluka Corporation the surface estate, and to the Aleut Corporation the subsurface estate, of—

(A) Phase I lands as soon as practicable; and

(B) each parcel of Phase II lands upon completion of environmental restoration of Phase II lands in accordance with applicable law.

(2) PHASE I LIABILITY LIMIT.—Notwithstanding section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607), neither the Chaluka Corporation nor the Aleut Corporation shall be subject to any liability for—

(A) the presence or release of a hazardous substance, as that term is defined by section 101(14) of that Act (16 U.S.C. 9601(14)), on Phase I lands or the presence of solid waste on Phase I lands, which predates conveyance of those lands to the Chaluka Corporation and the Aleut Corporation pursuant to this section; or

(B) any release, from any of the hazardous substances or solid wastes referred to in subparagraph (A), following conveyance of Phase I lands under this section, so long as the presence of or releases from those hazardous substances or solid wastes are not the result of actions by the Chaluka Corporation or the Aleut Corporation.

(3) CONTINUED ACCESS OVER HILL AND BEACH STREETS.—The surface estate conveyed under paragraph (1) shall be subject to the public's right of access over Hill and Beach Streets, located on Tract B of United States Survey 4904.

(d) TREATMENT AS ANCSA LANDS.—Conveyances made under subsection (c) shall be considered to be conveyances under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and are subject to the provisions of that Act except sections 14(c)(3), 14(c)(4), and 17(b)(3) (43 U.S.C. 1613(c)(3), 1613(c)(4), and 1616(b)(3)).

(e) AUTHORITY TO CONVEY CERTAIN OTHER LANDS.—The Secretary of the Interior shall at no cost to the recipient convey ownership of—

(1) an estate in fee simple in—

(A) each of Lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904 that is the subject of an Aleutian Housing Authority mutual help occupancy agreement, to the Aleutian Housing Authority; and

(B) the remainder of such Lots to the current occupants; and

(2) an estate in fee simple in the Nikolski powerhouse land, to—

(A) the Indian Reorganization Act Tribal Government for the Native Village of Nikolski, upon completion of the environmental restoration described in subsection (f), if after the restoration the powerhouse continues to be located on the Nikolski powerhouse land; or

(B) the surface estate to the Chaluka Corporation and the subsurface estate to the Aleut Corporation, if after the restoration, the Nikolski powerhouse is no longer located on the Nikolski powerhouse land. —

(f) RESTORATION OF POWERHOUSE LAND.—The Denali Commission, in consultation with the appropriate agency of the State of Alaska, is authorized to arrange for environmental restoration, in accordance with applicable law, of the areas on, beneath, and adjacent to the Nikolski powerhouse land that are contaminated as a result of powerhouse operations and activities.

(g) ACCESS.—As a condition of the conveyance of land under subsection (c), the Chaluka Corporation shall permit the United States Government, and its agents, employees, and contractors, to have unrestricted access to the airfield at Nikolski in perpetuity for site investigation, restoration, remediation, and environmental monitoring of the former Nikolski Radio Relay Site and reasonable access to that airfield, and to other land conveyed under this section, for any activity associated with management of lands owned by the United States and for other governmental purposes without cost to the Government.

(h) SURVEY REQUIREMENTS.—

(1) BLM SURVEYS.—The Bureau of Land Management is not required to conduct additional on-the-ground surveys as a result of conveyances under this section. The patent to the Chaluka Corporation may be based on protracted section lines and lotting where relinquishment under subsection (b)(2)(C) results in a change to the Chaluka Corporation's final boundaries.

(2) MONUMENTATION.—No additional monumentation is required to complete those final boundaries.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) FEDERAL AGENCIES.—There is authorized to be appropriated to the Department of the Interior and other appropriate agencies such sums as are necessary to carry out the provisions of this section.

(2) POWERHOUSE LAND RESTORATION.—There is authorized to be appropriated \$1,500,000 to reimburse the appropriate State of Alaska agency for costs required for environmental restoration of the Nikolski powerhouse land, in accordance with applicable law.

(j) TERMINATION.—This section shall cease to be effective if either the Chaluka Corporation or the Aleut Corporation affirmatively rejects the offer under subsection (a) or if after 180 days following the date of enactment of this Act either corporation has

not taken the actions specified in subsection (b)(2) or (b)(3), respectively.

(k) DEFINITIONS.—In this section, the following definitions apply:

(1) The term “Aleut Corporation” means the regional corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the region in which the Native Village of Nikolski, Alaska, is located.

(2) The term “Chaluka Corporation” means the village corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the Native Village of Nikolski, Alaska.

(3) The term “former Nikolski Radio Relay Site” means the portions of Tracts A, B, and C of Public Land Order 2374 that are surveyed as Tracts 37, 37A, 38, 39, and 39A of Township 83 South, Range 136 West, Seward Meridian, Alaska, and Tract B of United States Survey 4904, Alaska, except—

(A) Lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904; and

(B) the Nikolski powerhouse land.

(4) The term “Nikolski powerhouse land” means the parcel of land upon which is located the power generation building for supplying power to the Native Village of Nikolski, the boundaries of which are described generally as follows: Beginning at the point at which the southerly boundary of Tract 39 of Township 83 South, Range 136 West, Seward Meridian, Alaska, intersects the easterly boundary of the road that connects the Native Village of Nikolski and the airfield at Nikolski; then meandering in a northeasterly direction along the easterly boundary of that road until the road intersects the westerly boundary of the road that connects Umnak Lake and the airfield; then meandering in a southerly direction along the western boundary of that Umnak Lake road until that western boundary intersects the southern boundary of such Tract 39; then proceeding eastward along the southern boundary of such Tract 39 to the beginning point.

(5) The term “Phase I lands” means Tract 39 of Township 83 South, Range 136 West, Seward Meridian, excluding the Nikolski powerhouse land.

(6) The term “Phase II lands” means the portion of the former Nikolski Radio Relay Site not conveyed as Phase I lands.

TITLE II—FAA ORGANIZATION

Subtitle A—FAA Reform

SEC. 201. MANAGEMENT ADVISORY COMMITTEE MEMBERS.

Section 106(p) is amended—

(1) in the subsection heading by inserting “AND AIR TRAFFIC SERVICES BOARD” after “COUNCIL”; and

(2) in paragraph (2)—

(A) by striking “consist of” and all that follows through “members, who” and inserting “consist of 13 members, who”;

(B) by inserting after “Senate” in subparagraph (C)(i) “, except that initial appointments made after May 1, 2003, shall be made by the Secretary of Transportation”;

(C) by striking the semicolon at the end of subparagraph (C)(ii) and inserting “; and”; and

(D) by striking “employees, by—” in subparagraph (D) and all that follows through the period at the end of subparagraph (E) and inserting “employees, by the Secretary of Transportation.”.

SEC. 202. REORGANIZATION OF THE AIR TRAFFIC SERVICES SUBCOMMITTEE.

Section 106(p) is amended—

(1) by striking paragraph (3) and inserting the following:

“(3) **QUALIFICATIONS.**—No officer or employee of the United States Government may be appointed to the Council under paragraph (2)(C) or to the Air Traffic Services Committee.”;

(2) in paragraph (4)(C) by inserting “or Air Traffic Services Committee” after “Council” each place it appears;

(3) in paragraph (5) by inserting “, the Air Traffic Services Committee,” after “Council”;

(4) in paragraph (6)(C)—

(A) by striking “SUBCOMMITTEE” in the subparagraph heading and inserting “COMMITTEE”;

(B) by striking “member” and inserting “members”;

(C) by striking “under paragraph (2)(E)” the first place it appears and inserting “to the Air Traffic Services Committee”; and

(D) by striking “of the members first” and all that follows through the period at the end and inserting “the first members of the Committee shall be the members of the Air Traffic Services Subcommittee of the Council on the day before the date of enactment of the Vision 100—Century of Aviation Reauthorization Act who shall serve in an advisory capacity until such time as the President appoints the members of the Committee under paragraph (7).”;

(5) in paragraph (6)(D) by striking “under paragraph (2)(E)” and inserting “to the Committee”;

(6) in paragraph (6)(E) by inserting “or Committee” after “Council”;

(7) in paragraph (6)(F) by inserting “of the Council or Committee” after “member”;

(8) in the second sentence of subparagraph (6)(G)—

(A) by striking “Council” and inserting “Committee”; and

(B) by striking “appointed under paragraph (2)(E)”;

(9) in paragraph (6)(H)—

(A) by striking “SUBCOMMITTEE” in the subparagraph heading and inserting “COMMITTEE”;

(B) by striking “under paragraph (2)(E)” in clause (i) and inserting “to the Committee”; and

(C) by striking “Air Traffic Services Subcommittee” and inserting “Committee”;

(10) in paragraph (6)(I)(i)—

(A) by striking “appointed under paragraph (2)(E) is” and inserting “is serving as”; and

(B) by striking “Subcommittee” and inserting “Committee”;

(11) in paragraph (6)(I)(ii)—

(A) by striking “appointed under paragraph (2)(E)” and inserting “who is a member of the Committee”; and

(B) by striking “Subcommittee” and inserting “Committee”;

(12) in paragraph (6)(K) by inserting “or Committee” after “Council”;

(13) in paragraph (6)(L) by inserting “or Committee” after “Council” each place it appears; and

(14) in paragraph (7)—

(A) by striking “SUBCOMMITTEE” in the paragraph heading and inserting “COMMITTEE”;

(B) by striking subparagraph (A) and inserting the following:

“(A) ESTABLISHMENT.—The Administrator shall establish a committee that is independent of the Council by converting the Air Traffic Services Subcommittee of the Council, as in effect on the day before the date of enactment of the Vision 100—Century of Aviation Reauthorization Act, into such committee. The committee shall be known as the Air Traffic Services Committee (in this subsection referred to as the ‘Committee’).”;

(C) by redesignating subparagraphs (B) through (F) as subparagraphs (D) through (H), respectively;

(D) by inserting after subparagraph (A) the following:

“(B) MEMBERSHIP AND QUALIFICATIONS.—Subject to paragraph (6)(C), the Committee shall consist of five members, one of whom shall be the Administrator and shall serve as chairperson. The remaining members shall be appointed by the President with the advice and consent of the Senate and—

“(i) shall have a fiduciary responsibility to represent the public interest;

“(ii) shall be citizens of the United States; and

“(iii) shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas and, in the aggregate, should collectively bring to bear expertise in all of the following areas:

“(I) Management of large service organizations.

“(II) Customer service.

“(III) Management of large procurements.

“(IV) Information and communications technology.

“(V) Organizational development.

“(VI) Labor relations.

“(C) PROHIBITIONS ON MEMBERS OF COMMITTEE.—No member of the Committee may—

“(i) have a pecuniary interest in, or own stock in or bonds of, an aviation or aeronautical enterprise, except an interest in a diversified mutual fund or an interest that is exempt from the application of section 208 of title 18;

President.
Congress.

“(ii) engage in another business related to aviation or aeronautics; or

“(iii) be a member of any organization that engages, as a substantial part of its activities, in activities to influence aviation-related legislation.”;

(E) by striking “Subcommittee” each place it appears in subparagraphs (D) and (E) (as redesignated by subparagraph (C) of this paragraph) and inserting “Committee”;

(F) by striking “approve” in subparagraph (E)(v)(I) (as so redesignated) and inserting “make recommendations on”;

(G) by striking “request” in subparagraph (E)(v)(II) (as so redesignated) and inserting “recommendations”;

(H) by striking “ensure that the budget request supports” in subparagraph (E)(v)(III) (as so redesignated) and inserting “base such budget recommendations on”;

(I) by striking “The Secretary shall submit” in subparagraph (E) (as so redesignated) and all that follows through the period at the end of such subparagraph (E);

(J) by striking subparagraph (F) (as so redesignated) and inserting the following:

“(F) COMMITTEE PERSONNEL MATTERS AND EXPENSES.—

“(i) PERSONNEL MATTERS.—The Committee may appoint and terminate for purposes of employment by the Committee any personnel that may be necessary to enable the Committee to perform its duties, and may procure temporary and intermittent services under section 40122.

“(ii) TRAVEL EXPENSES.—Each member of the Committee shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.”;

(K) in subparagraph (G) (as so redesignated)—

(i) by striking clause (i);

(ii) by redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively; and

(iii) by striking “Subcommittee” each place it appears in clauses (i), (ii), and (iii) (as so redesignated) and inserting “Committee”;

(L) in subparagraph (H) (as so redesignated)—

(i) by striking “Subcommittee” each place it appears and inserting “Committee”;

(ii) by striking “Administrator, the Council” each place it appears in clauses (i) and (ii) and inserting “Secretary”; and

(iii) in clause (ii) by striking “(B)(i)” and inserting “(D)(i)”;

(M) by adding at the end the following:

“(I) AUTHORIZATION.—There are authorized to be appropriated to the Committee such sums as may be necessary for the Committee to carry out its activities.”.

SEC. 203. CLARIFICATION OF THE RESPONSIBILITIES OF THE CHIEF OPERATING OFFICER.

Section 106(r) is amended—

(1) in each of paragraphs (1)(A) and (2)(A) by striking “Air Traffic Services Subcommittee of the Aviation Management

Advisory Council” and inserting “Air Traffic Services Committee”;

(2) in paragraph (2)(B) by inserting “in” before “paragraph (3).”;

(3) in paragraph (3) by striking “Air Traffic Control Subcommittee of the Aviation Management Advisory Committee” and inserting “Air Traffic Services Committee”;

(4) in paragraph (4) by striking “Transportation and Congress” and inserting “Transportation, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate”;

(5) in paragraph (5)(A)—

(A) by striking “develop a” and inserting “implement the”; and

(B) by striking “, including the establishment of” and inserting “in order to further”;

(6) in paragraph (5)(B)—

(A) by striking “review” and all that follows through “Administration,” and inserting “oversee the day-to-day operational functions of the Administration for air traffic control,”;

(B) by striking “and” at the end of clause (ii);

(C) by striking the period at the end of clause (iii) and inserting “; and”; and

(D) by adding at the end the following:

“(iv) the management of cost-reimbursable contracts.”;

(7) in paragraph (5)(C)(i) by striking “prepared by the Administrator”;

(8) in paragraph (5)(C)(ii) by striking “and the Secretary of Transportation” and inserting “and the Committee”; and

(9) in paragraph (5)(C)(iii)—

(A) by inserting “agency’s” before “annual”; and

(B) by striking “developed under subparagraph (A) of this subsection.” and inserting “for air traffic control services.”.

SEC. 204. DEPUTY ADMINISTRATOR.

Section 106(d) is amended—

(1) by redesignating paragraphs (2) and (3) as (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

“(2) The annual rate of basic pay of the Deputy Administrator shall be set by the Secretary but shall not exceed the annual rate of basic pay payable to the Administrator of the Federal Aviation Administration.”.

Subtitle B—Miscellaneous

49 USC 44506
note.
Effective date.

SEC. 221. CONTROLLER STAFFING.

(a) ANNUAL REPORT.—Beginning with the submission of the Budget of the United States to the Congress for fiscal year 2005, the Administrator of the Federal Aviation Administration shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee

on Transportation and Infrastructure that describes the overall air traffic controller staffing plan, including strategies to address anticipated retirement and replacement of air traffic controllers.

(b) HUMAN CAPITAL WORKFORCE STRATEGY.—

(1) DEVELOPMENT.—The Administrator shall develop a comprehensive human capital workforce strategy to determine the most effective method for addressing the need for more air traffic controllers that is identified in the June 2002 report of the General Accounting Office.

(2) COMPLETION DATE.—Not later than 1 year after the date of enactment of this Act, the Administrator shall complete development of the strategy.

(3) REPORT.—Not later than 30 days after the date on which the strategy is completed, the Administrator shall transmit to Congress a report describing the strategy. Deadline.

SEC. 222. WHISTLEBLOWER PROTECTION UNDER ACQUISITION MANAGEMENT SYSTEM.

Section 40110(d)(2)(C) is amended by striking “355).” and inserting “355), except for section 315 (41 U.S.C. 265). For the purpose of applying section 315 of that Act to the system, the term ‘executive agency’ is deemed to refer to the Federal Aviation Administration.”.

SEC. 223. FAA PURCHASE CARDS.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall take appropriate actions to implement the recommendations contained in the report of the General Accounting Office entitled “FAA Purchase Cards: Weak Controls Resulted in Instances of Improper and Wasteful Purchases and Missing Assets”, numbered GAO–03–405 and dated March 21, 2003.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall transmit to Congress a report containing a description of the actions taken by the Administrator under this section. Deadline.

SEC. 224. PROCUREMENT.

(a) DUTIES AND POWERS.—Section 40110(c) is amended—

(1) by striking “Administration—” and all that follows through “(2) may—” and inserting “Administration may—”;

(2) by striking subparagraph (D);

(3) by redesignating subparagraphs (A), (B), (C), (E), and (F) as paragraphs (1), (2), (3), (4), and (5), respectively; and

(4) by moving such paragraphs (1) through (5) 2 ems to the left.

(b) ACQUISITION MANAGEMENT SYSTEM.—Section 40110(d) is amended—

(1) in paragraph (1)—

(A) by striking “, not later than January 1, 1996,”; and

(B) by striking “provides for more timely and cost-effective acquisitions of equipment and materials.” and inserting the following:

“provides for—

“(A) more timely and cost-effective acquisitions of equipment, services, property, and materials; and

“(B) the resolution of bid protests and contract disputes related thereto, using consensual alternative dispute resolution techniques to the maximum extent practicable.”; and (2) by striking paragraph (4), relating to the effective date, and inserting the following:

“(4) ADJUDICATION OF CERTAIN BID PROTESTS AND CONTRACT DISPUTES.—A bid protest or contract dispute that is not addressed or resolved through alternative dispute resolution shall be adjudicated by the Administrator through Dispute Resolution Officers or Special Masters of the Federal Aviation Administration Office of Dispute Resolution for Acquisition, acting pursuant to sections 46102, 46104, 46105, 46106 and 46107 and shall be subject to judicial review under section 46110 and to section 504 of title 5.”.

(c) AUTHORITY OF ADMINISTRATOR TO ACQUIRE SERVICES.—Section 106(f)(2)(A)(ii) is amended by inserting “, services,” after “property”.

SEC. 225. DEFINITIONS.

(a) IN GENERAL.—Section 40102(a) is amended—

(1) by redesignating paragraphs (38) through (42) as paragraphs (43) through (47), respectively;

(2) by inserting after paragraph (37) the following:

“(42) ‘small hub airport’ means a commercial service airport (as defined in section 47102) that has at least 0.05 percent but less than 0.25 percent of the passenger boardings.”;

(3) by redesignating paragraphs (33) through (37) as paragraphs (37) through (41) respectively;

(4) by inserting after paragraph (32) the following:

“(36) ‘passenger boardings’—

“(A) means, unless the context indicates otherwise, revenue passenger boardings in the United States in the prior calendar year on an aircraft in service in air commerce, as the Secretary determines under regulations the Secretary prescribes; and

“(B) includes passengers who continue on an aircraft in international flight that stops at an airport in the 48 contiguous States, Alaska, or Hawaii for a nontraffic purpose.”;

(5) by redesignating paragraph (32) as paragraph (35);

(6) by inserting after paragraph (31) the following:

“(34) ‘nonhub airport’ means a commercial service airport (as defined in section 47102) that has less than 0.05 percent of the passenger boardings.”;

(7) by redesignating paragraphs (30) and (31) as paragraphs (32) and (33), respectively;

(8) by inserting after paragraph (29) the following:

“(31) ‘medium hub airport’ means a commercial service airport (as defined in section 47102) that has at least 0.25 percent but less than 1.0 percent of the passenger boardings.”;

(9) by redesignating paragraph (29) as paragraph (30); and

(10) by inserting after paragraph (28) the following:

“(29) ‘large hub airport’ means a commercial service airport (as defined in section 47102) that has at least 1.0 percent of the passenger boardings.”.

(b) CONFORMING AMENDMENTS.—

(1) AIR SERVICE TERMINATION NOTICE.—Section 41719(d) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(2) SMALL COMMUNITY AIR SERVICE.—Section 41731(a) is amended by striking paragraphs (3) through (5).

(3) AIRPORTS NOT RECEIVING SUFFICIENT SERVICE.—Section 41743 is amended—

(A) in subsection (c)(1) by striking “(as that term is defined in section 41731(a)(5))”; and

(B) in subsection (f) by striking “(as defined in section 41731(a)(3))”.

(4) PRESERVATION OF BASIC ESSENTIAL AIR SERVICE AT SINGLE CARRIER DOMINATED HUB AIRPORTS.—Section 41744(b) is amended by striking “(as defined in section 41731)”.

(5) REGIONAL AIR SERVICE INCENTIVE PROGRAM.—Section 41762 is amended—

(A) by striking paragraphs (11) and (15); and

(B) by redesignating paragraphs (12), (13), (14), and (16) as paragraphs (11), (12), (13), and (14), respectively.

SEC. 226. AIR TRAFFIC CONTROLLER RETIREMENT.

(a) AIR TRAFFIC CONTROLLER DEFINED.—

(1) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8331 of title 5, United States Code, is amended—

(A) by striking “and” at the end of paragraph (27);

(B) by striking the period at the end of paragraph (28) and inserting “; and”; and

(C) by adding at the end the following:

“(29) the term ‘air traffic controller’ or ‘controller’ means—
“(A) a controller within the meaning of section 2109(1);
and

“(B) a civilian employee of the Department of Transportation or the Department of Defense who is the immediate supervisor of a person described in section 2109(1)(B).”.

(2) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—Section 8401 of title 5, United States Code, is amended—

(A) by striking “and” at the end of paragraph (33);

(B) by striking the period at the end of paragraph (34) and inserting “; and”; and

(C) by adding at the end the following:

“(35) the term ‘air traffic controller’ or ‘controller’ means—
“(A) a controller within the meaning of section 2109(1);
and

“(B) a civilian employee of the Department of Transportation or the Department of Defense who is the immediate supervisor of a person described in section 2109(1)(B).”.

(3) MANDATORY SEPARATION TREATMENT NOT AFFECTED.—

(A) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8335(a) of title 5, United States Code, is amended by adding at the end the following: “For purposes of this subsection, the term ‘air traffic controller’ or ‘controller’ has the meaning given to it under section 8331(29)(A).”.

(B) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—Section 8425(a) of title 5, United States Code, is amended by adding at the end the following: “For purposes of this

subsection, the term ‘air traffic controller’ or ‘controller’ has the meaning given to it under section 8401(35)(A).”.

(b) MODIFIED ANNUITY COMPUTATION RULE FOR CERTAIN AIR TRAFFIC CONTROLLERS UNDER FERS.—

(1) IN GENERAL.—Section 8415 of title 5, United States Code, is amended—

(A) by redesignating subsections (e) through (j) as subsections (f) through (k), respectively, and by redesignating the second subsection (i) as subsection (l); and

(B) by inserting after subsection (d) the following:

“(e) The annuity of an air traffic controller or former air traffic controller retiring under section 8412(a) is computed under subsection (a), except that if the individual has had at least 5 years of service as an air traffic controller as defined by section 2109(1)(A)(i), so much of the annuity as is computed with respect to such type of service shall be computed by multiplying $1\frac{7}{10}$ percent of the individual’s average pay by the years of such service.”.

(2) CONFORMING AMENDMENTS.—(A) Section 8422(d)(2) of title 5, United States Code, is amended by striking “8415(i)” and inserting “8415(j)”.

(B) Section 8452(d)(1) of such title is amended by striking “subsection (f)” and inserting “subsection (g)”.

(C) Section 8468(b)(1)(A) of such title is amended by striking “through (g)” and inserting “through (h)”.

(D) Section 302(a) of the Federal Employees’ Retirement System Act of 1986 (5 U.S.C. 8331 note) is amended—

(i) in paragraph (1)(D)(VI), by striking “subsection (g)” and inserting “subsection (h)”;

(ii) in paragraph (9), by striking “8415(f)” and inserting “8415(g)”;

(iii) in paragraph (12)(B)(ii), by striking “through (f)” and inserting “through (g)”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—This section and the amendments made by this section—

(A) shall take effect on the 60th day after the date of enactment of this Act; and

(B) shall apply with respect to—

(i) any annuity entitlement to which is based on an individual’s separation from service occurring on or after the effective date of this section; and

(ii) any service performed by any such individual before, on, or after the effective date of this section, subject to paragraph (2).

(2) SPECIAL RULE.—

(A) DEPOSIT REQUIREMENT.—For purposes of determining eligibility for immediate retirement under section 8412(e) of title 5, United States Code, the amendment made by subsection (a)(2) shall, with respect to any service described in subparagraph (B), be disregarded unless there is deposited into the Civil Service Retirement and Disability Fund, with respect to such service, in such time, form, and manner as the Office of Personnel Management by regulation requires, an amount equal to the amount by which—

(i) the deductions from pay which would have been required for such service if the amendments made

5 USC 8401 note.

Applicability.

by subsection (a)(2) had been in effect when such service was performed, exceeds

(ii) the unrefunded deductions or deposits actually made under subchapter II of chapter 84 of such title with respect to such service.

An amount under this subparagraph shall include interest, computed under paragraphs (2) and (3) of section 8334(e) of such title 5.

(B) PRIOR SERVICE DESCRIBED.—This paragraph applies with respect to any service performed by an individual before the effective date of this section as an employee described in section 8401(35)(B) of title 5, United States Code (as amended by subsection (a)(2)).

Applicability.

SEC. 227. DESIGN ORGANIZATION CERTIFICATES.

(a) GENERAL AUTHORITY TO ISSUE CERTIFICATES.—Effective on the last day of the 7-year period beginning on the date of enactment of this Act, section 44702(a) is amended by inserting “design organization certificates,” after “airman certificates,”.

Effective date.
49 USC 44702
note.

(b) DESIGN ORGANIZATION CERTIFICATES.—

(1) PLAN.—Not later than 4 years after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a plan for the development and oversight of a system for certification of design organizations to certify compliance with the requirements and minimum standards prescribed under section 44701(a) of title 49, United States Code, for the type certification of aircraft, aircraft engines, propellers, or appliances.

Deadline.
49 USC 44704
note.

(2) ISSUANCE OF CERTIFICATES.—Section 44704 is amended by adding at the end the following:

“(e) DESIGN ORGANIZATION CERTIFICATES.—

“(1) ISSUANCE.—Beginning 7 years after the date of enactment of this subsection, the Administrator may issue a design organization certificate to a design organization to authorize the organization to certify compliance with the requirements and minimum standards prescribed under section 44701(a) for the type certification of aircraft, aircraft engines, propellers, or appliances.

Effective date.

“(2) APPLICATIONS.—On receiving an application for a design organization certificate, the Administrator shall examine and rate the design organization submitting the application, in accordance with regulations to be prescribed by the Administrator, to determine whether the design organization has adequate engineering, design, and testing capabilities, standards, and safeguards to ensure that the product being certificated is properly designed and manufactured, performs properly, and meets the regulations and minimum standards prescribed under section 44701(a).

“(3) ISSUANCE OF TYPE CERTIFICATES BASED ON DESIGN ORGANIZATION CERTIFICATION.—The Administrator may rely on certifications of compliance by a design organization when making a finding under subsection (a).

“(4) PUBLIC SAFETY.—The Administrator shall include in a design organization certificate issued under this subsection terms required in the interest of safety.

“(5) NO EFFECT ON POWER OF REVOCATION.—Nothing in this subsection affects the authority of the Secretary of Transportation to revoke a certificate.”.

(c) REINSPECTION AND REEXAMINATION.—Section 44709(a) is amended by inserting “design organization, production certificate holder,” after “appliance,”.

(d) PROHIBITIONS.—Section 44711(a)(7) is amended by striking “agency” and inserting “agency, design organization certificate, ”.

(e) CONFORMING AMENDMENTS.—

(1) SECTION HEADING.—Section 44704 is amended by striking the section designation and heading and inserting the following:

“§ 44704. Type certificates, production certificates, airworthiness certificates, and design organization certificates”.

(2) CHAPTER ANALYSIS.—The analysis for chapter 447 is amended by striking the item relating to section 44704 and inserting the following:

“44704. Type certificates, production certificates, airworthiness certificates, and design organization certificates.”.

SEC. 228. JUDICIAL REVIEW.

The first sentence of section 46110(a) is amended—

(1) by striking “safety”; and

(2) by striking “under this part” and inserting “in whole or in part under this part, part B, or subsection (1) or (s) of section 114”.

49 USC 45301
note.

SEC. 229. OVERFLIGHT FEES.

(a) ADOPTION AND LEGALIZATION OF CERTAIN RULES.—

(1) APPLICABILITY AND EFFECT OF CERTAIN LAW.—Notwithstanding section 141(d)(1) of the Aviation and Transportation Security Act (49 U.S.C. 44901 note), section 45301(b)(1)(B) of title 49, United States Code, is deemed to apply to and to have effect with respect to the authority of the Administrator of the Federal Aviation Administration with respect to the interim final rule and final rule, relating to overflight fees, issued by the Administrator on May 30, 2000, and August 13, 2001, respectively.

(2) ADOPTION AND LEGALIZATION.—The interim final rule and final rule referred to in subsection (a), including the fees issued pursuant to those rules, are adopted, legalized, and confirmed as fully to all intents and purposes as if the same had, by prior Act of Congress, been specifically adopted, authorized, and directed as of the date those rules were originally issued.

(3) FEES TO WHICH APPLICABLE.—This subsection applies to fees assessed after November 19, 2001, and before April 8, 2003, and fees collected after the requirements of subsection (b) have been met.

(b) DEFERRED COLLECTION OF FEES.—The Administrator shall defer collecting fees under section 45301(a)(1) of title 49, United States Code, until the Administrator (1) reports to Congress

responding to the issues raised by the court in *Air Transport Association of Canada v. Federal Aviation Administration and Administrator, FAA*, decided on April 8, 2003, and (2) consults with users and other interested parties regarding the consistency of the fees established under such section with the international obligations of the United States.

(c) **ENFORCEMENT.**—The Administrator shall take an appropriate enforcement action under subtitle VII of title 49, United States Code, against any user that does not pay a fee under section 45301(a)(1) of such title.

TITLE III—ENVIRONMENTAL PROCESS

Subtitle A—Aviation Development Streamlining

Aviation
Streamlining
Approval Process
Act of 2003.

SEC. 301. SHORT TITLE.

This title may be cited as “Aviation Streamlining Approval Process Act of 2003”.

49 USC 40101
note.

SEC. 302. FINDINGS.

Congress finds that—

(1) airports play a major role in interstate and foreign commerce;

(2) congestion and delays at our Nation’s major airports have a significant negative impact on our Nation’s economy;

(3) airport capacity enhancement projects at congested airports are a national priority and should be constructed on an expedited basis;

(4) airport capacity enhancement projects must include an environmental review process that provides local citizenry an opportunity for consideration of and appropriate action to address environmental concerns; and

(5) the Federal Aviation Administration, airport authorities, communities, and other Federal, State, and local government agencies must work together to develop a plan, set and honor milestones and deadlines, and work to protect the environment while sustaining the economic vitality that will result from the continued growth of aviation.

49 USC 47171
note.

SEC. 303. AIRPORT CAPACITY ENHANCEMENT.

Section 40104 is amended by adding at the end the following:

“(c) **AIRPORT CAPACITY ENHANCEMENT PROJECTS AT CONGESTED AIRPORTS.**—In carrying out subsection (a), the Administrator shall take action to encourage the construction of airport capacity enhancement projects at congested airports as those terms are defined in section 47176.”.

SEC. 304. AVIATION PROJECT STREAMLINING.

(a) **IN GENERAL.**—Chapter 471 is amended by inserting after subchapter II the following:

“SUBCHAPTER III—AVIATION DEVELOPMENT
STREAMLINING

“§ 47171. Expedited, coordinated environmental review process

“(a) AVIATION PROJECT REVIEW PROCESS.—The Secretary of Transportation shall develop and implement an expedited and coordinated environmental review process for airport capacity enhancement projects at congested airports, aviation safety projects, and aviation security projects that—

“(1) provides for better coordination among the Federal, regional, State, and local agencies concerned with the preparation of environmental impact statements or environmental assessments under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

“(2) provides that all environmental reviews, analyses, opinions, permits, licenses, and approvals that must be issued or made by a Federal agency or airport sponsor for such a project will be conducted concurrently, to the maximum extent practicable; and

“(3) provides that any environmental review, analysis, opinion, permit, license, or approval that must be issued or made by a Federal agency or airport sponsor for such a project will be completed within a time period established by the Secretary, in cooperation with the agencies identified under subsection (d) with respect to the project.

“(b) AVIATION PROJECTS SUBJECT TO A STREAMLINED ENVIRONMENTAL REVIEW PROCESS.—

“(1) AIRPORT CAPACITY ENHANCEMENT PROJECTS AT CONGESTED AIRPORTS.—An airport capacity enhancement project at a congested airport shall be subject to the coordinated and expedited environmental review process requirements set forth in this section.

“(2) AVIATION SAFETY AND AVIATION SECURITY PROJECTS.—

“(A) IN GENERAL.—The Administrator of the Federal Aviation Administration may designate an aviation safety project or aviation security project for priority environmental review. The Administrator may not delegate this designation authority. A designated project shall be subject to the coordinated and expedited environmental review process requirements set forth in this section.

“(B) PROJECT DESIGNATION CRITERIA.—The Administrator shall establish guidelines for the designation of an aviation safety project or aviation security project for priority environmental review. Such guidelines shall provide for consideration of—

“(i) the importance or urgency of the project;

“(ii) the potential for undertaking the environmental review under existing emergency procedures under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

“(iii) the need for cooperation and concurrent reviews by other Federal or State agencies;

“(iv) the prospect for undue delay if the project is not designated for priority review; and

“(v) for aviation security projects, the views of the Department of Homeland Security.

Guidelines.

“(c) HIGH PRIORITY OF AND AGENCY PARTICIPATION IN COORDINATED REVIEWS.—

“(1) HIGH PRIORITY FOR ENVIRONMENTAL REVIEWS.—Each Federal agency with jurisdiction over an environmental review, analysis, opinion, permit, license, or approval shall accord any such review, analysis, opinion, permit, license, or approval involving an airport capacity enhancement project at a congested airport or a project designated under subsection (b)(2) the highest possible priority and conduct the review, analysis, opinion, permit, license, or approval expeditiously.

“(2) AGENCY PARTICIPATION.—Each Federal agency described in subsection (d) shall formulate and implement administrative, policy, and procedural mechanisms to enable the agency to participate in the coordinated environmental review process under this section and to ensure completion of environmental reviews, analyses, opinions, permits, licenses, and approvals described in subsection (a) in a timely and environmentally responsible manner.

Procedures.

“(d) IDENTIFICATION OF JURISDICTIONAL AGENCIES.—With respect to each airport capacity enhancement project at a congested airport or a project designated under subsection (b)(2), the Secretary shall identify, as soon as practicable, all Federal and State agencies that may have jurisdiction over environmental-related matters that may be affected by the project or may be required by law to conduct an environmental-related review or analysis of the project or determine whether to issue an environmental-related permit, license, or approval for the project.

“(e) STATE AUTHORITY.—Under a coordinated review process being implemented under this section by the Secretary with respect to a project at an airport within the boundaries of a State, the Governor of the State, consistent with State law, may choose to participate in such process and provide that all State agencies that have jurisdiction over environmental-related matters that may be affected by the project or may be required by law to conduct an environmental-related review or analysis of the project or determine whether to issue an environmental-related permit, license, or approval for the project, be subject to the process.

“(f) MEMORANDUM OF UNDERSTANDING.—The coordinated review process developed under this section may be incorporated into a memorandum of understanding for a project between the Secretary and the heads of other Federal and State agencies identified under subsection (d) with respect to the project and, if applicable, the airport sponsor.

“(g) USE OF INTERAGENCY ENVIRONMENTAL IMPACT STATEMENT TEAMS.—

“(1) IN GENERAL.—The Secretary may utilize an interagency environmental impact statement team to expedite and coordinate the coordinated environmental review process for a project under this section. When utilizing an interagency environmental impact statement team, the Secretary shall invite Federal, State and Tribal agencies with jurisdiction by law, and may invite such agencies with special expertise, to participate on an interagency environmental impact statement team.

“(2) RESPONSIBILITY OF INTERAGENCY ENVIRONMENTAL IMPACT STATEMENT TEAM.—Under a coordinated environmental review process being implemented under this section, the interagency environmental impact statement team shall assist the

Federal Aviation Administration in the preparation of the environmental impact statement. To facilitate timely and efficient environmental review, the team shall agree on agency or Tribal points of contact, protocols for communication among agencies, and deadlines for necessary actions by each individual agency (including the review of environmental analyses, the conduct of required consultation and coordination, and the issuance of environmental opinions, licenses, permits, and approvals). The members of the team may formalize their agreement in a written memorandum.

“(h) LEAD AGENCY RESPONSIBILITY.—The Federal Aviation Administration shall be the lead agency for projects designated under subsection (b)(2) and airport capacity enhancement projects at congested airports and shall be responsible for defining the scope and content of the environmental impact statement, consistent with regulations issued by the Council on Environmental Quality. Any other Federal agency or State agency that is participating in a coordinated environmental review process under this section shall give substantial deference, to the extent consistent with applicable law and policy, to the aviation expertise of the Federal Aviation Administration.

“(i) EFFECT OF FAILURE TO MEET DEADLINE.—

“(1) NOTIFICATION OF CONGRESS AND CEQ.—If the Secretary determines that a Federal agency, State agency, or airport sponsor that is participating in a coordinated review process under this section with respect to a project has not met a deadline established under subsection (a)(3) for the project, the Secretary shall notify, within 30 days of the date of such determination, the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, the Council on Environmental Quality, and the agency or sponsor involved about the failure to meet the deadline.

“(2) AGENCY REPORT.—Not later than 30 days after date of receipt of a notice under paragraph (1), the agency or sponsor involved shall submit a report to the Secretary, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Council on Environmental Quality explaining why the agency or sponsor did not meet the deadline and what actions it intends to take to complete or issue the required review, analysis, opinion, permit, license, or approval.

“(j) PURPOSE AND NEED.—For any environmental review, analysis, opinion, permit, license, or approval that must be issued or made by a Federal or State agency that is participating in a coordinated review process under this section and that requires an analysis of purpose and need for the project, the agency, notwithstanding any other provision of law, shall be bound by the project purpose and need as defined by the Secretary.

“(k) ALTERNATIVES ANALYSIS.—The Secretary shall determine the reasonable alternatives to an airport capacity enhancement project at a congested airport or a project designated under subsection (b)(2). Any other Federal agency, or State agency that is participating in a coordinated review process under this section with respect to the project shall consider only those alternatives to the project that the Secretary has determined are reasonable.

“(l) SOLICITATION AND CONSIDERATION OF COMMENTS.—In applying subsections (j) and (k), the Secretary shall solicit and consider comments from interested persons and governmental entities in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4371 et seq.).

“(m) MONITORING BY TASK FORCE.—The Transportation Infrastructure Streamlining Task Force, established by Executive Order 13274 (67 Fed. Reg. 59449; relating to environmental stewardship and transportation infrastructure project reviews), may monitor airport projects that are subject to the coordinated review process under this section.

“§ 47172. Air traffic procedures for airport capacity enhancement projects at congested airports

“(a) IN GENERAL.—The Administrator of the Federal Aviation Administration may consider prescribing flight procedures to avoid or minimize potentially significant adverse noise impacts of an airport capacity enhancement project at a congested airport that involves the construction of new runways or the reconfiguration of existing runways during the environmental planning process for the project. If the Administrator determines that noise mitigation flight procedures are consistent with safe and efficient use of the navigable airspace, the Administrator may commit, at the request of the airport sponsor and in a manner consistent with applicable Federal law, to prescribing such procedures in any record of decision approving the project.

“(b) MODIFICATION.—Notwithstanding any commitment by the Administrator under subsection (a), the Administrator may initiate changes to such procedures if necessary to maintain safety and efficiency in light of new information or changed circumstances.

“§ 47173. Airport funding of FAA staff

“(a) ACCEPTANCE OF SPONSOR-PROVIDED FUNDS.—Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration may accept funds from an airport sponsor, including funds provided to the sponsor under section 47114(c), to hire additional staff or obtain the services of consultants in order to facilitate the timely processing, review, and completion of environmental activities associated with an airport development project.

“(b) ADMINISTRATIVE PROVISION.—Instead of payment from an airport sponsor from funds apportioned to the sponsor under section 47114, the Administrator, with agreement of the sponsor, may transfer funds that would otherwise be apportioned to the sponsor under section 47114 to the account used by the Administrator for activities described in subsection (a).

“(c) RECEIPTS CREDITED AS OFFSETTING COLLECTIONS.—Notwithstanding section 3302 of title 31, any funds accepted under this section, except funds transferred pursuant to subsection (b)—

“(1) shall be credited as offsetting collections to the account that finances the activities and services for which the funds are accepted;

“(2) shall be available for expenditure only to pay the costs of activities and services for which the funds are accepted; and

“(3) shall remain available until expended.

“(d) MAINTENANCE OF EFFORT.—No funds may be accepted pursuant to subsection (a), or transferred pursuant to subsection (b), in any fiscal year in which the Federal Aviation Administration does not allocate at least the amount it expended in fiscal year 2002 (excluding amounts accepted pursuant to section 337 of the Department of Transportation and Related Agencies Appropriations Act, 2002 (115 Stat. 862)) for the activities described in subsection (a).

“§ 47174. Authorization of appropriations

“In addition to the amounts authorized to be appropriated under section 106(k), there is authorized to be appropriated to the Secretary of Transportation, out of the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (26 U.S.C. 9502), \$4,200,000 for fiscal year 2004 and for each fiscal year thereafter to facilitate the timely processing, review, and completion of environmental activities associated with airport capacity enhancement projects at congested airports.

“§ 47175. Definitions

“In this subchapter, the following definitions apply:

“(1) AIRPORT SPONSOR.—The term ‘airport sponsor’ has the meaning given the term ‘sponsor’ under section 47102.

“(2) CONGESTED AIRPORT.—The term ‘congested airport’ means an airport that accounted for at least 1 percent of all delayed aircraft operations in the United States in the most recent year for which such data is available and an airport listed in table 1 of the Federal Aviation Administration’s Airport Capacity Benchmark Report 2001.

“(3) AIRPORT CAPACITY ENHANCEMENT PROJECT.—The term ‘airport capacity enhancement project’ means—

“(A) a project for construction or extension of a runway, including any land acquisition, taxiway, or safety area associated with the runway or runway extension; and

“(B) such other airport development projects as the Secretary may designate as facilitating a reduction in air traffic congestion and delays.

“(4) AVIATION SAFETY PROJECT.—The term ‘aviation safety project’ means an aviation project that—

“(A) has as its primary purpose reducing the risk of injury to persons or damage to aircraft and property, as determined by the Administrator; and

“(B)(i) is needed to respond to a recommendation from the National Transportation Safety Board, as determined by the Administrator; or

“(ii) is necessary for an airport to comply with part 139 of title 14, Code of Federal Regulations (relating to airport certification).

“(5) AVIATION SECURITY PROJECT.—The term ‘aviation security project’ means a security project at an airport required by the Department of Homeland Security.

“(6) FEDERAL AGENCY.—The term ‘Federal agency’ means a department or agency of the United States Government.”.

(b) CONFORMING AMENDMENT.—The analysis for such chapter is amended by adding at the end the following:

“SUBCHAPTER III—AVIATION DEVELOPMENT STREAMLINING

“47171. Expedited, coordinated environmental review process.

“47172. Air traffic procedures for airport capacity enhancement projects at congested airports.

“47173. Airport funding of FAA staff.

“47174. Authorization of appropriations.

“47175. Definitions.”.

SEC. 305. ELIMINATION OF DUPLICATIVE REQUIREMENTS.

Section 47106(c) is amended—

(1) by inserting “and” after the semicolon at the end of paragraph (1)(A)(iii) (as added by this Act);

(2) by striking subparagraph (B) of paragraph (1);

(3) by redesignating subparagraph (C) of paragraph (1) as subparagraph (B);

(4) in paragraph (2)(A) by striking “stage 2” and inserting “stage 3”;

(5) by striking paragraph (4);

(6) by redesignating paragraph (5) as paragraph (4); and

(7) in paragraph (4) (as so redesignated) by striking “(1)(C)” and inserting “(1)(B)”.

SEC. 306. CONSTRUCTION OF CERTAIN AIRPORT CAPACITY PROJECTS.

Section 47504(c)(2) is amended—

(1) by moving subparagraphs (C) and (D) 2 ems to the right;

(2) by striking “and” at the end of subparagraph (C);

(3) by striking the period at the end of subparagraph (D) and inserting “; and”; and

(4) by adding at the end the following:

“(E) to an airport operator of a congested airport (as defined in section 47175) and a unit of local government referred to in paragraph (1)(B) of this subsection to carry out a project to mitigate noise in the area surrounding the airport if the project is included as a commitment in a record of decision of the Federal Aviation Administration for an airport capacity enhancement project (as defined in section 47175) even if that airport has not met the requirements of part 150 of title 14, Code of Federal Regulations.”.

SEC. 307. ISSUANCE OF ORDERS.

Not later than 180 days after the date of enactment of this Act, the Secretary of Transportation shall publish the final Federal Aviation Administration Order 1050.1E, Environmental Impacts: Policies and Procedures. Not later than 180 days after the date of publication of such final order, the Secretary shall publish for public comment the revised Federal Aviation Administration Order 5050.4B, Airport Environmental Handbook.

Deadlines.
Publications.**SEC. 308. LIMITATIONS.**

Nothing in this subtitle, including any amendment made by this title, shall preempt or interfere with—

(1) any practice of seeking public comment;

(2) any power, jurisdiction, or authority that a State agency or an airport sponsor has with respect to carrying out an airport capacity enhancement project; and

(3) any obligation to comply with the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4371

49 USC 47171
note.

et seq.) and the regulations issued by the Council on Environmental Quality to carry out such Act.

49 USC 47171
note.

SEC. 309. RELATIONSHIP TO OTHER REQUIREMENTS.

The coordinated review process required under the amendments made by this subtitle shall apply to an airport capacity enhancement project at a congested airport whether or not the project is designated by the Secretary of Transportation as a high-priority transportation infrastructure project under Executive Order 13274 (67 Fed. Reg. 59449; relating to environmental stewardship and transportation infrastructure project reviews).

Subtitle B—Miscellaneous

49 USC 40101
note.

SEC. 321. REPORT ON LONG-TERM ENVIRONMENTAL IMPROVEMENTS.

(a) **IN GENERAL.**—The Secretary of Transportation, in consultation with the Administrator of the National Aeronautics and Space Administration, shall conduct a study of ways to reduce aircraft noise and emissions and to increase aircraft fuel efficiency. The study shall—

(1) explore new operational procedures for aircraft to achieve those goals;

(2) identify both near-term and long-term options to achieve those goals;

(3) identify infrastructure changes that would contribute to attainment of those goals;

(4) identify emerging technologies that might contribute to attainment of those goals;

(5) develop a research plan for application of such emerging technologies, including new combustor and engine design concepts and methodologies for designing high bypass ratio turbofan engines so as to minimize the effects on climate change per unit of production of thrust and flight speed; and

(6) develop an implementation plan for exploiting such emerging technologies to attain those goals.

Deadline.

(b) **REPORT.**—The Secretary shall transmit a report on the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary \$500,000 for fiscal year 2004 to carry out this section.

49 USC 47503
note.

SEC. 322. NOISE DISCLOSURE.

(a) **NOISE DISCLOSURE SYSTEM IMPLEMENTATION STUDY.**—The Administrator of the Federal Aviation Administration shall conduct a study to determine the feasibility of developing a program under which prospective home buyers of property located in the vicinity of an airport could be notified of information derived from noise exposure maps that may affect the use and enjoyment of the property. The study shall assess the scope, administration, usefulness, and burdensomeness of any such program, the costs and benefits of such a program, and whether participation in such a program should be voluntary or mandatory.

(b) **PUBLIC AVAILABILITY OF NOISE EXPOSURE MAPS.**—The Administrator shall make noise exposure and land use information

from noise exposure maps available to the public via the Internet on its website in an appropriate format.

(c) NOISE EXPOSURE MAP.—In this section, the term “noise exposure map” means a noise exposure map prepared under section 47503 of title 49, United States Code.

SEC. 323. OVERFLIGHTS OF NATIONAL PARKS.

(a) IN GENERAL.—Section 40128 is amended—

(1) in subsection (a)(1) by inserting “, as defined by this section,” after “lands” the first place it appears;

(2) in subsections (b)(3)(A) and (b)(3)(B) by inserting “over a national park” after “operations”;

(3) in subsection (b)(3)(C) by inserting “over a national park that are also” after “operations”;

(4) in subsection (b)(3)(D) by striking “at the park” and inserting “over a national park”;

(5) in subsection (b)(3)(E) by inserting “over a national park” after “operations” the first place it appears;

(6) in subsections (c)(2)(A)(i) and (c)(2)(B) by inserting “over a national park” after “operations”;

(7) in subsection (f)(1) by inserting “over a national park” after “operation”;

(8) in subsection (f)(4)(A)—

(A) by striking “commercial air tour operation” and inserting “commercial air tour operation over a national park”; and

(B) by striking “park, or over tribal lands,” and inserting “park (except the Grand Canyon National Park), or over tribal lands (except those within or abutting the Grand Canyon National Park),”;

(9) in subsection (f)(4)(B) by inserting “over a national park” after “operation”; and

(10) in the heading for paragraph (4) of subsection (f) by inserting “OVER A NATIONAL PARK” after “OPERATION”.

(b) QUIET TECHNOLOGY RULEMAKING FOR AIR TOURS OVER GRAND CANYON NATIONAL PARK.—

49 USC 40128
note.

(1) DEADLINE FOR RULE.—No later than January 2005, the Secretary of Transportation shall issue a final rule to establish standards for quiet technology that are reasonably achievable at Grand Canyon National Park, based on the Supplemental Notice of Proposed Rulemaking on Noise Limitations for Aircraft Operations in the Vicinity of Grand Canyon National Park, published in the Federal Register on March 24, 2003.

(2) RESOLUTION OF DISPUTES.—Subject to applicable administrative law and procedures, if the Secretary determines that a dispute among interested parties (including outside groups) or government agencies cannot be resolved within a reasonable time frame and could delay finalizing the rulemaking described in subsection (a), or implementation of final standards under such rule, due to controversy over adoption of quiet technology routes, establishment of incentives to encourage adoption of such routes, establishment of incentives to encourage adoption of quiet technology, or other measures to achieve substantial restoration of natural quiet, the Secretary shall refer such dispute to a recognized center for environmental conflict resolution.

SEC. 324. NOISE EXPOSURE MAPS.

Section 47503 is amended—

(1) in subsection (a) by striking “1985,” and inserting “a forecast period that is at least 5 years in the future”; and

(2) by striking subsection (b) and inserting the following:

“(b) REVISED MAPS.—If, in an area surrounding an airport, a change in the operation of the airport would establish a substantial new noncompatible use, or would significantly reduce noise over existing noncompatible uses, that is not reflected in either the existing conditions map or forecast map currently on file with the Federal Aviation Administration, the airport operator shall submit a revised noise exposure map to the Secretary showing the new noncompatible use or noise reduction.”.

Deadline.
49 USC 47508
note.

SEC. 325. IMPLEMENTATION OF CHAPTER 4 NOISE STANDARDS.

Not later than April 1, 2005, the Secretary of Transportation shall issue final regulations to implement Chapter 4 noise standards, consistent with the recommendations adopted by the International Civil Aviation Organization.

49 USC 40101
note.

SEC. 326. REDUCTION OF NOISE AND EMISSIONS FROM CIVILIAN AIRCRAFT.

(a) ESTABLISHMENT OF RESEARCH PROGRAM.—From amounts made available under section 48102(a) of title 49, United States Code, the Secretary of Transportation shall establish a research program related to reducing community exposure to civilian aircraft noise or emissions through grants or other measures authorized under section 106(l)(6) of such title, including reimbursable agreements with other Federal agencies. The program shall include participation by educational and research institutions that have existing facilities for developing and testing noise reduction engine technology.

(b) DESIGNATION OF INSTITUTE AS A CENTER OF EXCELLENCE.—The Administrator of the Federal Aviation Administration shall designate an institution described in subsection (a) as a Center of Excellence for Noise and Emission Research.

SEC. 327. SPECIAL RULE FOR AIRPORT IN ILLINOIS.

(a) IN GENERAL.—Nothing in this title shall be construed to preclude the application of any provision of this Act to the State of Illinois or any other sponsor of a new airport proposed to be constructed in the State of Illinois.

(b) AUTHORITY OF THE GOVERNOR.—Nothing in this title shall be construed to preempt the authority of the Governor of the State of Illinois as of August 1, 2001, to approve or disapprove airport development projects.

TITLE IV—AIRLINE SERVICE IMPROVEMENTS

Subtitle A—Small Community Air Service

SEC. 401. EXEMPTION FROM HOLD-IN REQUIREMENTS.

Section 41734 is amended by adding at the end the following:

“(i) EXEMPTION FROM HOLD-IN REQUIREMENTS.—If, after the date of enactment of this subsection, an air carrier commences

air transportation to an eligible place that is not receiving scheduled passenger air service as a result of the failure of the eligible place to meet requirements contained in an appropriations Act, the air carrier shall not be subject to the requirements of subsections (b) and (c) with respect to such air transportation.”.

SEC. 402. ADJUSTMENTS TO ACCOUNT FOR SIGNIFICANTLY INCREASED COSTS.

(a) IN GENERAL.—Section 41737 is amended by adding at the end the following:

“(e) ADJUSTMENTS TO ACCOUNT FOR SIGNIFICANTLY INCREASED COSTS.—

“(1) IN GENERAL.—If the Secretary determines that air carriers are experiencing significantly increased costs in providing air service or air transportation for which compensation is being paid under this subchapter, the Secretary may increase the rates of compensation payable under this subchapter without regard to any agreement or requirement relating to the renegotiation of contracts or any notice requirement under section 41734.

“(2) READJUSTMENT IF COSTS SUBSEQUENTLY DECLINE.—If an adjustment is made under paragraph (1), and total unit costs subsequently decrease to at least the total unit cost reflected in the compensation rate, then the Secretary may reverse the adjustment previously made under paragraph (1) without regard to any agreement or requirement relating to the renegotiation of contracts or any notice requirement under section 41734.

“(3) SIGNIFICANTLY INCREASED COSTS DEFINED.—In this subsection, the term ‘significantly increased costs’ means a total unit cost increase (but not increases in individual unit costs) of 10 percent or more in relation to the total unit cost reflected in the compensation rate, based on the carrier’s internal audit of its financial statements if such cost increase is incurred for a period of at least 2 consecutive months.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 30 days after the date of enactment of this Act.

49 USC 41737
note.

SEC. 403. JOINT PROPOSALS.

Section 41740 is amended by inserting “, including joint fares,” after “joint proposals”.

SEC. 404. ESSENTIAL AIR SERVICE AUTHORIZATION.

Section 41742 is amended—

(1) in subsection (a)(2)—

(A) by striking “\$15,000,000” and inserting “\$77,000,000”; and

(B) by inserting before the period at the end “of which not more than \$12,000,000 per fiscal year may be used for the marketing incentive program for communities and for State marketing assistance”;

(2) by adding at the end of subsection (a) the following:

“(3) AUTHORIZATION FOR ADDITIONAL EMPLOYEES.—In addition to amounts authorized under paragraphs (1) and (2), there are authorized to be appropriated such sums as may be necessary for the Secretary of Transportation to hire and employ 4 additional employees for the office responsible for carrying out the essential air service program.”; and

(3) by striking subsection (c).

SEC. 405. COMMUNITY AND REGIONAL CHOICE PROGRAMS.

Subchapter II of chapter 417 is amended by adding at the end the following:

“§ 41745. Community and regional choice programs

“(a) ALTERNATE ESSENTIAL AIR SERVICE PILOT PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary of Transportation shall establish an alternate essential air service pilot program in accordance with the requirements of this section.

“(2) ASSISTANCE TO ELIGIBLE PLACES.—In carrying out the program, the Secretary, instead of paying compensation to an air carrier to provide essential air service to an eligible place, may provide assistance directly to a unit of local government having jurisdiction over the eligible place or a State within the boundaries of which the eligible place is located.

“(3) USE OF ASSISTANCE.—A unit of local government or State receiving assistance for an eligible place under the program may use the assistance for any of the following purposes:

“(A) To provide assistance to air carriers that will use smaller equipment to provide the service and to consider increasing the frequency of service using such smaller equipment if the Secretary determines that passenger safety would not be compromised by the use of such smaller equipment and if the State or unit of local government waives the minimum service requirements under section 41732(b).

“(B) To provide assistance to an air carrier to provide on-demand air taxi service to and from the eligible place.

“(C) To provide assistance to a person to provide scheduled or on-demand surface transportation to and from the eligible place and an airport in another place.

“(D) In combination with other units of local government in the same region, to provide transportation services to and from all the eligible places in that region at an airport or other transportation center that can serve all the eligible places in that region.

“(E) To purchase aircraft to provide transportation to and from the eligible place or to purchase a fractional share in an aircraft to provide such transportation after the effective date of a rule the Secretary issues relating to fractional ownership.

“(F) To pay for other transportation or related services that the Secretary may permit.

“(b) COMMUNITY FLEXIBILITY PILOT PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a pilot program for not more than 10 eligible places or consortia of units of local government.

“(2) ELECTION.—Under the program, the sponsor of an airport serving an eligible place may elect to forego any essential air service for which compensation is being provided under this subchapter for a 10-year period in exchange for a grant from the Secretary equal in value to twice the compensation paid to provide such service in the most recent 12-month period.

“(3) GRANT.—Notwithstanding any other provision of law, the Secretary shall make a grant to each airport sponsor participating in the program for use on any project that—

“(A) is eligible for assistance under chapter 471 and complies with the requirements of that chapter;

“(B) is located on the airport property; or

“(C) will improve airport facilities in a way that would make such facilities more usable for general aviation.

“(c) FRACTIONALLY OWNED AIRCRAFT.—After the effective date of the rule referred to in subsection (a)(3)(E), only those operating rules that relate to an aircraft that is fractionally owned apply when an aircraft described in subsection (a)(3)(E) is used to provide transportation described in subsection (a)(3)(E).

“(d) APPLICATIONS.—

“(1) IN GENERAL.—An entity seeking to participate in a program under this section shall submit to the Secretary an application in such form and containing such information as the Secretary may require.

“(2) REQUIRED INFORMATION.—At a minimum, the application shall include—

“(A) a statement of the amount of compensation or assistance required; and

“(B) a description of how the compensation or assistance will be used.

“(e) PARTICIPATION REQUIREMENTS.—An eligible place for which compensation or assistance is provided under this section in a fiscal year shall not be eligible in that fiscal year for the essential air service that it would otherwise be entitled to under this subchapter.

“(f) SUBSEQUENT PARTICIPATION.—A unit of local government participating in the program under this subsection (a) in a fiscal year shall not be prohibited from participating in the basic essential air service program under this subchapter in a subsequent fiscal year if such unit is otherwise eligible to participate in such program.

“(g) FUNDING.—Amounts appropriated or otherwise made available to carry out the essential air service program under this subchapter shall be available to carry out this section.”.

SEC. 406. CODE-SHARING PILOT PROGRAM.

49 USC 41731
note.

(a) IN GENERAL.—The Secretary of Transportation shall establish a pilot program under which the Secretary may require air carriers providing service with compensation under subchapter II of chapter 417 of title 49, United States Code, and major air carriers (as defined in section 41716(a)(2) of such title) serving large hub airports (as defined in section 40102 of such title) to participate in multiple code-share arrangements consistent with normal industry practice whenever and wherever the Secretary determines that such multiple code-sharing arrangements would improve air transportation services.

(b) LIMITATION.—The Secretary may not require air carriers to participate in the pilot program under this section for more than 10 communities receiving service under subchapter II of chapter 417 of title 49, United States Code.

SEC. 407. TRACKING SERVICE.

Subchapter II of chapter 417 is further amended by adding at the end the following:

“§ 41746. Tracking service

“The Secretary of Transportation shall require a carrier that provides essential air service to an eligible place and that receives compensation for such service under this subchapter to report not less than semiannually—

“(1) the percentage of flights to and from the place that arrive on time as defined by the Secretary; and

“(2) such other information as the Secretary considers necessary to evaluate service provided to passengers traveling to and from such place.”.

SEC. 408. EAS LOCAL PARTICIPATION PROGRAM.

(a) IN GENERAL.—Subchapter II of chapter 417 is further amended by adding at the end the following:

“§ 41747. EAS local participation program

“(a) IN GENERAL.—The Secretary of Transportation shall establish a pilot program under which not more than 10 designated essential air service communities located in proximity to hub airports are required to assume 10 percent of their essential air service subsidy costs for a 4-year period.

“(b) DESIGNATION OF COMMUNITIES.—

“(1) IN GENERAL.—The Secretary may not designate any community under this section unless it is located within 100 miles by road of a hub airport and is not located in a noncontiguous State. In making the designation, the Secretary may take into consideration the total traveltime between a community and the nearest hub airport, taking into account terrain, traffic, weather, road conditions, and other relevant factors.

“(2) ONE COMMUNITY PER STATE.—The Secretary may not designate—

“(A) more than 1 community per State under this section; or

“(B) a community in a State in which another community that is eligible to participate in the essential air service program has elected not to participate in the essential air service program as part of a pilot program under section 41745.

“(c) APPEAL OF DESIGNATION.—A community may appeal its designation under this section. The Secretary may withdraw the designation of a community under this section based on—

“(1) the airport sponsor’s ability to pay; or

“(2) the relative lack of financial resources in a community, based on a comparison of the median income of the community with other communities in the State.

“(d) NON-FEDERAL SHARE.—

“(1) NON-FEDERAL AMOUNTS.—For purposes of this section, the non-Federal portion of the essential air service subsidy may be derived from contributions in kind, or through reduction in the amount of the essential air service subsidy through reduction of air carrier costs, increased ridership, prepurchase of tickets, or other means. The Secretary shall provide assistance to designated communities in identifying potential means of reducing the amount of the subsidy without adversely affecting air transportation service to the community.

“(2) APPLICATION WITH OTHER MATCHING REQUIREMENTS.—This section shall apply to the Federal share of essential air

service provided this subchapter, after the application of any other non-Federal share matching requirements imposed by law.

“(e) ELIGIBILITY FOR OTHER PROGRAMS NOT AFFECTED.—Nothing in this section affects the eligibility of a community or consortium of communities, an airport sponsor, or any other person to participate in any program authorized by this subchapter. A community designated under this section may participate in any program (including pilot programs) authorized by this subchapter for which it is otherwise eligible—

“(1) without regard to any limitation on the number of communities that may participate in that program; and

“(2) without reducing the number of other communities that may participate in that program.

“(f) SECRETARY TO REPORT TO CONGRESS ON IMPACT.—The Secretary shall transmit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on—

“(1) the economic condition of communities designated under this section before their designation;

“(2) the impact of designation under this section on such communities at the end of each of the 3 years following their designation; and

“(3) the impact of designation on air traffic patterns affecting air transportation to and from communities designated under this section.”

(b) CONFORMING AMENDMENT.—The analysis for subchapter II of chapter 417 is amended by adding at the end the following:

“41745. Community and regional choice programs.

“41746. Tracking service.

“41747. EAS local participation program.”

SEC. 409. MEASUREMENT OF HIGHWAY MILES FOR PURPOSES OF DETERMINING ELIGIBILITY OF ESSENTIAL AIR SERVICE SUBSIDIES.

49 USC 41731
note.

(a) REQUEST FOR SECRETARIAL REVIEW.—An eligible place (as defined in section 41731 of title 49, United States Code) with respect to which the Secretary has, in the 2-year period ending on the date of enactment of this Act, eliminated (or tentatively eliminated) compensation for essential air service to such place, or terminated (or tentatively terminated) the compensation eligibility of such place for essential air service, under section 332 of the Department of Transportation and Related Agencies Appropriations Act, 2000 (49 U.S.C. 41731 note), section 205 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (49 U.S.C. 41731 note), or any prior law of similar effect based on the highway mileage of such place from the nearest hub airport (as defined in section 40102 of such title), may request the Secretary to review such action.

(b) DETERMINATION OF MILEAGE.—In reviewing an action under subsection (a), the highway mileage between an eligible place and the nearest medium hub airport or large hub airport is the highway mileage of the most commonly used route between the place and the medium hub airport or large hub airport. In identifying such route, the Secretary shall identify the most commonly used route for a community by—

	(1) consulting with the Governor of a State or the Governor's designee; and
	(2) considering the certification of the Governor of a State or the Governor's designee as to the most commonly used route.
Deadline.	(c) ELIGIBILITY DETERMINATION.—Not later than 60 days after receiving a request under subsection (a), the Secretary shall—
	(1) determine whether the eligible place would have been subject to an elimination of compensation eligibility for essential air service, or termination of the eligibility of such place for essential air service, under the provisions of law referred to in subsection (a) based on the determination of the highway mileage of such place from the nearest medium hub airport or large hub airport under subsection (b); and
	(2) issue a final order with respect to the eligibility of such place for essential air service compensation under subchapter II of chapter 417 of title 49, United States Code.
Termination date.	(d) LIMITATION ON PERIOD OF FINAL ORDER.—A final order issued under subsection (c) shall terminate on September 30, 2007.
49 USC 41748 note.	SEC. 410. INCENTIVE PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to enable essential air service communities to increase boardings and the level of passenger usage of airport facilities at an eligible place by providing technical, financial, and other marketing assistance to such communities and to States;

(2) to reduce subsidy costs under subchapter II of this chapter as a consequence of such increased usage; and

(3) to provide such communities with opportunities to obtain, retain, and improve transportation services.

(b) MARKETING PROGRAM.—Subchapter II of chapter 417 is further amended by adding at the end the following:

“§ 41748. Marketing program

“(a) IN GENERAL.—The Secretary of Transportation shall establish a marketing incentive program for eligible places that receive subsidized service by an air carrier under section 41733. Under the program, the sponsor of the airport serving such an eligible place may receive a grant of not more than \$50,000 in a fiscal year to develop and implement a marketing plan to increase passenger boardings and the level of passenger usage of its airport facilities.

“(b) MATCHING REQUIREMENT; SUCCESS BONUSES—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), not less than 25 percent of the publicly financed costs associated with a marketing plan to be developed and implemented under this section shall come from non-Federal sources. For purposes of this section—

“(A) the non-Federal portion of the publicly financed costs may be derived from contributions in kind; and

“(B) matching contributions from a State or unit of local government may not be derived, directly or indirectly, from Federal funds, but the use by the State or unit of local government of proceeds from the sale of bonds to provide the matching contribution is not considered to be a contribution derived directly or indirectly from Federal funds, without regard to the Federal income tax treatment

of interest paid on those bonds or the Federal income tax treatment of those bonds.

“(2) BONUS FOR 25-PERCENT INCREASE IN USAGE.—Except as provided in paragraph (3), if, after any 12-month period during which a marketing plan has been in effect under this section with respect to an eligible place, the Secretary determines that the marketing plan has increased average monthly boardings, or the level of passenger usage, at the airport serving the eligible place, by 25 percent or more, then only 10 percent of the publicly financed costs associated with the marketing plan shall be required to come from non-Federal sources under this subsection for the following 12-month period.

“(3) BONUS FOR 50-PERCENT INCREASE IN USAGE.—If, after any 12-month period during which a marketing plan has been in effect under this section with respect to an eligible place, the Secretary determines that the marketing plan has increased average monthly boardings, or the level of passenger usage, at the airport serving the eligible place, by 50 percent or more, then no portion of the publicly financed costs associated with the marketing plan shall be required to come from non-Federal sources under this subsection for the following 12-month period.”.

(b) CONFORMING AMENDMENT.—The analysis for subchapter II of chapter 417 is further amended by adding at the end the following:

“41748. Marketing program.”.

SEC. 411. NATIONAL COMMISSION ON SMALL COMMUNITY AIR SERVICE.

(a) ESTABLISHMENT.—There is established a commission to be known as the “National Commission on Small Community Air Service” (in this section referred to as the “Commission”).

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of nine members of whom—

(A) three members shall be appointed by the Secretary;

(B) two members shall be appointed by the majority leader of the Senate;

(C) one member shall be appointed by the minority leader of the Senate;

(D) two members shall be appointed by the Speaker of the House of Representatives; and

(E) one member shall be appointed by the minority leader of the House of Representatives.

(2) QUALIFICATIONS.—Of the members appointed by the Secretary under paragraph (1)(A)—

(A) one member shall be a representative of a regional airline;

(B) one member shall be a representative of a small hub airport or nonhub airport (as such terms are defined in section 40102 of title 49, United States Code); and

(C) one member shall be a representative of a State aviation agency.

(3) TERMS.—Members shall be appointed for the life of the Commission.

(4) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(c) CHAIRPERSON.—The Secretary shall designate, from among the individuals appointed under subsection (b)(1), an individual to serve as chairperson of the Commission.

(d) DUTIES.—

(1) STUDY.—The Commission shall undertake a study of—

(A) the challenges faced by small communities in the United States with respect to retaining and enhancing their scheduled commercial air service; and

(B) whether the existing Federal programs charged with helping small communities are adequate for them to retain and enhance their existing air service.

(2) ESSENTIAL AIR SERVICE COMMUNITIES.—In conducting the study, the Commission shall pay particular attention to the state of scheduled commercial air service in communities currently served by the essential air service program.

(e) RECOMMENDATIONS.—Based on the results of the study under subsection (d), the Commission shall make such recommendations as it considers necessary to—

(1) improve the state of scheduled commercial air service at small communities in the United States, especially communities described in subsection (d)(2); and

(2) improve the ability of small communities to retain and enhance their existing air service.

Deadline.

(f) REPORT.—Not later than 6 months after the date on which initial appointments of members to the Commission are completed, the Commission shall transmit to the President and Congress a report on the activities of the Commission, including recommendations made by the Commission under subsection (e).

Establishment.

(g) COMMISSION PANELS.—The chairperson of the Commission shall establish such panels consisting of members of the Commission as the chairperson determines appropriate to carry out the functions of the Commission.

(h) COMMISSION PERSONNEL MATTERS.—

(1) STAFF.—The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the chairperson of the Commission, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OTHER STAFF AND SUPPORT.—Upon the request of the Commission, or a panel of the Commission, the Secretary shall provide the Commission or panel with professional and administrative staff and other support, on a reimbursable basis, to assist the Commission or panel in carrying out its responsibilities.

(i) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information (other than information required by any statute of

the United States to be kept confidential by such department or agency) necessary for the Commission to carry out its duties under this section. Upon request of the chairperson of the Commission, the head of that department or agency shall furnish such nonconfidential information to the Commission.

(j) **TERMINATION.**—The Commission shall terminate on the 30th day following the date of transmittal of the report under subsection (f).

(k) **APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

(l) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary \$250,000 to be used to fund the Commission.

SEC. 412. SMALL COMMUNITY AIR SERVICE.

Section 41743 is amended—

(1) in the heading of subsection (a) by striking “PILOT”;

(2) in subsection (a) by striking “pilot”;

(3) in subsection (c)—

(A) by striking paragraph (3) and inserting the following:

“(3) **STATE LIMIT.**—Not more than 4 communities or consortia of communities, or a combination thereof, from the same State may be selected to participate in the program in any fiscal year.”;

(B) by adding at the end of paragraph (4) the following:

“No community, consortia of communities, nor combination thereof may participate in the program in support of the same project more than once, but any community, consortia of communities, or combination thereof may apply, subsequent to such participation, to participate in the program in support of a different project.”; and

(C) in paragraph (5)—

(i) by striking “and” at the end of subparagraph (C);

(ii) by striking the period at the end of subparagraph (D) and inserting “; and”; and

(iii) by adding at the end the following:

“(E) the assistance will be used in a timely fashion.”;

(4) in subsection (e)(2)—

(A) by striking “and” the first place it appears and inserting a comma; and

(B) by inserting after “2003” the following “, and \$35,000,000 for each of fiscal years 2004 through 2008”; and

(5) in subsection (f) by striking “pilot”.

Subtitle B—Miscellaneous

SEC. 421. DATA ON INCIDENTS AND COMPLAINTS INVOLVING PASSENGER AND BAGGAGE SECURITY SCREENING.

Section 329 is amended by adding at the end the following:

“(e) **INCIDENTS AND COMPLAINTS INVOLVING PASSENGER AND BAGGAGE SECURITY SCREENING.**—

“(1) PUBLICATION OF DATA.—The Secretary of Transportation shall publish data on incidents and complaints involving passenger and baggage security screening in a manner comparable to other consumer complaint and incident data.

“(2) MONTHLY REPORTS FROM SECRETARY OF HOMELAND SECURITY.—To assist in the publication of data under paragraph (1), the Secretary of Transportation may request the Secretary of Homeland Security to periodically report on the number of complaints about security screening received by the Secretary of Homeland Security.”.

SEC. 422. DELAY REDUCTION ACTIONS.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by adding at the end the following new section:

“§ 41722. Delay reduction actions

“(a) SCHEDULING REDUCTION MEETINGS.—The Secretary of Transportation may request that air carriers meet with the Administrator of the Federal Aviation Administration to discuss flight reductions at severely congested airports to reduce overscheduling and flight delays during hours of peak operation if—

“(1) the Administrator determines that it is necessary to convene such a meeting; and

“(2) the Secretary determines that the meeting is necessary to meet a serious transportation need or achieve an important public benefit.

“(b) MEETING CONDITIONS.—Any meeting under subsection (a)—

“(1) shall be chaired by the Administrator;

“(2) shall be open to all scheduled air carriers; and

“(3) shall be limited to discussions involving the airports and time periods described in the Administrator’s determination.

“(c) FLIGHT REDUCTION TARGETS.—Before any such meeting is held, the Administrator shall establish flight reduction targets for the meeting and notify the attending air carriers of those targets not less than 48 hours before the meeting.

“(d) DELAY REDUCTION OFFERS.—An air carrier attending the meeting shall make any offer to meet a flight reduction target to the Administrator rather than to another carrier.

“(e) TRANSCRIPT.—The Administrator shall ensure that a transcript of the meeting is kept and made available to the public not later than 3 business days after the conclusion of the meeting.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 417 is amended by striking the item relating to section 41721 and inserting the following:

“41721. Reports by carriers on incidents involving animals during air transport.

“41722. Delay reduction actions.”.

SEC. 423. COLLABORATIVE DECISIONMAKING PILOT PROGRAM.

(a) IN GENERAL.—Chapter 401 is amended by adding at the end the following:

“§ 40129. Collaborative decisionmaking pilot program

“(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this section, the Administrator of the Federal Aviation Administration shall establish a collaborative decisionmaking pilot program in accordance with this section.

Public
information.
Deadline.

Deadline.

“(b) DURATION.—Except as provided in subsection (k), the pilot program shall be in effect for a period of 2 years.

“(c) GUIDELINES.—

“(1) ISSUANCE.—The Administrator, with the concurrence of the Attorney General, shall issue guidelines concerning the pilot program. Such guidelines, at a minimum, shall—

“(A) define a capacity reduction event;

“(B) establish the criteria and process for determining when a capacity reduction event exists that warrants the use of collaborative decisionmaking among carriers at airports participating in the pilot program; and

“(C) prescribe the methods of communication to be implemented among carriers during such an event.

“(2) VIEWS.—The Administrator may obtain the views of interested parties in issuing the guidelines.

“(d) EFFECT OF DETERMINATION OF EXISTENCE OF CAPACITY REDUCTION EVENT.—Upon a determination by the Administrator that a capacity reduction event exists, the Administrator may authorize air carriers and foreign air carriers operating at an airport participating in the pilot program to communicate for a period of time not to exceed 24 hours with each other concerning changes in their respective flight schedules in order to use air traffic capacity most effectively. The Administration shall facilitate and monitor such communication. The Attorney General, or the Attorney General’s designee, may monitor such communication.

“(e) SELECTION OF PARTICIPATING AIRPORTS.—Not later than 30 days after the date on which the Administrator establishes the pilot program, the Administrator shall select 2 airports to participate in the pilot program from among the most capacity-constrained airports in the Nation based on the Administration’s Airport Capacity Benchmark Report 2001 or more recent data on airport capacity that is available to the Administrator. The Administrator shall select an airport for participation in the pilot program if the Administrator determines that collaborative decisionmaking among air carriers and foreign air carriers would reduce delays at the airport and have beneficial effects on reducing delays in the national airspace system as a whole.

Deadline.

“(f) ELIGIBILITY OF AIR CARRIERS.—An air carrier or foreign air carrier operating at an airport selected to participate in the pilot program is eligible to participate in the pilot program if the Administrator determines that the carrier has the operational and communications capability to participate in the pilot program.

“(g) MODIFICATION OR TERMINATION OF PILOT PROGRAM AT AN AIRPORT.—The Administrator, with the concurrence of the Attorney General, may modify or end the pilot program at an airport before the term of the pilot program has expired, or may ban an air carrier or foreign air carrier from participating in the program, if the Administrator determines that the purpose of the pilot program is not being furthered by participation of the airport or air carrier or if the Secretary of Transportation, with the concurrence of the Attorney General, finds that the pilot program or the participation of an air carrier or foreign air carrier in the pilot program has had, or is having, an adverse effect on competition among carriers.

“(h) ANTITRUST IMMUNITY.—

“(1) IN GENERAL.—Unless, within 5 days after receiving notice from the Secretary of the Secretary’s intention to exercise

authority under this subsection, the Attorney General submits to the Secretary a written objection to such action, including reasons for such objection, the Secretary may exempt an air carrier's or foreign air carrier's activities that are necessary to participate in the pilot program under this section from the antitrust laws for the sole purpose of participating in the pilot program. Such exemption shall not extend to any discussions, agreements, or activities outside the scope of the pilot program.

“(2) ANTITRUST LAWS DEFINED.—In this section, the term ‘antitrust laws’ has the meaning given that term in the first section of the Clayton Act (15 U.S.C. 12).

“(i) CONSULTATION WITH ATTORNEY GENERAL.—The Secretary shall consult with the Attorney General regarding the design and implementation of the pilot program, including determining whether a limit should be set on the number of occasions collaborative decisionmaking could be employed during the initial 2-year period of the pilot program.

“(j) EVALUATION.—

“(1) IN GENERAL.—Before the expiration of the 2-year period for which the pilot program is authorized under subsection (b), the Administrator shall determine whether the pilot program has facilitated more effective use of air traffic capacity and the Secretary, with the concurrence of the Attorney General, shall determine whether the pilot program has had an adverse effect on airline competition or the availability of air services to communities. The Administrator shall also examine whether capacity benefits resulting from the participation in the pilot program of an airport resulted in capacity benefits to other parts of the national airspace system.

“(2) OBTAINING NECESSARY DATA.—The Administrator may require participating air carriers and airports to provide data necessary to evaluate the pilot program's impact.

“(k) EXTENSION OF PILOT PROGRAM.—At the end of the 2-year period for which the pilot program is authorized, the Administrator, with the concurrence of the Attorney General, may continue the pilot program for an additional 2 years and expand participation in the program to up to 7 additional airports if the Administrator determines pursuant to subsection (j) that the pilot program has facilitated more effective use of air traffic capacity and if the Secretary, with the concurrence of the Attorney General, determines that the pilot program has had no adverse effect on airline competition or the availability of air services to communities. The Administrator shall select the additional airports to participate in the extended pilot program in the same manner in which airports were initially selected to participate.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 401 is amended by adding at the end the following:

“40129. Collaborative decisionmaking pilot program.”.

SEC. 424. COMPETITION DISCLOSURE REQUIREMENT FOR LARGE AND MEDIUM HUB AIRPORTS.

Section 47107 is amended by adding at the end the following:

“(s) COMPETITION DISCLOSURE REQUIREMENT.—

“(1) IN GENERAL.—The Secretary of Transportation may approve an application under this subchapter for an airport development project grant for a large hub airport or a medium

hub airport only if the Secretary receives assurances that the airport sponsor will provide the information required by paragraph (2) at such time and in such form as the Secretary may require.

“(2) COMPETITIVE ACCESS.—On February 1 and August 1 of each year, an airport that during the previous 6-month period has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to provide service to the airport or to expand service at the airport shall transmit a report to the Secretary that—

Deadlines.
Reports.

“(A) describes the requests;

“(B) provides an explanation as to why the requests could not be accommodated; and

“(C) provides a time frame within which, if any, the airport will be able to accommodate the requests.

“(3) SUNSET PROVISION.—This subsection shall cease to be effective beginning October 1, 2008.”.

SEC. 425. SLOT EXEMPTIONS AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

(a) BEYOND-PERIMETER EXEMPTIONS.—Section 41718(a) is amended by striking “12” and inserting “24”.

(b) WITHIN-PERIMETER EXEMPTIONS.—Section 41718(b) is amended—

(1) by striking “12” and inserting “20”; and

(2) by striking “that were designated as medium hub or smaller airports”.

(c) LIMITATIONS.—

(1) GENERAL EXEMPTIONS.—Section 41718(c)(2) is amended by striking “two” and inserting “3”.

(2) ALLOCATION OF WITHIN-PERIMETER EXEMPTIONS.—Section 41718(c)(3) is amended—

(A) in subparagraph (A)—

(i) by striking “four” and inserting “without regard to the criteria contained in subsection (b)(1), six”; and

(ii) by striking “and” at the end;

(B) in subparagraph (B)—

(i) by striking “eight” and inserting “ten”; and

(ii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(C) four shall be for air transportation to airports without regard to their size.”.

(d) APPLICATION PROCEDURES.—Section 41718(d) is amended to read as follows:

“(d) APPLICATION PROCEDURES.—The Secretary shall establish procedures to ensure that all requests for exemptions under this section are granted or denied within 90 days after the date on which the request is made.”.

Deadline.

SEC. 426. DEFINITION OF COMMUTER AIRCRAFT.

(a) IN GENERAL.—Section 41718 is amended by adding at the end the following:

“(f) COMMUTERS DEFINED.—For purposes of aircraft operations at Ronald Reagan Washington National Airport under subpart K

49 USC 41718
note.

of part 93 of title 14, Code of Federal Regulations, the term ‘commuters’ means aircraft operations using aircraft having a certificated maximum seating capacity of 76 or less.”

(b) REGULATIONS.—The Administrator of the Federal Aviation Administration shall revise regulations to take into account the amendment made by subsection (a).

SEC. 427. AIRFARES FOR MEMBERS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds that—

(1) the Armed Forces is comprised of approximately 1,400,000 members who are stationed on active duty at more than 6,000 military bases in 146 different countries;

(2) the United States is indebted to the members of the Armed Forces, many of whom are in grave danger due to their engagement in, or exposure to, combat;

(3) military service, especially in the current war against terrorism, often requires members of the Armed Forces to be separated from their families on short notice, for long periods of time, and under very stressful conditions;

(4) the unique demands of military service often preclude members of the Armed Forces from purchasing discounted advance airline tickets in order to visit their loved ones at home; and

(5) it is the patriotic duty of the people of the United States to support the members of the Armed Forces who are defending the Nation’s interests around the world at great personal sacrifice.

(b) SENSE OF CONGRESS.—It is the sense of Congress that each United States air carrier should—

(1) establish for all members of the Armed Forces on active duty reduced air fares that are comparable to the lowest airfare for ticketed flights; and

(2) offer flexible terms that allow members of the Armed Forces on active duty to purchase, modify, or cancel tickets without time restrictions, fees, and penalties.

SEC. 428. AIR CARRIERS REQUIRED TO HONOR TICKETS FOR SUSPENDED SERVICE.

Section 145(c) of the Aviation and Transportation Security Act (49 U.S.C. 40101 note) is amended by striking “more than” and all that follows through “after” and inserting “more than 36 months after”.

TITLE V—AVIATION SAFETY

SEC. 501. COUNTERFEIT OR FRAUDULENTLY REPRESENTED PARTS VIOLATIONS.

Section 44726(a)(1) is amended—

(1) by striking “or” at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following:

“(B) whose certificate is revoked under subsection (b); or”; and

(4) in subparagraph (C) (as redesignated by paragraph (2) of this section) by striking “convicted of such a violation.” and inserting “described in subparagraph (A) or (B).”.

SEC. 502. RUNWAY SAFETY STANDARDS.

(a) IN GENERAL.—Chapter 447 is amended by adding at the end the following:

“§ 44727. Runway safety areas

“(a) AIRPORTS IN ALASKA.—An airport owner or operator in the State of Alaska shall not be required to reduce the length of a runway or declare the length of a runway to be less than the actual pavement length in order to meet standards of the Federal Aviation Administration applicable to runway safety areas.

“(b) STUDY.—

“(1) IN GENERAL.—The Secretary shall conduct a study of runways at airports in States other than Alaska to determine which airports are affected by standards of the Federal Aviation Administration applicable to runway safety areas and to assess how operations at those airports would be affected if the owner or operator of the airport is required to reduce the length of a runway or declare the length of a runway to be less than the actual pavement length in order to meet such standards.

“(2) REPORT.—Not later than 9 months after the date of enactment of this section, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report containing the results of the study.”.

Deadline.

(b) CONFORMING AMENDMENT.—The analysis for chapter 447 is amended by adding at the end the following:

“44727. Runway safety areas.”.

SEC. 503. CIVIL PENALTIES.

(a) INCREASE IN MAXIMUM CIVIL PENALTY.—Section 46301(a) is amended—

(1) by striking “\$1,000” in paragraph (1) and inserting “\$25,000 (or \$1,100 if the person is an individual or small business concern)”;

(2) by striking “or” the last place it appears in paragraph (1)(A);

(3) by striking “section)” in paragraph (1)(A) and inserting “section), or section 47133”;

(4) by striking paragraphs (2), (3), (6), and (7) and redesignating paragraphs (4), (5), and (8) as paragraphs (2), (3), and (4), respectively;

(5) by striking “41715” each place it appears in paragraph (2), as redesignated, and inserting “41719”;

(6) by striking “paragraphs (1) and (2)” in paragraph (4), as redesignated, and inserting “paragraph (1)”;

(7) by adding at the end the following:

“(5) PENALTIES APPLICABLE TO INDIVIDUALS AND SMALL BUSINESS CONCERNS.—

“(A) An individual (except an airman serving as an airman) or small business concern is liable to the Government for a civil penalty of not more than \$10,000 for violating—

“(i) chapter 401 (except sections 40103(a) and (d), 40105, 40106(b), 40116, and 40117), section 44502 (b) or (c), chapter 447 (except sections 44717–44723), or

chapter 449 (except sections 44902, 44903(d), 44904, and 44907-44909) of this title; or

“(ii) a regulation prescribed or order issued under any provision to which clause (i) applies.

“(B) A civil penalty of not more than \$10,000 may be imposed for each violation under paragraph (1) committed by an individual or small business concern related to—

“(i) the transportation of hazardous material;

“(ii) the registration or recordation under chapter 441 of an aircraft not used to provide air transportation;

“(iii) a violation of section 44718(d), relating to the limitation on construction or establishment of landfills;

“(iv) a violation of section 44725, relating to the safe disposal of life-limited aircraft parts; or

“(v) a violation of section 40127 or section 41705, relating to discrimination.

“(C) Notwithstanding paragraph (1), the maximum civil penalty for a violation of section 41719 committed by an individual or small business concern shall be \$5,000 instead of \$1,000.

“(D) Notwithstanding paragraph (1), the maximum civil penalty for a violation of section 41712 (including a regulation prescribed or order issued under such section) or any other regulation prescribed by the Secretary by an individual or small business concern that is intended to afford consumer protection to commercial air transportation passengers shall be \$2,500 for each violation.”.

(b) INCREASE IN LIMIT ON ADMINISTRATIVE AUTHORITY AND CIVIL PENALTY.—Section 46301(d) is amended—

(1) by striking “more than \$50,000;” in paragraph (4)(A) and inserting “more than—

“(i) \$50,000 if the violation was committed by any person before the date of enactment of the Vision 100—Century of Aviation Reauthorization Act;

“(ii) \$400,000 if the violation was committed by a person other than an individual or small business concern on or after that date; or

“(iii) \$50,000 if the violation was committed by an individual or small business concern on or after that date;”; and

(2) by striking “is \$50,000.” in paragraph (8) and inserting “is—

“(A) \$50,000 if the violation was committed by any person before the date of enactment of the Vision 100—Century of Aviation Reauthorization Act;

“(B) \$400,000 if the violation was committed by a person other than an individual or small business concern on or after that date; or

“(C) \$50,000 if the violation was committed by an individual or small business concern on or after that date.”.

(c) SMALL BUSINESS CONCERN DEFINED.—Section 46301 is amended by adding at the end the following:

“(i) SMALL BUSINESS CONCERN DEFINED.—In this section, the term ‘small business concern’ has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 632).”.

(d) CONFORMING AMENDMENTS.—Title 49 is amended—

(1) in section 41705(b) by striking “46301(a)(3)(E)” and inserting “46301”; and

(2) in section 46304(a) by striking “, (2), or (3)”.

SEC. 504. IMPROVEMENT OF CURRICULUM STANDARDS FOR AVIATION MAINTENANCE TECHNICIANS.

49 USC 44515
note.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall ensure that the training standards for airframe and powerplant mechanics under part 65 of title 14, Code of Federal Regulations, are updated and revised in accordance with this section. The Administrator may update and revise the training standards through the initiation of a formal rulemaking or by issuing an advisory circular or other agency guidance.

(b) ELEMENTS FOR CONSIDERATION.—The updated and revised standards required under subsection (a) shall include those curriculum adjustments that are necessary to more accurately reflect current technology and maintenance practices.

(c) CERTIFICATION.—Any adjustment or modification of current curriculum standards made pursuant to this section shall be reflected in the certification examinations of airframe and powerplant mechanics.

(d) COMPLETION.—The revised and updated training standards required by subsection (a) shall be completed not later than 12 months after the date of enactment of this Act.

Deadline.

(e) PERIODIC REVIEWS AND UPDATES.—The Administrator shall review the content of the curriculum standards for training airframe and powerplant mechanics referred to in subsection (a) every 3 years after completion of the revised and updated training standards required under subsection (a) as necessary to reflect current technology and maintenance practices.

SEC. 505. ASSESSMENT OF WAKE TURBULENCE RESEARCH AND DEVELOPMENT PROGRAM.

49 USC 44505
note.

(a) ASSESSMENT.—The Administrator of the Federal Aviation Administration shall enter into an arrangement with the National Research Council for an assessment of the Federal Aviation Administration’s proposed wake turbulence research and development program. The assessment shall include—

Contracts.

(1) an evaluation of the research and development goals and objectives of the program;

(2) a listing of any additional research and development objectives that should be included in the program;

(3) any modifications that will be necessary for the program to achieve the program’s goals and objectives on schedule and within the proposed level of resources; and

(4) an evaluation of the roles, if any, that should be played by other Federal agencies, such as the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration, in wake turbulence research and development, and how those efforts could be coordinated.

(b) REPORT.—A report containing the results of the assessment shall be provided to the Committee on Science of the House of Representatives and to the Committee on Commerce, Science, and

Deadline.

Transportation of the Senate not later than 1 year after the date of enactment of this Act.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Administrator of the Federal Aviation Administration \$500,000 for fiscal year 2004 to carry out this section.

49 USC 44701
note.

SEC. 506. FAA INSPECTOR TRAINING.

(a) **STUDY.**—

(1) **IN GENERAL.**—The Comptroller General shall conduct a study of the training of the aviation safety inspectors of the Federal Aviation Administration (in this section referred to as “FAA inspectors”).

(2) **CONTENTS.**—The study shall include—

(A) an analysis of the type of training provided to FAA inspectors;

(B) actions that the Federal Aviation Administration has undertaken to ensure that FAA inspectors receive up-to-date training on the latest technologies;

(C) the extent of FAA inspector training provided by the aviation industry and whether such training is provided without charge or on a quid pro quo basis; and

(D) the amount of travel that is required of FAA inspectors in receiving training.

Deadline.

(3) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the results of the study.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House of Representatives that—

(1) FAA inspectors should be encouraged to take the most up-to-date initial and recurrent training on the latest aviation technologies;

(2) FAA inspector training should have a direct relation to an individual’s job requirements; and

(3) if possible, a FAA inspector should be allowed to take training at the location most convenient for the inspector.

Deadlines.

(c) **WORKLOAD OF INSPECTORS.**—

(1) **STUDY BY NATIONAL ACADEMY OF SCIENCES.**—Not later than 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall make appropriate arrangements for the National Academy of Sciences to conduct a study of the assumptions and methods used by the Federal Aviation Administration to estimate staffing standards for FAA inspectors to ensure proper oversight over the aviation industry, including the designee program.

(2) **CONTENTS.**—The study shall include the following:

(A) A suggested method of modifying FAA inspectors staffing models for application to current local conditions or applying some other approach to developing an objective staffing standard.

(B) The approximate cost and length of time for developing such models.

(3) **REPORT.**—Not later than 12 months after the initiation of the arrangements under subsection (a), the National

Academy of Sciences shall transmit to Congress a report on the results of the study.

SEC. 507. AIR TRANSPORTATION OVERSIGHT SYSTEM PLAN.

(a) **IN GENERAL.**—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a plan containing an implementation schedule for addressing problems with the air transportation oversight system that have been identified in reports by the Comptroller General and the Inspector General of the Department of Transportation. Deadline.

(b) **PLAN REQUIREMENTS.**—The plan transmitted by the Administrator under subsection (a) shall set forth the action the Administration will take under the plan—

(1) to develop specific, clear, and meaningful inspection guidance for the use by Administration aviation safety inspectors and analysts;

(2) to provide adequate training to Administration aviation safety inspectors in system safety concepts, risk analysis, and auditing;

(3) to ensure that aviation safety inspectors with the necessary qualifications and experience are physically located where they can satisfy the most important needs;

(4) to establish strong national leadership for the air transportation oversight system and to ensure that the system is implemented consistently across Administration field offices; and

(5) to extend the air transportation oversight system beyond the 10 largest air carriers, so it governs oversight of smaller air carriers as well.

TITLE VI—AVIATION SECURITY

SEC. 601. CERTIFICATE ACTIONS IN RESPONSE TO A SECURITY THREAT.

(a) **IN GENERAL.**—Chapter 461 is amended by adding at the end the following:

“§ 46111. Certificate actions in response to a security threat

“(a) **ORDERS.**—The Administrator of Federal Aviation Administration shall issue an order amending, modifying, suspending, or revoking any part of a certificate issued under this title if the Administrator is notified by the Under Secretary for Border and Transportation Security of the Department of Homeland Security that the holder of the certificate poses, or is suspected of posing, a risk of air piracy or terrorism or a threat to airline or passenger safety. If requested by the Under Secretary, the order shall be effective immediately.

“(b) **HEARINGS FOR CITIZENS.**—An individual who is a citizen of the United States who is adversely affected by an order of the Administrator under subsection (a) is entitled to a hearing on the record.

“(c) **HEARINGS.**—When conducting a hearing under this section, the administrative law judge shall not be bound by findings of

fact or interpretations of laws and regulations of the Administrator or the Under Secretary.

Establishment.

“(d) APPEALS.—An appeal from a decision of an administrative law judge as the result of a hearing under subsection (b) shall be made to the Transportation Security Oversight Board established by section 115. The Board shall establish a panel to review the decision. The members of this panel (1) shall not be employees of the Transportation Security Administration, (2) shall have the level of security clearance needed to review the determination made under this section, and (3) shall be given access to all relevant documents that support that determination. The panel may affirm, modify, or reverse the decision.

“(e) REVIEW.—A person substantially affected by an action of a panel under subsection (d), or the Under Secretary when the Under Secretary decides that the action of the panel under this section will have a significant adverse impact on carrying out this part, may obtain review of the order under section 46110. The Under Secretary and the Administrator shall be made a party to the review proceedings. Findings of fact of the panel are conclusive if supported by substantial evidence.

“(f) EXPLANATION OF DECISIONS.—An individual who commences an appeal under this section shall receive a written explanation of the basis for the determination or decision and all relevant documents that support that determination to the maximum extent that the national security interests of the United States and other applicable laws permit.

Regulations.
Procedures.

“(g) CLASSIFIED EVIDENCE.—

“(1) IN GENERAL.—The Under Secretary, in consultation with the Administrator and the Director of Central Intelligence, shall issue regulations to establish procedures by which the Under Secretary, as part of a hearing conducted under this section, may provide an unclassified summary of classified evidence upon which the order of the Administrator was based to the individual adversely affected by the order.

“(2) REVIEW OF CLASSIFIED EVIDENCE BY ADMINISTRATIVE LAW JUDGE.—

“(A) REVIEW.—As part of a hearing conducted under this section, if the order of the Administrator issued under subsection (a) is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)), such information may be submitted by the Under Secretary to the reviewing administrative law judge, pursuant to appropriate security procedures, and shall be reviewed by the administrative law judge *ex parte* and *in camera*.

“(B) SECURITY CLEARANCES.—Pursuant to existing procedures and requirements, the Under Secretary shall, in coordination, as necessary, with the heads of other affected departments or agencies, ensure that administrative law judges reviewing orders of the Administrator under this section possess security clearances appropriate for their work under this section.

“(3) UNCLASSIFIED SUMMARIES OF CLASSIFIED EVIDENCE.—As part of a hearing conducted under this section and upon the request of the individual adversely affected by an order of the Administrator under subsection (a), the Under Secretary shall provide to the individual and reviewing administrative

law judge, consistent with the procedures established under paragraph (1), an unclassified summary of any classified information upon which the order of the Administrator is based.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 461 is amended by adding at the end the following:

“46111. Certificate actions in response to a security threat.”.

SEC. 602. JUSTIFICATION FOR AIR DEFENSE IDENTIFICATION ZONE.

Deadlines.
Reports.

(a) IN GENERAL.—If the Administrator of the Federal Aviation Administration establishes an Air Defense Identification Zone (in this section referred as an “ADIZ”), the Administrator shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, not later than 60 days after the date of establishing the ADIZ, a report containing an explanation of the need for the ADIZ. The Administrator also shall transmit to the Committees updates of the report every 60 days until the ADIZ is rescinded. The reports and updates shall be transmitted in classified form.

Classified
information.

(b) EXISTING ADIZ.—If an ADIZ is in effect on the date of enactment of this Act, the Administrator shall transmit an initial report under subsection (a) not later than 30 days after such date of enactment.

(c) DESCRIPTION OF CHANGES TO IMPROVE OPERATIONS.—A report transmitted by the Administrator under this section shall include a description of any changes in procedures or requirements that could improve operational efficiency or minimize operational impacts of the ADIZ on pilots and controllers. This portion of the report may be transmitted in classified or unclassified form.

(d) DEFINITION.—In this section, the terms “Air Defense Identification Zone” and “ADIZ” each mean a zone established by the Administrator with respect to airspace under 18,000 feet in approximately a 15- to 38-mile radius around Washington, District of Columbia, for which security measures are extended beyond the existing 15-mile no-fly zone around Washington and in which general aviation aircraft are required to adhere to certain procedures issued by the Administrator.

SEC. 603. CREW TRAINING.

Section 44918 is amended to read as follows:

“§ 44918. Crew training

“(a) BASIC SECURITY TRAINING.—

“(1) IN GENERAL.—Each air carrier providing scheduled passenger air transportation shall carry out a training program for flight and cabin crew members to prepare the crew members for potential threat conditions.

“(2) PROGRAM ELEMENTS.—An air carrier training program under this subsection shall include, at a minimum, elements that address each of the following:

“(A) Recognizing suspicious activities and determining the seriousness of any occurrence.

“(B) Crew communication and coordination.

“(C) The proper commands to give passengers and attackers.

“(D) Appropriate responses to defend oneself.

“(E) Use of protective devices assigned to crew members (to the extent such devices are required by the Administrator of the Federal Aviation Administration or the Under Secretary for Border and Transportation Security of the Department of Homeland Security).

“(F) Psychology of terrorists to cope with hijacker behavior and passenger responses.

“(G) Situational training exercises regarding various threat conditions.

“(H) Flight deck procedures or aircraft maneuvers to defend the aircraft and cabin crew responses to such procedures and maneuvers.

“(I) The proper conduct of a cabin search, including explosive device recognition.

“(J) Any other subject matter considered appropriate by the Under Secretary.

“(3) APPROVAL.—An air carrier training program under this subsection shall be subject to approval by the Under Secretary.

Deadline.

“(4) MINIMUM STANDARDS.—Not later than one year after the date of enactment of the Vision 100—Century of Aviation Reauthorization Act, the Under Secretary may establish minimum standards for the training provided under this subsection and for recurrent training.

“(5) EXISTING PROGRAMS.—Notwithstanding paragraphs (3) and (4), any training program of an air carrier to prepare flight and cabin crew members for potential threat conditions that was approved by the Administrator or the Under Secretary before the date of enactment of the Vision 100—Century of Aviation Reauthorization Act may continue in effect until disapproved or ordered modified by the Under Secretary.

“(6) MONITORING.—The Under Secretary, in consultation with the Administrator, shall monitor air carrier training programs under this subsection and periodically shall review an air carrier’s training program to ensure that the program is adequately preparing crew members for potential threat conditions. In determining when an air carrier’s training program should be reviewed under this paragraph, the Under Secretary shall consider complaints from crew members. The Under Secretary shall ensure that employees responsible for monitoring the training programs have the necessary resources and knowledge.

“(7) UPDATES.—The Under Secretary, in consultation with the Administrator, shall order air carriers to modify training programs under this subsection to reflect new or different security threats.

“(b) ADVANCED SELF-DEFENSE TRAINING.—

Deadline.

“(1) IN GENERAL.—Not later than one year after the date of enactment of the Vision 100—Century of Aviation Reauthorization Act, the Under Secretary shall develop and provide a voluntary training program for flight and cabin crew members of air carriers providing scheduled passenger air transportation.

“(2) PROGRAM ELEMENTS.—The training program under this subsection shall include both classroom and effective hands-on training in the following elements of self-defense:

“(A) Deterring a passenger who might present a threat.

“(B) Advanced control, striking, and restraint techniques.

“(C) Training to defend oneself against edged or contact weapons.

“(D) Methods to subdue and restrain an attacker.

“(E) Use of available items aboard the aircraft for self-defense.

“(F) Appropriate and effective responses to defend oneself, including the use of force against an attacker.

“(G) Any other element of training that the Under Secretary considers appropriate.

“(3) PARTICIPATION NOT REQUIRED.—A crew member shall not be required to participate in the training program under this subsection.

“(4) COMPENSATION.—Neither the Federal Government nor an air carrier shall be required to compensate a crew member for participating in the training program under this subsection.

“(5) FEES.—A crew member shall not be required to pay a fee for the training program under this subsection.

“(6) CONSULTATION.—In developing the training program under this subsection, the Under Secretary shall consult with law enforcement personnel and security experts who have expertise in self-defense training, terrorism experts, representatives of air carriers, the director of self-defense training in the Federal Air Marshals Service, flight attendants, labor organizations representing flight attendants, and educational institutions offering law enforcement training programs.

“(7) DESIGNATION OF TSA OFFICIAL.—The Under Secretary shall designate an official in the Transportation Security Administration to be responsible for implementing the training program under this subsection. The official shall consult with air carriers and labor organizations representing crew members before implementing the program to ensure that it is appropriate for situations that may arise on board an aircraft during a flight.

“(c) LIMITATION.—Actions by crew members under this section shall be subject to the provisions of section 44903(k).”.

SEC. 604. STUDY OF EFFECTIVENESS OF TRANSPORTATION SECURITY SYSTEM.

(a) IN GENERAL.—The Secretary of Homeland Security, in consultation with representatives of the aviation community, shall study the effectiveness of the aviation security system, including the air marshal program, hardening of cockpit doors, and security screening of passengers, checked baggage, and cargo.

(b) REPORT.—The Secretary shall transmit a report of the Secretary’s findings and conclusions together with any recommendations, including legislative recommendations, the Secretary may have for improving the effectiveness of aviation security to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 6 months after the date of enactment of this Act. In the report the Secretary shall also describe any redeployment of Transportation Security Administration resources based on those findings and conclusions. The Secretary may submit the report to the Committees in classified and redacted form. The Secretary shall submit the report in lieu of the annual report

Deadline.

required under section 44938(a) of title 49, United States Code, that is due March 31, 2004.

SEC. 605. AIRPORT SECURITY IMPROVEMENT PROJECTS.

(a) IN GENERAL.—Subchapter I of chapter 449 is amended by adding at the end the following:

“§ 44923. Airport security improvement projects

“(a) GRANT AUTHORITY.—Subject to the requirements of this section, the Under Secretary for Border and Transportation Security of the Department of Homeland Security may make grants to airport sponsors—

“(1) for projects to replace baggage conveyer systems related to aviation security;

“(2) for projects to reconfigure terminal baggage areas as needed to install explosive detection systems;

“(3) for projects to enable the Under Secretary to deploy explosive detection systems behind the ticket counter, in the baggage sorting area, or in line with the baggage handling system; and

“(4) for other airport security capital improvement projects.

“(b) APPLICATIONS.—A sponsor seeking a grant under this section shall submit to the Under Secretary an application in such form and containing such information as the Under Secretary prescribes.

“(c) APPROVAL.—The Under Secretary, after consultation with the Secretary of Transportation, may approve an application of a sponsor for a grant under this section only if the Under Secretary determines that the project will improve security at an airport or improve the efficiency of the airport without lessening security.

“(d) LETTERS OF INTENT.—

“(1) ISSUANCE.—The Under Secretary may issue a letter of intent to a sponsor committing to obligate from future budget authority an amount, not more than the Federal Government’s share of the project’s cost, for an airport security improvement project (including interest costs and costs of formulating the project).

“(2) SCHEDULE.—A letter of intent under this subsection shall establish a schedule under which the Under Secretary will reimburse the sponsor for the Government’s share of the project’s costs, as amounts become available, if the sponsor, after the Under Secretary issues the letter, carries out the project without receiving amounts under this section.

“(3) NOTICE TO UNDER SECRETARY.—A sponsor that has been issued a letter of intent under this subsection shall notify the Under Secretary of the sponsor’s intent to carry out a project before the project begins.

“(4) NOTICE TO CONGRESS.—The Under Secretary shall transmit to the Committees on Appropriations and Transportation and Infrastructure of the House of Representatives and the Committees on Appropriations and Commerce, Science and Transportation of the Senate a written notification at least 3 days before the issuance of a letter of intent under this section.

“(5) LIMITATIONS.—A letter of intent issued under this subsection is not an obligation of the Government under section

Deadline.

1501 of title 31, and the letter is not deemed to be an administrative commitment for financing. An obligation or administrative commitment may be made only as amounts are provided in authorization and appropriations laws.

“(6) STATUTORY CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit the obligation of amounts pursuant to a letter of intent under this subsection in the same fiscal year as the letter of intent is issued.

“(e) FEDERAL SHARE.—

“(1) IN GENERAL.—The Government’s share of the cost of a project under this section shall be 90 percent for a project at a medium or large hub airport and 95 percent for a project at any other airport.

“(2) EXISTING LETTERS OF INTENT.—The Under Secretary shall revise letters of intent issued before the date of enactment of this section to reflect the cost share established in this subsection with respect to grants made after September 30, 2003.

“(f) SPONSOR DEFINED.—In this section, the term ‘sponsor’ has the meaning given that term in section 47102.

“(g) APPLICABILITY OF CERTAIN REQUIREMENTS.—The requirements that apply to grants and letters of intent issued under chapter 471 (other than section 47102(3)) shall apply to grants and letters of intent issued under this section.

“(h) AVIATION SECURITY CAPITAL FUND.—

“(1) IN GENERAL.—There is established within the Department of Homeland Security a fund to be known as the Aviation Security Capital Fund. The first \$250,000,000 derived from fees received under section 44940(a)(1) in each of fiscal years 2004 through 2007 shall be available to be deposited in the Fund. The Under Secretary shall impose the fee authorized by section 44940(a)(1) so as to collect at least \$250,000,000 in each of such fiscal years for deposit into the Fund. Amounts in the Fund shall be available to the Under Secretary to make grants under this section.

“(2) ALLOCATIONS.—Of the amount made available under paragraph (1) for a fiscal year, \$125,000,000 shall be allocated in such a manner that—

“(A) 40 percent shall be made available for large hub airports;

“(B) 20 percent shall be made available for medium hub airports;

“(C) 15 percent shall be made available for small hub airports and nonhub airports; and

“(D) 25 percent shall be distributed by the Secretary to any airport on the basis of aviation security risks.

“(3) DISCRETIONARY GRANTS.—Of the amount made available under paragraph (1) for a fiscal year, \$125,000,000 shall be used to make discretionary grants, with priority given to fulfilling intentions to obligate under letters of intent issued under subsection (d).

“(i) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—In addition to amounts made available under subsection (h), there is authorized to be appropriated to carry out this section \$250,000,000 for each of fiscal years 2004 through 2007. Such sums shall remain available until expended.

“(2) ALLOCATIONS.—50 percent of amounts appropriated pursuant to this subsection for a fiscal year shall be used for making allocations under subsection (h)(2) and 50 percent of such amounts shall be used for making discretionary grants under subsection (h)(3).”.

(b) CONFORMING AMENDMENTS.—

(1) USE OF PASSENGER FEE FUNDS.—Section 44940(a)(1) is amended by inserting after subparagraph (G) the following:

“(H) The costs of security-related capital improvements at airports.

“(I) The costs of training pilots and flight attendants under sections 44918 and 44921.”.

(2) LIMITATION ON COLLECTION.—Section 44940(d)(4) is amended by striking “Act.” and inserting “Act or in section 44923.”.

(3) CHAPTER ANALYSIS.—The analysis for subchapter I of chapter 449 is amended by adding at the end the following:

“44923. Airport security improvement projects.”.

SEC. 606. CHARTER SECURITY.

(a) IN GENERAL.—Section 44903 is amended by adding at the end the following:

“(1) AIR CHARTER PROGRAM.—

“(1) IN GENERAL.—The Under Secretary for Border and Transportation Security of the Department of Homeland Security shall implement an aviation security program for charter air carriers (as defined in section 40102(a)) with a maximum certificated takeoff weight of more than 12,500 pounds.

“(2) EXEMPTION FOR ARMED FORCES CHARTERS.—

“(A) IN GENERAL.—Paragraph (1) and the other requirements of this chapter do not apply to passengers and property carried by aircraft when employed to provide charter transportation to members of the armed forces.

“(B) SECURITY PROCEDURES.—The Secretary of Defense, in consultation with the Secretary of Homeland Security and the Secretary of Transportation, shall establish security procedures relating to the operation of aircraft when employed to provide charter transportation to members of the armed forces to or from an airport described in section 44903(c).

“(C) ARMED FORCES DEFINED.—In this paragraph, the term ‘armed forces’ has the meaning given that term by section 101(a)(4) of title 10.”.

(b) REPEAL.—Section 132 of the Aviation and Transportation Security Act (49 U.S.C. 44944 note) is repealed.

49 USC 44903
note.

49 USC 44903
note.
Certification.

SEC. 607. CAPPS2.

(a) IN GENERAL.—The Under Secretary for Border and Transportation Security of the Department of Homeland Security shall not implement, on other than a test basis, the computer assisted passenger prescreening system (commonly known as and in this section referred to as “CAPPS2”) until the Under Secretary provides to Congress a certification that—

(1) a procedure is established enabling airline passengers, who are delayed or prohibited from boarding a flight because CAPPS2 determined that they might pose a security threat,

to appeal such determination and correct information contained in CAPPS2;

(2) the error rate of the Government and private data bases that will be used to both establish identity and assign a risk level to a passenger under CAPPS2 will not produce a large number of false positives that will result in a significant number of passengers being mistaken as a security threat;

(3) the Under Secretary has demonstrated the efficacy and accuracy of all search tools in CAPPS2 and has demonstrated that CAPPS2 can make an accurate predictive assessment of those passengers who would constitute a security threat;

(4) the Secretary of Homeland Security has established an internal oversight board to oversee and monitor the manner in which CAPPS2 is being implemented;

(5) the Under Secretary has built in sufficient operational safeguards to reduce the opportunities for abuse;

(6) substantial security measures are in place to protect CAPPS2 from unauthorized access by hackers or other intruders;

(7) the Under Secretary has adopted policies establishing effective oversight of the use and operation of the system; and

(8) there are no specific privacy concerns with the technological architecture of the system.

(b) GAO REPORT.—Not later than 90 days after the date on which certification is provided under subsection (a), the Comptroller General shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science and Transportation of the Senate that assesses the impact of CAPPS2 on the issues listed in subsection (a) and on privacy and civil liberties. The report shall include any recommendations for practices, procedures, regulations, or legislation to eliminate or minimize adverse effect of CAPPS2 on privacy, discrimination, and other civil liberties. Deadline.

SEC. 608. REPORT ON PASSENGER PRESCREENING PROGRAM.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Secretary of Homeland Security, after consultation with the Attorney General, shall submit a report in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential impact of the Transportation Security Administration's proposed Computer Assisted Passenger Prescreening system, commonly known as CAPPS2, on the privacy and civil liberties of United States citizens. Deadline.

(b) SPECIFIC ISSUES TO BE ADDRESSED.—The report shall address the following:

(1) Whether and for what period of time data gathered on individual travelers will be retained, who will have access to such data, and who will make decisions concerning access to such data.

(2) How the Transportation Security Administration will treat the scores assigned to individual travelers to measure the likelihood they may pose a security threat, including how long such scores will be retained and whether and under what

circumstances they may be shared with other governmental, nongovernmental, or commercial entities.

(3) The role airlines and outside vendors or contractors will have in implementing and operating the system, and to what extent will they have access, or the means to obtain access, to data, scores, or other information generated by the system.

(4) The safeguards that will be implemented to ensure that data, scores, or other information generated by the system will be used only as officially intended.

(5) The procedures that will be implemented to mitigate the effect of any errors, and what procedural recourse will be available to passengers who believe the system has wrongly barred them from taking flights.

(6) The oversight procedures that will be implemented to ensure that, on an ongoing basis, privacy and civil liberties issues will continue to be considered and addressed with high priority as the system is installed, operated, and updated.

SEC. 609. ARMING CARGO PILOTS AGAINST TERRORISM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that members of a flight deck crew of a cargo aircraft should be armed with a firearm or taser to defend the cargo aircraft against an attack by terrorists that could result in the use of the aircraft as a weapon of mass destruction or for other terrorist purposes.

(b) ARMING CARGO PILOTS AGAINST TERRORISM.—Section 44921 is amended—

(1) in subsection (a) by striking “passenger” each place that it appears;

(2) in subsection (k)(2) by striking “or,” and all that follows before the period at the end and inserting “or any other flight deck crew member”; and

(3) by adding at the end of subsection (k) the following:

“(3) ALL-CARGO AIR TRANSPORTATION.—In this section, the term ‘air transportation’ includes all-cargo air transportation.”.

49 USC 44921
note.

(c) TIME FOR IMPLEMENTATION.—In carrying out the amendments made by subsection (d), the Under Secretary for Border and Transportation Security of the Department of Homeland Security shall ensure that passenger and cargo pilots are treated equitably in receiving access to training as Federal flight deck officers.

49 USC 44921
note.

(d) EFFECT ON OTHER LAWS.—The requirements of subsection (e) shall have no effect on the deadlines for implementation contained in section 44921 of title 49, United States Code, as in effect on the day before the date of enactment of this Act.

SEC. 610. REMOVAL OF CAP ON TSA STAFFING LEVEL.

The matter appearing under the heading “AVIATION SECURITY” in the appropriations for the Transportation Security Administration in the Transportation and Related Agencies Appropriation Act, 2003 (Public Law 108–7; 117 Stat. 386) is amended by striking the fifth proviso.

SEC. 611. FOREIGN REPAIR STATIONS.

Deadline.

(a) OVERSIGHT PLAN.—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a plan containing an

implementation schedule to strengthen oversight of domestic and foreign repair stations and ensure that foreign repair stations that are certified by the Administrator under part 145 of title 14, Code of Federal Regulations, are subject to an equivalent level of safety, oversight, and quality control as those located in the United States.

(b) REPAIR STATION SECURITY.—

(1) IN GENERAL.—Subchapter I of chapter 449 is further amended by adding at the end the following:

“§ 44924. Repair station security

“(a) SECURITY REVIEW AND AUDIT.—To ensure the security of maintenance and repair work conducted on air carrier aircraft and components at foreign repair stations, the Under Secretary for Border and Transportation Security of the Department of Homeland Security, in consultation with the Administrator of the Federal Aviation Administration, shall complete a security review and audit of foreign repair stations that are certified by the Administrator under part 145 of title 14, Code of Federal Regulations, and that work on air carrier aircraft and components. The review shall be completed not later than 18 months after the date on which the Under Secretary issues regulations under subsection (f).

Deadline.

“(b) ADDRESSING SECURITY CONCERNS.—The Under Secretary shall require a foreign repair station to address the security issues and vulnerabilities identified in a security audit conducted under subsection (a) within 90 days of providing notice to the repair station of the security issues and vulnerabilities so identified and shall notify the Administrator that a deficiency was identified in the security audit.

Deadline.
Notification.

“(c) SUSPENSIONS AND REVOCATIONS OF CERTIFICATES.—

“(1) FAILURE TO CARRY OUT EFFECTIVE SECURITY MEASURES.—If, after the 90th day on which a notice is provided to a foreign repair station under subsection (b), the Under Secretary determines that the foreign repair station does not maintain and carry out effective security measures, the Under Secretary shall notify the Administrator of the determination. Upon receipt of the determination, the Administrator shall suspend the certification of the repair station until such time as the Under Secretary determines that the repair station maintains and carries out effective security measures and transmits the determination to the Administrator.

Notification.

“(2) IMMEDIATE SECURITY RISK.—If the Under Secretary determines that a foreign repair station poses an immediate security risk, the Under Secretary shall notify the Administrator of the determination. Upon receipt of the determination, the Administrator shall revoke the certification of the repair station.

“(3) PROCEDURES FOR APPEALS.—The Under Secretary, in consultation with the Administrator, shall establish procedures for appealing a revocation of a certificate under this subsection.

“(d) FAILURE TO MEET AUDIT DEADLINE.—If the security audits required by subsection (a) are not completed on or before the date that is 18 months after the date on which the Under Secretary issues regulations under subsection (f), the Administrator shall be barred from certifying any foreign repair station until such audits are completed for existing stations.

“(e) PRIORITY FOR AUDITS.—In conducting the audits described in subsection (a), the Under Secretary and the Administrator shall

Deadline.

give priority to foreign repair stations located in countries identified by the Government as posing the most significant security risks.

“(f) REGULATIONS.—Not later than 240 days after the date of enactment of this section, the Under Secretary, in consultation with the Administrator, shall issue final regulations to ensure the security of foreign and domestic aircraft repair stations.

“(g) REPORT TO CONGRESS.—If the Under Secretary does not issue final regulations before the deadline specified in subsection (f), the Under Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing an explanation as to why the deadline was not met and a schedule for issuing the final regulations.”.

(2) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 449 is further amended by adding at the end the following:

“44924. Repair station security.”.

SEC. 612. FLIGHT TRAINING.

(a) IN GENERAL.—Section 44939 is amended to read as follows:

“§ 44939. Training to operate certain aircraft

“(a) WAITING PERIOD.—A person operating as a flight instructor, pilot school, or aviation training center or subject to regulation under this part may provide training in the operation of any aircraft having a maximum certificated takeoff weight of more than 12,500 pounds to an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) or to any other individual specified by the Secretary of Homeland Security only if—

“(1) that person has first notified the Secretary that the alien or individual has requested such training and submitted to the Secretary, in such form as the Secretary may prescribe, the following information about the alien or individual:

“(A) full name, including any aliases used by the applicant or variations in spelling of the applicant’s name;

“(B) passport and visa information;

“(C) country of citizenship;

“(D) date of birth;

“(E) dates of training; and

“(F) fingerprints collected by, or under the supervision of, a Federal, State, or local law enforcement agency or by another entity approved by the Federal Bureau of Investigation or the Secretary of Homeland Security, including fingerprints taken by United States Government personnel at a United States embassy or consulate; and

“(2) the Secretary has not directed, within 30 days after being notified under paragraph (1), that person not to provide the requested training because the Secretary has determined that the individual presents a risk to aviation or national security.

Notification.

“(b) INTERRUPTION OF TRAINING.—If the Secretary of Homeland Security, more than 30 days after receiving notification under subsection (a) from a person providing training described in subsection (a), determines that the individual presents a risk to aviation or national security, the Secretary shall immediately notify the person

providing the training of the determination and that person shall immediately terminate the training.

“(c) NOTIFICATION.—A person operating as a flight instructor, pilot school, or aviation training center or subject to regulation under this part may provide training in the operation of any aircraft having a maximum certificated takeoff weight of 12,500 pounds or less to an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) or to any other individual specified by the Secretary of Homeland Security only if that person has notified the Secretary that the individual has requested such training and furnished the Secretary with that individual’s identification in such form as the Secretary may require.

“(d) EXPEDITED PROCESSING.—Not later than 60 days after the date of enactment of this section, the Secretary shall establish a process to ensure that the waiting period under subsection (a) shall not exceed 5 days for an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) who—

Deadline.

“(1) holds an airman’s certification of a foreign country that is recognized by an agency of the United States, including a military agency, that permits an individual to operate a multi-engine aircraft that has a certificated takeoff weight of more than 12,500 pounds;

“(2) is employed by a foreign air carrier that is certified under part 129 of title 14, Code of Federal Regulations, and that has a security program approved under section 1546 of title 49, Code of Federal Regulations;

“(3) is an individual that has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii); or

“(4) is an individual that is part of a class of individuals that the Secretary has determined that providing aviation training to presents minimal risk to aviation or national security because of the aviation training already possessed by such class of individuals.

“(e) TRAINING.—In subsection (a), the term ‘training’ means training received from an instructor in an aircraft or aircraft simulator and does not include recurrent training, ground training, or demonstration flights for marketing purposes.

“(f) NONAPPLICABILITY TO CERTAIN FOREIGN MILITARY PILOTS.—The procedures and processes required by subsections (a) through (d) shall not apply to a foreign military pilot endorsed by the Department of Defense for flight training in the United States and seeking training described in subsection (e) in the United States.

“(g) FEE.—

“(1) IN GENERAL.—The Secretary of Homeland Security may assess a fee for an investigation under this section, which may not exceed \$100 per individual (exclusive of the cost of transmitting fingerprints collected at overseas facilities) during fiscal years 2003 and 2004. For fiscal year 2005 and thereafter, the Secretary may adjust the maximum amount of the fee to reflect the costs of such an investigation.

“(2) OFFSET.—Notwithstanding section 3302 of title 31, any fee collected under this section—

“(A) shall be credited to the account in the Treasury from which the expenses were incurred and shall be available to the Secretary for those expenses; and

“(B) shall remain available until expended.

“(h) INTERAGENCY COOPERATION.—The Attorney General, the Director of Central Intelligence, and the Administrator of the Federal Aviation Administration shall cooperate with the Secretary in implementing this section.

“(i) SECURITY AWARENESS TRAINING FOR EMPLOYEES.—The Secretary shall require flight schools to conduct a security awareness program for flight school employees to increase their awareness of suspicious circumstances and activities of individuals enrolling in or attending flight school.”.

49 USC 44939
note.
Deadline.
Regulations.

(b) PROCEDURES.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Homeland Security shall promulgate an interim final rule to implement section 44939 of title 49, United States Code, as amended by subsection (a).

(2) USE OF OVERSEAS FACILITIES.—In order to implement section 44939 of title 49, United States Code, as amended by subsection (a), United States Embassies and Consulates that possess appropriate fingerprint collection equipment and personnel certified to capture fingerprints shall provide fingerprint services to aliens covered by that section if the Secretary requires fingerprints in the administration of that section, and shall transmit the fingerprints to the Secretary or other agency designated by the Secretary. The Attorney General and the Secretary of State shall cooperate with the Secretary of Homeland Security in carrying out this paragraph.

(3) USE OF UNITED STATES FACILITIES.—If the Secretary of Homeland Security requires fingerprinting in the administration of section 44939 of title 49, United States Code, the Secretary may designate locations within the United States that will provide fingerprinting services to individuals covered by that section.

49 USC 44939
note.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the effective date of the interim final rule required by subsection (b)(1).

Deadline.
49 USC 44939
note.

(d) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the effectiveness of the activities carried out under section 44939 of title 49, United States Code, in reducing risks to aviation security and national security.

Deadline.

SEC. 613. DEPLOYMENT OF SCREENERS AT KENAI, HOMER, AND VALDEZ, ALASKA.

Not later than 45 days after the date of enactment of this Act, the Administrator of the Transportation Security Administration shall deploy Federal screeners at Kenai, Homer, and Valdez, Alaska.

TITLE VII—AVIATION RESEARCH

SEC. 701. AUTHORIZATION OF APPROPRIATIONS.

Section 48102(a) is amended—

(1) by striking “to carry out sections 44504” and inserting “for conducting civil aviation research and development under sections 44504”;

(2) by striking “and” at the end of paragraph (7);

(3) by striking the period at the end of paragraph (8) and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

“(9) for fiscal year 2004, \$346,317,000, including—

“(A) \$65,000,000 for Improving Aviation Safety;

“(B) \$24,000,000 for Weather Safety Research;

“(C) \$27,500,000 for Human Factors and Aeromedical Research;

“(D) \$30,000,000 for Environmental Research and Development, of which \$20,000,000 shall be for research activities related to reducing community exposure to civilian aircraft noise or emissions;

“(E) \$7,000,000 for Research Mission Support;

“(F) \$10,000,000 for the Airport Cooperative Research Program;

“(G) \$1,500,000 for carrying out subsection (h) of this section;

“(H) \$42,800,000 for Advanced Technology Development and Prototyping;

“(I) \$30,300,000 for Safe Flight 21;

“(J) \$90,800,000 for the Center for Advanced Aviation System Development;

“(K) \$9,667,000 for Airports Technology-Safety; and

“(L) \$7,750,000 for Airports Technology-Efficiency;

“(10) for fiscal year 2005, \$356,192,000, including—

“(A) \$65,705,000 for Improving Aviation Safety;

“(B) \$24,260,000 for Weather Safety Research;

“(C) \$27,800,000 for Human Factors and Aeromedical Research;

“(D) \$30,109,000 for Environmental Research and Development, of which \$20,000,000 shall be for research activities related to reducing community exposure to civilian aircraft noise or emissions;

“(E) \$7,076,000 for Research Mission Support;

“(F) \$10,000,000 for the Airport Cooperative Research Program;

“(G) \$1,650,000 for carrying out subsection (h) of this section;

“(H) \$43,300,000 for Advanced Technology Development and Prototyping;

“(I) \$31,100,000 for Safe Flight 21;

“(J) \$95,400,000 for the Center for Advanced Aviation System Development;

“(K) \$2,200,000 for Free Flight Phase 2;

“(L) \$9,764,000 for Airports Technology-Safety; and

“(M) \$7,828,000 for Airports Technology-Efficiency;

“(11) for fiscal year 2006, \$352,157,000, including—

“(A) \$66,447,000 for Improving Aviation Safety;

“(B) \$24,534,000 for Weather Safety Research;

“(C) \$28,114,000 for Human Factors and Aeromedical Research;

“(D) \$30,223,000 for Environmental Research and Development, of which \$20,000,000 shall be for research

activities related to reducing community exposure to civilian aircraft noise or emissions;

“(E) \$7,156,000 for Research Mission Support;

“(F) \$10,000,000 for the Airport Cooperation Research Program;

“(G) \$1,815,000 for carrying out subsection (h) of this section;

“(H) \$42,200,000 for Advanced Technology Development and Prototyping;

“(I) \$23,900,000 for Safe Flight 21;

“(J) \$100,000,000 for the Center for Advanced Aviation System Development;

“(K) \$9,862,000 for Airports Technology-Safety; and

“(L) \$7,906,000 for Airports Technology-Efficiency; and
“(12) for fiscal year 2007, \$356,261,000, including—

“(A) \$67,244,000 for Improving Aviation Safety;

“(B) \$24,828,000 for Weather Safety Research;

“(C) \$28,451,000 for Human Factors and Aeromedical Research;

“(D) \$30,586,000 for Environmental Research and Development, of which \$20,000,000 shall be for research activities related to reducing community exposure to civilian aircraft noise or emissions;

“(E) \$7,242,000 for Research Mission Support;

“(F) \$10,000,000 for the Airport Cooperation Research Program;

“(G) \$1,837,000 for carrying out subsection (h) of this section;

“(H) \$42,706,000 for Advanced Technology Development and Prototyping;

“(I) \$24,187,000 for Safe Flight 21;

“(J) \$101,200,000 for the Center for Advanced Aviation System Development;

“(K) \$9,980,000 for Airports Technology-Safety; and

“(L) \$8,000,000 for Airports Technology-Efficiency.”.

49 USC 106 note. **SEC. 702. FEDERAL AVIATION ADMINISTRATION SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM.**

(a)(1) The Administrator of the Federal Aviation Administration shall establish a Federal Aviation Administration Science and Technology Scholarship Program to award scholarships to individuals that is designed to recruit and prepare students for careers in the Federal Aviation Administration.

(2) Individuals shall be selected to receive scholarships under this section through a competitive process primarily on the basis of academic merit, with consideration given to financial need and the goal of promoting the participation of individuals identified in section 33 or 34 of the Science and Engineering Equal Opportunities Act.

Contracts.

(3) To carry out the Program the Administrator shall enter into contractual agreements with individuals selected under paragraph (2) under which the individuals agree to serve as full-time employees of the Federal Aviation Administration, for the period described in subsection (f)(1), in positions needed by the Federal Aviation Administration and for which the individuals are qualified, in exchange for receiving a scholarship.

(b) In order to be eligible to participate in the Program, an individual must—

(1) be enrolled or accepted for enrollment as a full-time student at an institution of higher education, as a junior or senior undergraduate or graduate student, in an academic field or discipline described in the list made available under subsection (d);

(2) be a United States citizen or permanent resident; and

(3) at the time of the initial scholarship award, not be an employee (as defined in section 2105 of title 5, United States Code).

(c) An individual seeking a scholarship under this section shall submit an application to the Administrator at such time, in such manner, and containing such information, agreements, or assurances as the Administrator may require.

(d) The Administrator shall make publicly available a list of academic programs and fields of study for which scholarships under the Program may be utilized and shall update the list as necessary.

Public
information.
Records.

(e)(1) The Administrator may provide a scholarship under the Program for an academic year if the individual applying for the scholarship has submitted to the Administrator, as part of the application required under subsection (c), a proposed academic program leading to a degree in a program or field of study on the list made available under subsection (d).

(2) An individual may not receive a scholarship under this section for more than 4 academic years, unless the Administrator grants a waiver.

(3) The dollar amount of a scholarship under this section for an academic year shall be determined under regulations issued by the Administrator, but shall in no case exceed the cost of attendance.

Regulations.

(4) A scholarship provided under this section may be expended for tuition, fees, and other authorized expenses as established by the Administrator by regulation.

Regulations.

(5) The Administrator may enter into a contractual agreement with an institution of higher education under which the amounts provided for a scholarship under this section for tuition, fees, and other authorized expenses are paid directly to the institution with respect to which the scholarship is provided.

(f)(1) The period of service for which an individual shall be obligated to serve as an employee of the Federal Aviation Administration is, except as provided in subsection (h)(2), 24 months for each academic year for which a scholarship under this section is provided.

(2)(A) Except as provided in subparagraph (B), obligated service under paragraph (1) shall begin not later than 60 days after the individual obtains the educational degree for which the scholarship was provided.

Deadline.

(B) The Administrator may defer the obligation of an individual to provide a period of service under paragraph (1) if the Administrator determines that such a deferral is appropriate. The Administrator shall prescribe the terms and conditions under which a service obligation may be deferred through regulation.

Regulations.

(g)(1) Scholarship recipients who fail to maintain a high level of academic standing, as defined by the Administrator by regulation, who are dismissed from their educational institutions for disciplinary reasons, or who voluntarily terminate academic training before

Regulations.

graduation from the educational program for which the scholarship was awarded, shall be in breach of their contractual agreement and, in lieu of any service obligation arising under such agreement, shall be liable to the United States for repayment within 1 year after the date of default of all scholarship funds paid to them and to the institution of higher education on their behalf under the agreement, except as provided in subsection (h)(2). The repayment period may be extended by the Administrator when determined to be necessary, as established by regulation.

(2) Scholarship recipients who, for any reason, fail to begin or complete their service obligation after completion of academic training, or fail to comply with the terms and conditions of deferment established by the Administrator pursuant to subsection (f)(2)(B), shall be in breach of their contractual agreement. When recipients breach their agreements for the reasons stated in the preceding sentence, the recipient shall be liable to the United States for an amount equal to—

(A) the total amount of scholarships received by such individual under this section; plus

(B) the interest on the amounts of such awards which would be payable if at the time the awards were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(h)(1) Any obligation of an individual incurred under the Program (or a contractual agreement thereunder) for service or payment shall be canceled upon the death of the individual.

Regulations.

(2) The Administrator shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment incurred by an individual under the Program (or a contractual agreement thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual, or if enforcement of such obligation with respect to the individual would be contrary to the best interests of the Government.

(i) For purposes of this section—

(1) the term “cost of attendance” has the meaning given that term in section 472 of the Higher Education Act of 1965;

(2) the term “institution of higher education” has the meaning given that term in section 101(a) of the Higher Education Act of 1965; and

(3) the term “Program” means the Federal Aviation Administration Science and Technology Scholarship Program established under this section.

Appropriation
authorization.

(j)(1) There is authorized to be appropriated to the Federal Aviation Administration for the Program \$10,000,000 for each fiscal year.

(2) Amounts appropriated under this section shall remain available for 2 fiscal years.

(k) The Administrator may provide temporary internships to full-time students enrolled in an undergraduate or post-graduate program leading to an advanced degree in an aerospace-related or aviation safety-related field of endeavor.

SEC. 703. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION 42 USC 2473e.
SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM.

(a)(1) The Administrator of the National Aeronautics and Space Administration shall establish a National Aeronautics and Space Administration Science and Technology Scholarship Program to award scholarships to individuals that is designed to recruit and prepare students for careers in the National Aeronautics and Space Administration.

(2) Individuals shall be selected to receive scholarships under this section through a competitive process primarily on the basis of academic merit, with consideration given to financial need and the goal of promoting the participation of individuals identified in section 33 or 34 of the Science and Engineering Equal Opportunities Act.

(3) To carry out the Program the Administrator shall enter into contractual agreements with individuals selected under paragraph (2) under which the individuals agree to serve as full-time employees of the National Aeronautics and Space Administration, for the period described in subsection (f)(1), in positions needed by the National Aeronautics and Space Administration and for which the individuals are qualified, in exchange for receiving a scholarship.

Contracts.

(b) In order to be eligible to participate in the Program, an individual must—

(1) be enrolled or accepted for enrollment as a full-time student at an institution of higher education, as a junior or senior undergraduate or graduate student, in an academic field or discipline described in the list made available under subsection (d);

(2) be a United States citizen or permanent resident; and

(3) at the time of the initial scholarship award, not be an employee (as defined in section 2105 of title 5, United States Code).

(c) An individual seeking a scholarship under this section shall submit an application to the Administrator at such time, in such manner, and containing such information, agreements, or assurances as the Administrator may require.

(d) The Administrator shall make publicly available a list of academic programs and fields of study for which scholarships under the Program may be utilized and shall update the list as necessary.

Public
information.
Records.

(e)(1) The Administrator may provide a scholarship under the Program for an academic year if the individual applying for the scholarship has submitted to the Administrator, as part of the application required under subsection (c), a proposed academic program leading to a degree in a program or field of study on the list made available under subsection (d).

(2) An individual may not receive a scholarship under this section for more than 4 academic years, unless the Administrator grants a waiver.

(3) The dollar amount of a scholarship under this section for an academic year shall be determined under regulations issued by the Administrator, but shall in no case exceed the cost of attendance.

Regulations.

(4) A scholarship provided under this section may be expended for tuition, fees, and other authorized expenses as established by the Administrator by regulation.

Regulations.

(5) The Administrator may enter into a contractual agreement with an institution of higher education under which the amounts provided for a scholarship under this section for tuition, fees, and other authorized expenses are paid directly to the institution with respect to which the scholarship is provided.

(f)(1) The period of service for which an individual shall be obligated to serve as an employee of the National Aeronautics and Space Administration is, except as provided in subsection (h)(2), 24 months for each academic year for which a scholarship under this section is provided.

Deadline.

(2)(A) Except as provided in subparagraph (B), obligated service under paragraph (1) shall begin not later than 60 days after the individual obtains the educational degree for which the scholarship was provided.

Regulations.

(B) The Administrator may defer the obligation of an individual to provide a period of service under paragraph (1) if the Administrator determines that such a deferral is appropriate. The Administrator shall prescribe the terms and conditions under which a service obligation may be deferred through regulation.

Regulations.

(g)(1) Scholarship recipients who fail to maintain a high level of academic standing, as defined by the Administrator by regulation, who are dismissed from their educational institutions for disciplinary reasons, or who voluntarily terminate academic training before graduation from the educational program for which the scholarship was awarded, shall be in breach of their contractual agreement and, in lieu of any service obligation arising under such agreement, shall be liable to the United States for repayment within 1 year after the date of default of all scholarship funds paid to them and to the institution of higher education on their behalf under the agreement, except as provided in subsection (h)(2). The repayment period may be extended by the Administrator when determined to be necessary, as established by regulation.

(2) Scholarship recipients who, for any reason, fail to begin or complete their service obligation after completion of academic training, or fail to comply with the terms and conditions of deferment established by the Administrator pursuant to subsection (f)(2)(B), shall be in breach of their contractual agreement. When recipients breach their agreements for the reasons stated in the preceding sentence, the recipient shall be liable to the United States for an amount equal to—

(A) the total amount of scholarships received by such individual under this section; plus

(B) the interest on the amounts of such awards which would be payable if at the time the awards were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(h)(1) Any obligation of an individual incurred under the Program (or a contractual agreement thereunder) for service or payment shall be canceled upon the death of the individual.

Regulations.

(2) The Administrator shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment incurred by an individual under the Program (or a contractual agreement thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual,

or if enforcement of such obligation with respect to the individual would be contrary to the best interests of the Government.

(i) For purposes of this section—

(1) the term “cost of attendance” has the meaning given that term in section 472 of the Higher Education Act of 1965;

(2) the term “institution of higher education” has the meaning given that term in section 101(a) of the Higher Education Act of 1965; and

(3) the term “Program” means the National Aeronautics and Space Administration Science and Technology Scholarship Program established under this section.

(j)(1) There is authorized to be appropriated to the National Aeronautics and Space Administration for the Program \$10,000,000 for each fiscal year.

Appropriation
authorization.

(2) Amounts appropriated under this section shall remain available for 2 fiscal years.

(k) The Administrator may provide temporary internships to full-time students enrolled in an undergraduate or post-graduate program leading to an advanced degree in an aerospace-related or aviation safety-related field of endeavor.

SEC. 704. RESEARCH PROGRAM TO IMPROVE AIRFIELD PAVEMENTS.

49 USC 44505
note.

(a) CONTINUATION OF PROGRAM.—The Administrator of the Federal Aviation Administration shall continue the program to consider awards to nonprofit concrete and asphalt pavement research foundations to improve the design, construction, rehabilitation, and repair of airfield pavements to aid in the development of safer, more cost effective, and more durable airfield pavements.

(b) USE OF GRANTS OR COOPERATIVE AGREEMENTS.—The Administrator may use grants or cooperative agreements in carrying out this section.

(c) STATUTORY CONSTRUCTION.—Nothing in this section requires the Administrator to prioritize an airfield pavement research program above safety, security, Flight 21, environment, or energy research programs.

SEC. 705. ENSURING APPROPRIATE STANDARDS FOR AIRFIELD PAVEMENTS.

49 USC 44505
note.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall review and determine whether the Federal Aviation Administration’s standards used to determine the appropriate thickness for asphalt and concrete airfield pavements are in accordance with the Federal Aviation Administration’s standard 20-year-life requirement using the most up-to-date available information on the life of airfield pavements. If the Administrator determines that such standards are not in accordance with that requirement, the Administrator shall make appropriate adjustments to the Federal Aviation Administration’s standards for airfield pavements.

(b) REPORT.—Within 1 year after the date of enactment of this Act, the Administrator shall report the results of the review conducted under subsection (a) and the adjustments, if any, made on the basis of that review to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure and Committee on Science.

Deadline.

49 USC 44702
note.

SEC. 706. DEVELOPMENT OF ANALYTICAL TOOLS AND CERTIFICATION METHODS.

The Federal Aviation Administration shall conduct research to promote the development of analytical tools to improve existing certification methods and to reduce the overall costs for the certification of new products.

SEC. 707. RESEARCH ON AVIATION TRAINING.

Section 48102(h)(1) of title 49, United States Code, is amended—

- (1) by striking “or” at the end of subparagraph (B);
- (2) by striking the period at the end of subparagraph (C) and inserting “; or”; and
- (3) by adding at the end the following new subparagraph:
“(D) research on the impact of new technologies and procedures, particularly those related to aircraft flight deck and air traffic management functions, on training requirements for pilots and air traffic controllers.”.

49 USC 44504
note.

SEC. 708. FAA CENTER FOR EXCELLENCE FOR APPLIED RESEARCH AND TRAINING IN THE USE OF ADVANCED MATERIALS IN TRANSPORT AIRCRAFT.

Establishment.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall develop a Center for Excellence focused on applied research and training on the durability and maintainability of advanced materials in transport airframe structures. The Center shall—

- (1) promote and facilitate collaboration among academia, the Federal Aviation Administration’s Transportation Division, and the commercial aircraft industry, including manufacturers, commercial air carriers, and suppliers; and
- (2) establish goals set to advance technology, improve engineering practices, and facilitate continuing education in relevant areas of study.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator \$500,000 for fiscal year 2004 to carry out this section.

49 USC 40101
note.

SEC. 709. AIR TRANSPORTATION SYSTEM JOINT PLANNING AND DEVELOPMENT OFFICE.

(a) ESTABLISHMENT.—(1) The Secretary of Transportation shall establish in the Federal Aviation Administration a joint planning and development office to manage work related to the Next Generation Air Transportation System. The office shall be known as the Next Generation Air Transportation System Joint Planning and Development Office (in this section referred to as the “Office”).

(2) The responsibilities of the Office shall include—

- (A) creating and carrying out an integrated plan for a Next Generation Air Transportation System pursuant to subsection (b);
- (B) overseeing research and development on that system;
- (C) creating a transition plan for the implementation of that system;
- (D) coordinating aviation and aeronautics research programs to achieve the goal of more effective and directed programs that will result in applicable research;

(E) coordinating goals and priorities and coordinating research activities within the Federal Government with United States aviation and aeronautical firms;

(F) coordinating the development and utilization of new technologies to ensure that when available, they may be used to their fullest potential in aircraft and in the air traffic control system;

(G) facilitating the transfer of technology from research programs such as the National Aeronautics and Space Administration program and the Department of Defense Advanced Research Projects Agency program to Federal agencies with operational responsibilities and to the private sector; and

(H) reviewing activities relating to noise, emissions, fuel consumption, and safety conducted by Federal agencies, including the Federal Aviation Administration, the National Aeronautics and Space Administration, the Department of Commerce, and the Department of Defense.

(3) The Office shall operate in conjunction with relevant programs in the Department of Defense, the National Aeronautics and Space Administration, the Department of Commerce and the Department of Homeland Security. The Secretary of Transportation may request assistance from staff from those Departments and other Federal agencies.

(4) In developing and carrying out its plans, the Office shall consult with the public and ensure the participation of experts from the private sector including representatives of commercial aviation, general aviation, aviation labor groups, aviation research and development entities, aircraft and air traffic control suppliers, and the space industry.

(b) INTEGRATED PLAN.—The integrated plan shall be designed to ensure that the Next Generation Air Transportation System meets air transportation safety, security, mobility, efficiency, and capacity needs beyond those currently included in the Federal Aviation Administration's operational evolution plan and accomplishes the goals under subsection (c). The integrated plan shall include—

(1) a national vision statement for an air transportation system capable of meeting potential air traffic demand by 2025;

(2) a description of the demand and the performance characteristics that will be required of the Nation's future air transportation system, and an explanation of how those characteristics were derived, including the national goals, objectives, and policies the system is designed to further, and the underlying socioeconomic determinants, and associated models and analyses;

(3) a multiagency research and development roadmap for creating the Next Generation Air Transportation System with the characteristics outlined under clause (ii), including—

(A) the most significant technical obstacles and the research and development activities necessary to overcome them, including for each project, the role of each Federal agency, corporations, and universities;

(B) the annual anticipated cost of carrying out the research and development activities; and

(C) the technical milestones that will be used to evaluate the activities; and

(4) a description of the operational concepts to meet the system performance requirements for all system users and a

timeline and anticipated expenditures needed to develop and deploy the system to meet the vision for 2025.

(c) GOALS.—The Next Generation Air Transportation System shall—

(1) improve the level of safety, security, efficiency, quality, and affordability of the National Airspace System and aviation services;

(2) take advantage of data from emerging ground-based and space-based communications, navigation, and surveillance technologies;

(3) integrate data streams from multiple agencies and sources to enable situational awareness and seamless global operations for all appropriate users of the system, including users responsible for civil aviation, homeland security, and national security;

(4) leverage investments in civil aviation, homeland security, and national security and build upon current air traffic management and infrastructure initiatives to meet system performance requirements for all system users;

(5) be scalable to accommodate and encourage substantial growth in domestic and international transportation and anticipate and accommodate continuing technology upgrades and advances;

(6) accommodate a wide range of aircraft operations, including airlines, air taxis, helicopters, general aviation, and unmanned aerial vehicles; and

(7) take into consideration, to the greatest extent practicable, design of airport approach and departure flight paths to reduce exposure of noise and emissions pollution on affected residents.

Deadlines.

(d) REPORTS.—The Administrator of the Federal Aviation Administration shall transmit to the Committee on Commerce, Science, and Transportation in the Senate and the Committee on Transportation and Infrastructure and the Committee on Science in the House of Representatives—

(1) not later than 1 year after the date of enactment of this Act, the integrated plan required in subsection (b); and

(2) annually at the time of the President's budget request, a report describing the progress in carrying out the plan required under subsection (b) and any changes to that plan.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Office \$50,000,000 for each of the fiscal years 2004 through 2010.

49 USC 40101
note.

SEC. 710. NEXT GENERATION AIR TRANSPORTATION SENIOR POLICY COMMITTEE.

Establishment.

(a) IN GENERAL.—The Secretary of Transportation shall establish a senior policy committee to work with the Next Generation Air Transportation System Joint Planning and Development Office. The senior policy committee shall be chaired by the Secretary.

(b) MEMBERSHIP.—In addition to the Secretary, the senior policy committee shall be composed of—

(1) the Administrator of the Federal Aviation Administration (or the Administrator's designee);

(2) the Administrator of the National Aeronautics and Space Administration (or the Administrator's designee);

(3) the Secretary of Defense (or the Secretary's designee);

(4) the Secretary of Homeland Security (or the Secretary's designee);

(5) the Secretary of Commerce (or the Secretary's designee);

(6) the Director of the Office of Science and Technology Policy (or the Director's designee); and

(7) designees from other Federal agencies determined by the Secretary of Transportation to have an important interest in, or responsibility for, other aspects of the system.

(c) FUNCTION.—The senior policy committee shall—

(1) advise the Secretary of Transportation regarding the national goals and strategic objectives for the transformation of the Nation's air transportation system to meet its future needs;

(2) provide policy guidance for the integrated plan for the air transportation system to be developed by the Next Generation Air Transportation System Joint Planning and Development Office;

(3) provide ongoing policy review for the transformation of the air transportation system;

(4) identify resource needs and make recommendations to their respective agencies for necessary funding for planning, research, and development activities; and

(5) make legislative recommendations, as appropriate, for the future air transportation system.

(d) CONSULTATION.—In carrying out its functions under this section, the senior policy committee shall consult with, and ensure participation by, the private sector (including representatives of general aviation, commercial aviation, aviation labor, and the space industry), members of the public, and other interested parties and may do so through a special advisory committee composed of such representatives.

SEC. 711. ROTORCRAFT RESEARCH AND DEVELOPMENT INITIATIVE.

49 USC 44504
note.

(a) OBJECTIVE.—The Administrator of the Federal Aviation Administration shall establish a rotorcraft initiative with the objective of developing, and demonstrating in a relevant environment, within 10 years after the date of the enactment of this Act, technologies to enable rotorcraft with the following improvements relative to rotorcraft existing as of the date of the enactment of this Act:

(1) 80 percent reduction in noise levels on takeoff and on approach and landing as perceived by a human observer.

(2) Factor of 10 reduction in vibration.

(3) 30 percent reduction in empty weight.

(4) Predicted accident rate equivalent to that of fixed-wing aircraft in commercial service within 10 years after the date of the enactment of this Act.

(5) Capability for zero-ceiling, zero-visibility operations.

(b) IMPLEMENTATION.—Within 180 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration, in cooperation with the Administrator of the National Aeronautics and Space Administration, shall provide a plan to the Committee on Science of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate for the implementation of the initiative described in subsection (a).

Deadline.

SEC. 712. AIRPORT COOPERATIVE RESEARCH PROGRAM.

Section 44511 is amended by adding at the end the following new subsection:

“(f) AIRPORT COOPERATIVE RESEARCH PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary of Transportation shall establish a 4-year pilot airport cooperative research program to—

“(A) identify problems that are shared by airport operating agencies and can be solved through applied research but that are not being adequately addressed by existing Federal research programs; and

“(B) fund research to address those problems.

Establishment.

“(2) GOVERNANCE.—The Secretary of Transportation shall appoint an independent governing board for the research program established under this subsection. The governing board shall be appointed from candidates nominated by national associations representing public airport operating agencies, airport executives, State aviation officials, and the scheduled airlines, and shall include representatives of appropriate Federal agencies. Section 14 of the Federal Advisory Committee Act shall not apply to the governing board.

Contracts.

“(3) IMPLEMENTATION.—The Secretary of Transportation shall enter into an arrangement with the National Academy of Sciences to provide staff support to the governing board established under paragraph (2) and to carry out projects proposed by the governing board that the Secretary considers appropriate.

Deadline.

“(4) REPORT.—Not later than 6 months after the expiration of the program under this subsection, the Secretary shall transmit to the Congress a report on the program, including recommendations as to the need for establishing a permanent airport cooperative research program.”.

TITLE VIII—MISCELLANEOUS**SEC. 801. DEFINITIONS.**

(a) IN GENERAL.—Section 47102 is amended—

(1) by redesignating paragraphs (19) and (20) as paragraphs (24) and (25), respectively;

(2) by inserting after paragraph (18) the following:

“(23) ‘small hub airport’ means a commercial service airport that has at least 0.05 percent but less than 0.25 percent of the passenger boardings.”;

(3) in paragraph (10) by striking subparagraphs (A) and (B) and inserting following:

“(A) means, unless the context indicates otherwise, revenue passenger boardings in the United States in the prior calendar year on an aircraft in service in air commerce, as the Secretary determines under regulations the Secretary prescribes; and

“(B) includes passengers who continue on an aircraft in international flight that stops at an airport in the 48 contiguous States, Alaska, or Hawaii for a nontraffic purpose.”;

(4) by redesignating paragraphs (10) through (18) as paragraphs (14) through (22), respectively;

(5) by inserting after paragraph (9) the following:

“(10) ‘large hub airport’ means a commercial service airport that has at least 1.0 percent of the passenger boardings.

“(12) ‘medium hub airport’ means a commercial service airport that has at least 0.25 percent but less than 1.0 percent of the passenger boardings.

“(13) ‘nonhub airport’ means a commercial service airport that has less than 0.05 percent of the passenger boardings.”; and

(6) by striking paragraph (6) and inserting the following:

“(6) ‘amount made available under section 48103’ or ‘amount newly made available’ means the amount authorized for grants under section 48103 as that amount may be limited in that year by a subsequent law, but as determined without regard to grant obligation recoveries made in that year or amounts covered by section 47107(f).”.

(b) CONFORMING AMENDMENT.—Section 47116(b)(1) is amended by striking “(as defined in section 41731 of this title)”.

SEC. 802. REPORT ON AVIATION SAFETY REPORTING SYSTEM.

Deadline.

Not later than 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to Congress a report on the long-term goals and objectives of the Aviation Safety Reporting System and how such system interrelates with other safety reporting systems of the Federal Government.

SEC. 803. ANCHORAGE AIR TRAFFIC CONTROL.

(a) IN GENERAL.—Not later than September 30, 2004, the Administrator of the Federal Aviation Administration shall complete a study and transmit a report to the appropriate committees regarding the feasibility of consolidating the Anchorage Terminal Radar Approach Control and the Anchorage Air Route Traffic Control Center at the existing Anchorage Air Route Traffic Control Center facility.

Deadline.
Reports.

(b) APPROPRIATE COMMITTEES.—In this section, the term “appropriate committees” means the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 804. EXTENSION OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY.

Section 49108 is amended by striking “2004” and inserting “2008”.

SEC. 805. IMPROVEMENT OF AVIATION INFORMATION COLLECTION.

(a) IN GENERAL.—Section 329(b)(1) is amended by striking “except that in no case” and all that follows through the semicolon at the end and inserting the following: “except that, if the Secretary requires air carriers to provide flight-specific information, the Secretary—

“(A) shall not disseminate fare information for a specific flight to the general public for a period of at least 9 months following the date of the flight; and

“(B) shall give due consideration to and address confidentiality concerns of carriers, including competitive implications, in any rulemaking prior to adoption of a

rule requiring the dissemination to the general public of any flight-specific fare;”.

49 USC 329 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date of the issuance of a final rule to modernize the Origin and Destination Survey of Airline Passenger Traffic, pursuant to the Advance Notice of Proposed Rulemaking published July 15, 1998 (Regulation Identifier Number 2105–AC71), that reduces the reporting burden for air carriers through electronic filing of the survey data collected under section 329(b)(1) of title 49, United States Code.

SEC. 806. GOVERNMENT-FINANCED AIR TRANSPORTATION.

Section 40118(f)(2) is amended by inserting before the period at the end the following: “, except that it shall not include a contract for the transportation by air of passengers”.

SEC. 807. AIR CARRIER CITIZENSHIP.

Section 40102(a)(15)(C) is amended by inserting “which is under the actual control of citizens of the United States,” before “and in which”.

SEC. 808. UNITED STATES PRESENCE IN GLOBAL AIR CARGO INDUSTRY.

Section 41703 is amended by adding at the end the following: “(e) **CARGO IN ALASKA.**—

“(1) **IN GENERAL.**—For the purposes of subsection (c), eligible cargo taken on or off any aircraft at a place in Alaska in the course of transportation of that cargo by any combination of 2 or more air carriers or foreign air carriers in either direction between a place in the United States and a place outside the United States shall not be deemed to have broken its international journey in, be taken on in, or be destined for Alaska.

“(2) **ELIGIBLE CARGO.**—For purposes of paragraph (1), the term ‘eligible cargo’ means cargo transported between Alaska and any other place in the United States on a foreign air carrier (having been transported from, or thereafter being transported to, a place outside the United States on a different air carrier or foreign air carrier) that is carried—

“(A) under the code of a United States air carrier providing air transportation to Alaska;

“(B) on an air carrier way bill of an air carrier providing air transportation to Alaska;

“(C) under a term arrangement or block space agreement with an air carrier; or

“(D) under the code of a United States air carrier for purposes of transportation within the United States.”.

SEC. 809. AVAILABILITY OF AIRCRAFT ACCIDENT SITE INFORMATION.

(a) **DOMESTIC AIR TRANSPORTATION.**—Section 41113(b) is amended—

(1) in paragraph (16) by striking “the air carrier” the third place it appears; and

(2) by adding at the end the following:

“(17)(A) An assurance that, in the case of an accident that results in significant damage to a manmade structure or other property on the ground that is not government-owned, the air carrier will promptly provide notice, in writing, to

Notice.

the extent practicable, directly to the owner of the structure or other property about liability for any property damage and means for obtaining compensation.

“(B) At a minimum, the written notice shall advise an owner (i) to contact the insurer of the property as the authoritative source for information about coverage and compensation; (ii) to not rely on unofficial information offered by air carrier representatives about compensation by the air carrier for accident-site property damage; and (iii) to obtain photographic or other detailed evidence of property damage as soon as possible after the accident, consistent with restrictions on access to the accident site.

“(18) An assurance that, in the case of an accident in which the National Transportation Safety Board conducts a public hearing or comparable proceeding at a location greater than 80 miles from the accident site, the air carrier will ensure that the proceeding is made available simultaneously by electronic means at a location open to the public at both the origin city and destination city of the air carrier’s flight if that city is located in the United States.”.

Electronic
information.

(b) FOREIGN AIR TRANSPORTATION.—Section 41313(c) is amended by adding at the end the following:

“(17) NOTICE CONCERNING LIABILITY FOR MANMADE STRUCTURES.—

“(A) IN GENERAL.—An assurance that, in the case of an accident that results in significant damage to a man-made structure or other property on the ground that is not government-owned, the foreign air carrier will promptly provide notice, in writing, to the extent practicable, directly to the owner of the structure or other property about liability for any property damage and means for obtaining compensation.

“(B) MINIMUM CONTENTS.—At a minimum, the written notice shall advise an owner (i) to contact the insurer of the property as the authoritative source for information about coverage and compensation; (ii) to not rely on unofficial information offered by foreign air carrier representatives about compensation by the foreign air carrier for accident-site property damage; and (iii) to obtain photographic or other detailed evidence of property damage as soon as possible after the accident, consistent with restrictions on access to the accident site.

“(18) SIMULTANEOUS ELECTRONIC TRANSMISSION OF NTSB HEARING.—An assurance that, in the case of an accident in which the National Transportation Safety Board conducts a public hearing or comparable proceeding at a location greater than 80 miles from the accident site, the foreign air carrier will ensure that the proceeding is made available simultaneously by electronic means at a location open to the public at both the origin city and destination city of the foreign air carrier’s flight if that city is located in the United States.”.

(c) UPDATE PLANS.—Air carriers and foreign air carriers shall update their plans under sections 41113 and 41313 of title 49, United States Code, respectively, to reflect the amendments made by subsections (a) and (b) of this section not later than 90 days after the date of enactment of this Act.

Deadline.
49 USC 41113
note.

SEC. 810. NOTICE CONCERNING AIRCRAFT ASSEMBLY.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by adding at the end the following:

Effective date.

“§ 41723. Notice concerning aircraft assembly

“The Secretary of Transportation shall require, beginning after the last day of the 18-month period following the date of enactment of this section, an air carrier using an aircraft to provide scheduled passenger air transportation to display a notice, on an information placard available to each passenger on the aircraft, that informs the passengers of the nation in which the aircraft was finally assembled.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 417 is amended by inserting after the item relating to section 41722 the following:

“41723. Notice concerning aircraft assembly.”.

SEC. 811. TYPE CERTIFICATES.

Section 44704(a) is amended by adding at the end the following:

“(3) If the holder of a type certificate agrees to permit another person to use the certificate to manufacture a new aircraft, aircraft engine, propeller, or appliance, the holder shall provide the other person with written evidence, in a form acceptable to the Administrator, of that agreement. Such other person may manufacture a new aircraft, aircraft engine, propeller, or appliance based on a type certificate only if such other person is the holder of the type certificate or has permission from the holder.”.

49 USC 40105
note.

SEC. 812. RECIPROCAL AIRWORTHINESS CERTIFICATION.

(a) IN GENERAL.—As part of their bilateral negotiations with foreign nations and their civil aviation counterparts, the Secretary of State and the Administrator of the Federal Aviation Administration shall facilitate the reciprocal airworthiness certification of aviation products.

(b) RECIPROCAL AIRWORTHINESS DEFINED.—In this section, the term “reciprocal airworthiness certification of aviation products” means that the regulatory authorities of each nation perform a similar review in certifying or validating the certification of aircraft and aircraft components of other nations.

SEC. 813. INTERNATIONAL ROLE OF THE FAA.

Section 40104(b) is amended to read as follows:

“(b) INTERNATIONAL ROLE OF THE FAA.—The Administrator shall promote and achieve global improvements in the safety, efficiency, and environmental effect of air travel by exercising leadership with the Administrator’s foreign counterparts, in the International Civil Aviation Organization and its subsidiary organizations, and other international organizations and fora, and with the private sector.”.

SEC. 814. FLIGHT ATTENDANT CERTIFICATION.

(a) IN GENERAL.—Chapter 447 is further amended by adding at the end the following:

“§ 44728. Flight attendant certification

“(a) CERTIFICATE REQUIRED.—

“(1) IN GENERAL.—No person may serve as a flight attendant aboard an aircraft of an air carrier unless that person

holds a certificate of demonstrated proficiency from the Administrator of the Federal Aviation Administration. Upon the request of the Administrator or an authorized representative of the National Transportation Safety Board or another Federal agency, a person who holds such a certificate shall present the certificate for inspection within a reasonable period of time after the date of the request.

“(2) SPECIAL RULE FOR CURRENT FLIGHT ATTENDANTS.—

An individual serving as a flight attendant on the effective date of this section may continue to serve aboard an aircraft as a flight attendant until completion by that individual of the required recurrent or requalification training and subsequent certification under this section.

“(3) TREATMENT OF FLIGHT ATTENDANT AFTER NOTIFICATION.—On the date that the Administrator is notified by an air carrier that an individual has the demonstrated proficiency to be a flight attendant, the individual shall be treated for purposes of this section as holding a certificate issued under the section.

“(b) ISSUANCE OF CERTIFICATE.—The Administrator shall issue a certificate of demonstrated proficiency under this section to an individual after the Administrator is notified by the air carrier that the individual has successfully completed all the training requirements for flight attendants approved by the Administrator.

“(c) DESIGNATION OF PERSON TO DETERMINE SUCCESSFUL COMPLETION OF TRAINING.—In accordance with part 183 of chapter 14, Code of Federal Regulation, the director of operations of an air carrier is designated to determine that an individual has successfully completed the training requirements approved by the Administrator for such individual to serve as a flight attendant.

“(d) SPECIFICATIONS RELATING TO CERTIFICATES.—Each certificate issued under this section shall—

“(1) be numbered and recorded by the Administrator;

“(2) contain the name, address, and description of the individual to whom the certificate is issued;

“(3) is similar in size and appearance to certificates issued to airmen;

“(4) contain the airplane group for which the certificate is issued; and

“(5) be issued not later than 120 days after the Administrator receives notification from the air carrier of demonstrated proficiency and, in the case of an individual serving as flight attendant on the effective date of this section, not later than 1 year after such effective date.

Deadlines.

“(e) APPROVAL OF TRAINING PROGRAMS.—Air carrier flight attendant training programs shall be subject to approval by the Administrator. All flight attendant training programs approved by the Administrator in the 1-year period ending on the date of enactment of this section shall be treated as providing a demonstrated proficiency for purposes of meeting the certification requirements of this section.

“(f) FLIGHT ATTENDANT DEFINED.—In this section, the term ‘flight attendant’ means an individual working as a flight attendant in the cabin of an aircraft that has 20 or more seats and is being used by an air carrier to provide air transportation.”

(b) CONFORMING AMENDMENT.—The analysis for chapter 447 is further amended by adding at the end the following:

“44728. Flight attendant certification.”.

49 USC 44728
note.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the 365th day following the date of enactment of this Act.

49 USC 40101
note.

SEC. 815. AIR QUALITY IN AIRCRAFT CABINS.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall undertake the studies and analysis called for in the report of the National Research Council entitled “The Airliner Cabin Environment and the Health of Passengers and Crew”.

(b) REQUIRED ACTIVITIES.—In carrying out this section, the Administrator, at a minimum, shall—

(1) conduct surveillance to monitor ozone in the cabin on a representative number of flights and aircraft to determine compliance with existing Federal Aviation Regulations for ozone;

(2) collect pesticide exposure data to determine exposures of passengers and crew;

(3) analyze samples of residue from aircraft ventilation ducts and filters after air quality incidents to identify the contaminants to which passengers and crew were exposed;

(4) analyze and study cabin air pressure and altitude; and

(5) establish an air quality incident reporting system.

Deadline.

(c) REPORT.—Not later than 30 months after the date of enactment of this Act, the Administrator shall transmit to Congress a report on the findings of the Administrator under this section.

SEC. 816. RECOMMENDATIONS CONCERNING TRAVEL AGENTS.

Deadline.

(a) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation shall transmit to Congress a report on any actions that should be taken with respect to recommendations made by the National Commission to Ensure Consumer Information and Choice in the Airline Industry on—

(1) the travel agent arbiter program; and

(2) the special box on tickets for agents to include their service fee charges.

(b) CONSULTATION.—In preparing this report, the Secretary shall consult with representatives from the airline and travel agent industry.

49 USC 40101
note.

SEC. 817. REIMBURSEMENT FOR LOSSES INCURRED BY GENERAL AVIATION ENTITIES.

(a) IN GENERAL.—The Secretary of Transportation may make grants to reimburse the following general aviation entities for the security costs incurred and revenue foregone as a result of the restrictions imposed by the Federal Government following the terrorist attacks on the United States that occurred on September 11, 2001:

(1) General aviation entities that operate at Ronald Reagan Washington National Airport.

(2) Airports that are located within 15 miles of Ronald Reagan Washington National Airport and were operating under

security restrictions on the date of enactment of this Act and general aviation entities operating at those airports.

(3) General aviation entities affected by implementation of section 44939 of title 49, United States Code.

(4) General aviation entities that were affected by Federal Aviation Administration Notices to Airmen FDC 2/1099 and 3/1862 or section 352 of the Department of Transportation and Related Agencies Appropriations Act, 2003 (Public Law 108–7, division I), or both.

(5) Sightseeing operations that were not authorized to resume in enhanced class B air space under Federal Aviation Administration notice to airmen 1/1225.

(b) DOCUMENTATION.—Reimbursement under this section shall be made in accordance with sworn financial statements or other appropriate data submitted by each general aviation entity demonstrating the costs incurred and revenue foregone to the satisfaction of the Secretary.

(c) GENERAL AVIATION ENTITY DEFINED.—In this section, the term “general aviation entity” means any person (other than a scheduled air carrier or foreign air carrier, as such terms are defined in section 40102 of title 49, United States Code) that—

(1) operates nonmilitary aircraft under part 91 of title 14, Code of Federal Regulations, for the purpose of conducting its primary business;

(2) manufactures nonmilitary aircraft with a maximum seating capacity of fewer than 20 passengers or aircraft parts to be used in such aircraft;

(3) provides services necessary for nonmilitary operations under such part 91; or

(4) operates an airport, other than a primary airport (as such terms are defined in such section 40102), that—

(A) is listed in the national plan of integrated airport systems developed by the Federal Aviation Administration under section 47103 of such title; or

(B) is normally open to the public, is located within the confines of enhanced class B airspace (as defined by the Federal Aviation Administration in Notice to Airmen FDC 1/0618), and was closed as a result of an order issued by the Federal Aviation Administration in the period beginning September 11, 2001, and ending January 1, 2002, and remained closed as a result of that order on January 1, 2002.

Such term includes fixed based operators, flight schools, manufacturers of general aviation aircraft and products, persons engaged in nonscheduled aviation enterprises, and general aviation independent contractors.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$100,000,000. Such sums shall remain available until expended.

SEC. 818. INTERNATIONAL AIR SHOW.

If the Secretary of Defense conducts activities necessary to enable the United States to host a major international air show in the United States, the Secretary of Defense shall coordinate such activities with the Secretary of Transportation and the Secretary of Commerce.

Deadline.

SEC. 819. REPORT ON CERTAIN MARKET DEVELOPMENTS AND GOVERNMENT POLICIES.

Within 6 months after the date of enactment of this Act, the Department of Commerce, in consultation with the Department of Transportation and other appropriate Federal agencies, shall submit to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Science, and the House of Representatives Committee on Transportation and Infrastructure a report about market developments and government policies influencing the competitiveness of the United States jet transport aircraft industry that—

(1) describes the structural characteristics of the United States and the European Union jet transport industries, and the markets for these industries;

(2) examines the global market factors affecting the jet transport industries in the United States and the European Union, such as passenger and freight airline purchasing patterns, the rise of low-cost carriers and point-to-point service, the evolution of new market niches, and direct and indirect operating cost trends;

(3) reviews government regulations in the United States and the European Union that have altered the competitive landscape for jet transport aircraft, such as airline deregulation, certification and safety regulations, noise and emissions regulations, government research and development programs, advances in air traffic control and other infrastructure issues, corporate and air travel tax issues, and industry consolidation strategies;

(4) analyzes how changes in the global market and government regulations have affected the competitive position of the United States aerospace and aviation industry vis-a-vis the European Union aerospace and aviation industry; and

(5) describes any other significant developments that affect the market for jet transport aircraft.

SEC. 820. INTERNATIONAL AIR TRANSPORTATION.

It is the sense of Congress that, in an effort to modernize its regulations, the Department of Transportation should formally define “Fifth Freedom” and “Seventh Freedom” consistently for both scheduled and charter passenger and cargo traffic.

49 USC 44903
note.**SEC. 821. REIMBURSEMENT OF AIR CARRIERS FOR CERTAIN SCREENING AND RELATED ACTIVITIES.**

The Secretary of Homeland Security, subject to the availability of funds (other than amounts in the Aviation Trust Fund) provided for this purpose, shall reimburse air carriers and airports for—

(1) the screening of catering supplies; and

(2) checking documents at security checkpoints.

SEC. 822. CHARTER AIRLINES.

(a) IN GENERAL.—Section 41104(b)(1) is amended—

(1) by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”;

(2) by inserting a comma after “regularly scheduled charter air transportation”; and

(3) by striking “flight unless such air transportation” and all that follows through the period at the end and inserting the following: “flight, to or from an airport that—

“(A) does not have an airport operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulation); or

“(B) has an airport operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulation) if the airport—

“(i) is a reliever airport (as defined in section 47102) and is designated as such in the national plan of integrated airports maintained under section 47103; and

“(ii) is located within 20 nautical miles (22 statute miles) of 3 or more airports that each annually account for at least 1 percent of the total United States passenger enplanements and at least 2 of which are operated by the sponsor of the reliever airport.”.

(b) **WAIVERS.**—Section 41104(b) is amended by adding at the end the following:

“(4) **WAIVERS.**—The Secretary may waive the application of paragraph (1)(B) in cases in which the Secretary determines that the public interest so requires.”.

SEC. 823. GENERAL AVIATION FLIGHTS AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

49 USC 41718
note.

(a) **SECURITY PLAN.**—The Secretary of Homeland Security shall develop and implement a security plan to permit general aviation aircraft to land and take off at Ronald Reagan Washington National Airport.

(b) **LANDINGS AND TAKEOFFS.**—The Administrator of the Federal Aviation Administration shall allow general aviation aircraft that comply with the requirements of the security plan to land and take off at the Airport except during any period that the President suspends the plan developed under subsection (a) due to national security concerns.

(c) **REPORT.**—If the President suspends the security plan developed under subsection (a), the President shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the reasons for the suspension not later than 30 days following the first day of the suspension. The report may be submitted in classified form.

President.

SEC. 824. REVIEW OF AIR CARRIER COMPENSATION.

Deadline.
Reports.

Not later than 6 months after the date of enactment of this Act, the Comptroller General shall submit to Congress a report on the criteria and procedures used by the Secretary of Transportation under the Air Transportation Safety and System Stabilization Act (Public Law 107–42) to compensate air carriers after the terrorist attack of September 11, 2001, with a particular focus on whether it is appropriate—

(1) to compensate air carriers for the decrease in value of their aircraft after September 11, 2001; and

(2) to ensure that comparable air carriers receive comparable percentages of the maximum compensation payable under section 103(b)(2) of such Act (49 U.S.C. 40101 note).

SEC. 825. NOISE CONTROL PLAN FOR CERTAIN AIRPORTS.

(a) **IN GENERAL.**—Notwithstanding chapter 475 of title 49, United States Code, or any other provision of law or regulation,

a sponsor of a commercial service airport that does not own the airport land and is a party to a long-term lease agreement with a Federal agency (other than the Department of Defense or the Department of Transportation) may impose restrictions on, or prohibit, the operation of Stage 2 aircraft weighing less than 75,000 pounds, in order to help meet the noise control plan contained within the lease agreement. A use restriction imposed pursuant to this section must contain reasonable exemptions for public health and safety.

(b) PUBLIC NOTICE AND COMMENT.—Prior to imposing restrictions on, or prohibiting, the operation of Stage 2 aircraft weighing less than 75,000 pounds, the airport sponsor must provide reasonable notice and the opportunity to comment on the proposed airport use restriction limited to no more than 90 days.

(c) DEFINITIONS.—In this section, the terms “Stage 2 aircraft” and “Stage 3 aircraft” have the same meaning as those terms have in chapter 475 of title 49, United States Code.

49 USC 40101
note.

SEC. 826. GAO REPORT ON AIRLINES’ ACTIONS TO IMPROVE FINANCES AND ON EXECUTIVE COMPENSATION.

(a) FINDING.—Congress finds that the United States Government has by law provided substantial financial assistance to United States commercial airlines in the form of war risk insurance and reinsurance and other economic benefits and has imposed substantial economic and regulatory burdens on those airlines. In order to determine the economic viability of the domestic commercial airline industry and to evaluate the need for additional measures or the modification of existing laws, Congress needs more frequent information and independently verified information about the financial condition of these airlines.

Deadline.

(b) GAO REPORT.—Not later than one year after the date of enactment of this Act, the Comptroller General shall prepare a report for Congress analyzing the financial condition of the United States airline industry in its efforts to reduce the costs, improve the earnings and profits and balances of each individual air carrier. The report shall recommend steps that the industry should take to become financially self-sufficient.

Certification.

(c) GAO AUTHORITY.—In order to compile the report required by subsection (b), the Comptroller General, or any of the Comptroller General’s duly authorized representatives, shall have access for the purpose of audit and examination to any books, accounts, documents, papers, and records of such air carriers that relate to the information required to compile the report. The Comptroller General shall submit with the report a certification as to whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

(d) REPORTS TO CONGRESS.—The Comptroller General shall transmit the report required by subsection (b) to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

SEC. 827. PRIVATE AIR CARRIAGE IN ALASKA.

(a) IN GENERAL.—Due to the demands of conducting business within and from the State of Alaska, the Secretary of Transportation shall permit, under the operating rules of part 91 of title 14 of the Code of Federal Regulations where common carriage is not involved, a company, located in the State of Alaska, to organize

a subsidiary where the only enterprise of the subsidiary is to provide air carriage of officials, employees, guests, and property of the company, or its affiliate, when the carriage—

- (1) originates or terminates in the State of Alaska;
- (2) is by an aircraft with no more than 20 seats;
- (3) is within the scope of, and incidental to, the business of the company or its affiliate; and
- (4) no charge, assessment, or fee is made for the carriage in excess of the cost of owning, operating, and maintaining the airplane.

(b) **LIMITATION ON STATUTORY CONSTRUCTION.**—Nothing in this subsection shall be construed as prohibiting a company from making intermediate stops in providing air carriage under this section.

SEC. 828. REPORT ON WAIVERS OF PREFERENCE FOR BUYING GOODS PRODUCED IN THE UNITED STATES.

Deadline.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Transportation shall submit to Congress a report on the waiver contained in section 50101(b) of title 49, United States Code (relating to buying goods produced in the United States). The report shall, at a minimum, include—

- (1) a list of all waivers granted pursuant to that section during the 2-year period ending on the date of enactment of that section; and
- (2) for each such waiver—
 - (A) the specific authority under such section 50101(b) for granting the waiver; and
 - (B) the rationale for granting the waiver.

SEC. 829. NAVIGATION FEES.

(a) **IN GENERAL.**—Section 4(b) of the Rivers and Harbors Appropriation Act of July 5, 1884 (33 U.S.C. 5(b); 116 Stat. 2133), is amended—

- (1) by striking “or” at the end of paragraph (1);
- (2) by striking the period at the end of paragraph (2) and inserting “; or”; and
- (3) by adding at the end the following:

“(3) property taxes on vessels or watercraft, other than vessels or watercraft that are primarily engaged in foreign commerce if those taxes are permissible under the United States Constitution.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) is effective on and after November 25, 2002.

33 USC 5 note.

TITLE IX—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 901. EXTENSION OF EXPENDITURE AUTHORITY.

(a) **IN GENERAL.**—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

26 USC 9502.

- (1) by striking “October 1, 2003” and inserting “October 1, 2007”, and

(2) by inserting before the semicolon at the end of subparagraph (A) the following: “or the Vision 100—Century of Aviation Reauthorization Act”.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 9502(f) of the Internal Revenue Code of 1986 is amended by striking “October 1, 2003” and inserting “October 1, 2007”.

SEC. 902. TECHNICAL CORRECTION TO FLIGHT SEGMENT.

26 USC 4261. (a) SPECIAL RULE.—Section 4261(e)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) SPECIAL RULE FOR AMOUNTS PAID FOR DOMESTIC SEGMENTS BEGINNING AFTER 2002.—If an amount is paid during a calendar year for a domestic segment beginning in a later calendar year, then the rate of tax under subsection (b) on such amount shall be the rate in effect for the calendar year in which such amount is paid.”.

26 USC 4261 note. (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

Approved December 12, 2003.

LEGISLATIVE HISTORY—H.R. 2115 (S. 824):

HOUSE REPORTS: Nos. 108–143 (Comm. on Transportation and Infrastructure) and 108–240 and 108–334 (both from Comm. of Conference).

SENATE REPORTS: No. 108–41 accompanying S. 824 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 11, considered and passed House.

June 12, considered and passed Senate, amended, in lieu of S. 824.

Oct. 28, House recommitted conference report pursuant to H. Res. 337.

Oct. 30, House agreed to conference report.

Nov. 21, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 12, Presidential statement.



Public Law 108–177
108th Congress

An Act

To authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

Dec. 13, 2003
[H.R. 2417]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Intelligence Authorization Act for Fiscal Year 2004”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

- Sec. 101. Authorization of appropriations.
- Sec. 102. Classified schedule of authorizations.
- Sec. 103. Personnel ceiling adjustments.
- Sec. 104. Intelligence Community Management Account.
- Sec. 105. Office of Intelligence and Analysis of the Department of the Treasury.
- Sec. 106. Incorporation of reporting requirements.
- Sec. 107. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.

**TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND
DISABILITY SYSTEM**

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

- Sec. 301. Increase in employee compensation and benefits authorized by law.
- Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

- Sec. 311. Authority of Federal Bureau of Investigation to award personal services contracts.
- Sec. 312. Budget treatment of costs of acquisition of major systems by the intelligence community.
- Sec. 313. Modification of sunset of application of sanctions laws to intelligence activities.
- Sec. 314. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.
- Sec. 315. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.
- Sec. 316. Improvement of information sharing among Federal, State, and local government officials.
- Sec. 317. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.

Intelligence
Authorization
Act for Fiscal
Year 2004.

- Sec. 318. Pilot program on recruitment and training of intelligence analysts.
- Sec. 319. Improvement of equality of employment opportunities in the intelligence community.
- Sec. 320. Sense of Congress on recruitment as intelligence community personnel of members of the Armed Forces on their discharge or release from duty.
- Sec. 321. External Collection Capabilities and Requirements Review Panel.

Subtitle C—Counterintelligence

- Sec. 341. Counterintelligence initiatives for the intelligence community.

Subtitle D—Reports

- Sec. 351. Report on cleared insider threat to classified computer networks.
- Sec. 352. Report on security background investigations and security clearance procedures of the Federal Government.
- Sec. 353. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense.
- Sec. 354. Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes.
- Sec. 355. Report on strategic planning.
- Sec. 356. Report on United States dependence on computer hardware and software manufactured overseas.
- Sec. 357. Report on lessons learned from military operations in Iraq.
- Sec. 358. Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions.
- Sec. 359. Report on operations of Directorate of Information Analysis and Infrastructure Protection and Terrorist Threat Integration Center.
- Sec. 360. Report on Terrorist Screening Center.
- Sec. 361. Repeal and modification of report requirements relating to intelligence activities.

Subtitle E—Other Matters

- Sec. 371. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.
- Sec. 372. Modifications of authorities on explosive materials.
- Sec. 373. Modification of prohibition on the naturalization of certain persons.
- Sec. 374. Modification to definition of financial institution in Right to Financial Privacy Act.
- Sec. 375. Coordination of Federal Government research on security evaluations.
- Sec. 376. Treatment of classified information in money laundering cases.
- Sec. 377. Technical amendments.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

- Sec. 401. Amendment to certain Central Intelligence Agency Act of 1949 notification requirements.
- Sec. 402. Protection of certain Central Intelligence Agency personnel from tort liability.
- Sec. 403. Repeal of obsolete limitation on use of funds in central services working capital fund.
- Sec. 404. Purchases by Central Intelligence Agency of products of Federal Prison Industries.
- Sec. 405. Postponement of Central Intelligence Agency compensation reform and other matters.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

- Sec. 501. Protection of certain National Security Agency personnel from tort liability.
- Sec. 502. Use of funds for counterdrug and counterterrorism activities for Colombia.
- Sec. 503. Scene visualization technologies.
- Sec. 504. Measurement and signatures intelligence research program.
- Sec. 505. Availability of funds of National Security Agency for national security scholarships.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the conduct of the intelligence and intelligence-related

activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Department of Justice.
- (10) The Federal Bureau of Investigation.
- (11) The National Reconnaissance Office.
- (12) The National Geospatial-Intelligence Agency.
- (13) The Coast Guard.
- (14) The Department of Homeland Security.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2004, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 2417 of the One Hundred Eighth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

President.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2004 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2004 the sum of \$221,513,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section

102(a) for advanced research and development shall remain available until September 30, 2005.

(b) **AUTHORIZED PERSONNEL LEVELS.**—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 310 full-time personnel as of September 30, 2004. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) **CLASSIFIED AUTHORIZATIONS.**—

(1) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2004 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2005.

(2) **AUTHORIZATION OF PERSONNEL.**—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2004, there are also authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) **REIMBURSEMENT.**—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2004 any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) **NATIONAL DRUG INTELLIGENCE CENTER.**—

(1) **IN GENERAL.**—Of the amount authorized to be appropriated in subsection (a), \$47,142,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2005, and funds provided for procurement purposes shall remain available until September 30, 2006.

(2) **TRANSFER OF FUNDS.**—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) **LIMITATION.**—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) **AUTHORITY.**—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

21 USC 873 note.

SEC. 105. OFFICE OF INTELLIGENCE AND ANALYSIS OF THE DEPARTMENT OF THE TREASURY.

(a) ESTABLISHMENT OF OFFICE.—(1) Chapter 3 of subtitle I of title 31, United States Code, is amended—

- (A) by redesignating section 311 as section 312; and
- (B) by inserting after section 310 the following:

“§ 311. Office of Intelligence and Analysis

“(a) ESTABLISHMENT.—There is established within the Department of the Treasury, the Office of Intelligence and Analysis (in this section referred to as the ‘Office’), which shall—

“(1) be responsible for the receipt, analysis, collation, and dissemination of foreign intelligence and foreign counterintelligence information (within the meaning of section 3 of the National Security Act of 1947 (50 U.S.C. 401a)) related to the operation and responsibilities of the Department of the Treasury; and

“(2) have such other related duties and authorities as may be assigned to it by the Secretary, subject to the authority, direction, and control of the Secretary.

“(b) ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS.—The Office shall be headed by an Assistant Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Secretary shall report directly to the Undersecretary of the Treasury for Enforcement.”.

President.
Congress.

(2) The table of sections at the beginning of chapter 3 of such title is amended by striking the item relating to section 311 and inserting the following new items:

“311. Office of Intelligence and Analysis.

“312. Continuing in office.”.

(b) CONSTRUCTION OF AUTHORITY.—Nothing in section 311 of title 31, United States Code (as amended by subsection (a)), shall be construed to alter the authorities and responsibilities of the Director of Central Intelligence with respect to the Office of Intelligence and Analysis of the Department of the Treasury as an element of the intelligence community.

31 USC 311 note.

(c) CONSULTATION WITH DCI IN APPOINTMENT OF ASSISTANT SECRETARY.—Section 106(b)(2) of the National Security Act of 1947 (50 U.S.C. 403–6(b)(2)) is amended by adding at the end the following:

“(E) The Assistant Secretary for Intelligence and Analysis of the Department of the Treasury.”.

(d) CONFORMING AMENDMENTS.—

(1) NATIONAL SECURITY ACT.—Section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)) is amended—

(A) in subparagraph (H), by striking “the Department of the Treasury,”;

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L), respectively; and

(C) by inserting after subparagraph (I) the following new subparagraph (J):

“(J) the Office of Intelligence and Analysis of the Department of the Treasury;”.

(2) TITLE 31.—Section 301(e) of title 31, United States Code, is amended by striking “7” and inserting “8”.

(3) TITLE 5.—Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of the Treasury by striking “(7)” and inserting “(8)”.

50 USC 401 note. **SEC. 106. INCORPORATION OF REPORTING REQUIREMENTS.**

(a) IN GENERAL.—Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill H.R. 2417 of the One Hundred Eighth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

(b) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term “congressional intelligence committees” means—

(1) the Select Committee on Intelligence of the Senate; and

(2) the Permanent Select Committee on Intelligence of the House of Representatives.

50 USC 415b
note.

SEC. 107. PREPARATION AND SUBMITTAL OF REPORTS, REVIEWS, STUDIES, AND PLANS RELATING TO INTELLIGENCE ACTIVITIES OF DEPARTMENT OF DEFENSE OR DEPARTMENT OF ENERGY.

(a) CONSULTATION IN PREPARATION.—(1) The Director of Central Intelligence shall ensure that any report, review, study, or plan required to be prepared or conducted by a provision of this Act, including a provision of the classified Schedule of Authorizations referred to in section 102(a) or the classified annex to this Act, that involves the intelligence or intelligence-related activities of the Department of Defense or the Department of Energy is prepared or conducted in consultation with the Secretary of Defense or the Secretary of Energy, as appropriate.

(2) The Secretary of Defense or the Secretary of Energy may carry out any consultation required by this subsection through an official of the Department of Defense or the Department of Energy, as the case may be, designated by such Secretary for that purpose.

(b) SUBMITTAL.—Any report, review, study, or plan referred to in subsection (a) shall be submitted, in addition to any other committee of Congress specified for submittal in the provision concerned, to the following committees of Congress:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2004 the sum of \$226,400,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

Subtitle B—Intelligence

SEC. 311. AUTHORITY OF FEDERAL BUREAU OF INVESTIGATION TO AWARD PERSONAL SERVICES CONTRACTS.

(a) AUTHORITY.—(1) Title III of the National Security Act of 1947 is amended by inserting after section 301 (50 U.S.C. 409a) the following new section:

“AUTHORITY OF FEDERAL BUREAU OF INVESTIGATION TO AWARD
PERSONAL SERVICES CONTRACTS

“SEC. 302. (a) IN GENERAL.—The Director of the Federal Bureau of Investigation may enter into personal services contracts if the personal services to be provided under such contracts directly support the intelligence or counterintelligence missions of the Federal Bureau of Investigation. 50 USC 409b.

“(b) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Contracts under subsection (a) shall not be subject to the annuity offset requirements of sections 8344 and 8468 of title 5, United States Code, the requirements of section 3109 of title 5, United States Code, or any law or regulation requiring competitive contracting.

“(c) CONTRACT TO BE APPROPRIATE MEANS OF SECURING SERVICES.—The Chief Contracting Officer of the Federal Bureau of Investigation shall ensure that each personal services contract entered into by the Director under this section is the appropriate means of securing the services to be provided under such contract.”.

(2) The table of contents for that Act is amended by inserting after the item relating to section 301 the following new item:

“Sec. 302. Authority of Federal Bureau of Investigation to award personal services contracts.”.

(b) REPORTS ON EXERCISE OF AUTHORITY.—(1) Not later than one year after the date of the enactment of this Act, and annually thereafter, the Director of the Federal Bureau of Investigation shall submit to the appropriate committees of Congress a report on the exercise of the authority in section 302 of the National Security Act of 1947, as added by subsection (a).

(2) Each report under this subsection shall include, for the one-year period ending on the date of such report, the following:

Deadline.
50 USC 409b–1.

- (A) The number of contracts entered into during the period.
- (B) The cost of each such contract.
- (C) The length of each such contract.
- (D) The types of services to be provided under each such contract.

(E) The availability, if any, of United States Government personnel to perform functions similar to the services to be provided under each such contract.

(F) The efforts of the Federal Bureau of Investigation to fill available personnel vacancies, or request additional personnel positions, in areas relating to the intelligence or counter-intelligence mission of the Bureau.

(3) Each report under this subsection shall be submitted in unclassified form, but may include a classified annex.

(4) In this subsection—

(A) for purposes of the submittal of the classified annex to any report under this subsection, the term “appropriate committees of Congress” means—

(i) the Select Committee on Intelligence of the Senate; and

(ii) the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) for purposes of the submittal of the unclassified portion of any report under this subsection, the term “appropriate committees of Congress” means—

(i) the committees specified in subparagraph (A);

(ii) the Committees on Appropriations, Governmental Affairs, and the Judiciary of the Senate; and

(iii) the Committees on Appropriations, Government Reform and Oversight, and the Judiciary of the House of Representatives.

SEC. 312. BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY.

50 USC 415a–1
note.

(a) FINDINGS.—Congress makes the following findings:

(1) Funds within the National Foreign Intelligence Program often must be shifted from program to program and from fiscal year to fiscal year to address funding shortfalls caused by significant increases in the costs of acquisition of major systems by the intelligence community.

(2) While some increases in the costs of acquisition of major systems by the intelligence community are unavoidable, the magnitude of growth in the costs of acquisition of many major systems indicates a systemic bias within the intelligence community to underestimate the costs of such acquisition, particularly in the preliminary stages of development and production.

(3) Decisions by Congress to fund the acquisition of major systems by the intelligence community rely significantly upon initial estimates of the affordability of acquiring such major systems and occur within a context in which funds can be allocated for a variety of alternative programs. Thus, substantial increases in costs of acquisition of major systems place significant burdens on the availability of funds for other programs and new proposals within the National Foreign Intelligence Program.

(4) Independent cost estimates, prepared by independent offices, have historically represented a more accurate projection of the costs of acquisition of major systems.

(5) Recognizing the benefits associated with independent cost estimates for the acquisition of major systems, the Secretary of Defense has built upon the statutory requirement in section 2434 of title 10, United States Code, to develop and consider independent cost estimates for the acquisition of such systems by mandating the use of such estimates in budget requests of the Department of Defense.

(6) The mandatory use throughout the intelligence community of independent cost estimates for the acquisition of major systems will assist the President and Congress in the development and funding of budgets which more accurately reflect the requirements and priorities of the United States Government for intelligence and intelligence-related activities.

(b) BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS.—(1) Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is amended by inserting after section 506 the following new section:

“BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS
BY THE INTELLIGENCE COMMUNITY

“SEC. 506A. (a) INDEPENDENT COST ESTIMATES.—(1) The Director of Central Intelligence shall, in consultation with the head of each element of the intelligence community concerned, prepare an independent cost estimate of the full life-cycle cost of development, procurement, and operation of each major system to be acquired by the intelligence community. 50 USC 415a-1.

“(2) Each independent cost estimate for a major system shall, to the maximum extent practicable, specify the amount required to be appropriated and obligated to develop, procure, and operate the major system in each fiscal year of the proposed period of development, procurement, and operation of the major system.

“(3)(A) In the case of a program of the intelligence community that qualifies as a major system, an independent cost estimate shall be prepared before the submission to Congress of the budget of the President for the first fiscal year in which appropriated funds are anticipated to be obligated for the development or procurement of such major system.

“(B) In the case of a program of the intelligence community for which an independent cost estimate was not previously required to be prepared under this section, including a program for which development or procurement commenced before the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, if the aggregate future costs of development or procurement (or any combination of such activities) of the program will exceed \$500,000,000 (in current fiscal year dollars), the program shall qualify as a major system for purposes of this section, and an independent cost estimate for such major system shall be prepared before the submission to Congress of the budget of the President for the first fiscal year thereafter in which appropriated funds are anticipated to be obligated for such major system.

“(4) The independent cost estimate for a major system shall be updated upon—

“(A) the completion of any preliminary design review associated with the major system;

“(B) any significant modification to the anticipated design of the major system; or

“(C) any change in circumstances that renders the current independent cost estimate for the major system inaccurate.

“(5) Any update of an independent cost estimate for a major system under paragraph (4) shall meet all requirements for independent cost estimates under this section, and shall be treated as the most current independent cost estimate for the major system until further updated under that paragraph.

Establishment.

“(b) PREPARATION OF INDEPENDENT COST ESTIMATES.—(1) The Director shall establish within the Office of the Deputy Director of Central Intelligence for Community Management an office which shall be responsible for preparing independent cost estimates, and any updates thereof, under subsection (a), unless a designation is made under paragraph (2).

“(2) In the case of the acquisition of a major system for an element of the intelligence community within the Department of Defense, the Director and the Secretary of Defense shall provide that the independent cost estimate, and any updates thereof, under subsection (a) be prepared by an entity jointly designated by the Director and the Secretary in accordance with section 2434(b)(1)(A) of title 10, United States Code.

“(c) UTILIZATION IN BUDGETS OF PRESIDENT.—(1) If the budget of the President requests appropriations for any fiscal year for the development or procurement of a major system by the intelligence community, the President shall, subject to paragraph (2), request in such budget an amount of appropriations for the development or procurement, as the case may be, of the major system that is equivalent to the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget.

“(2) If the amount of appropriations requested in the budget of the President for the development or procurement of a major system is less than the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget, the President shall include in the budget justification materials submitted to Congress in support of such budget—

“(A) an explanation for the difference between the amount of appropriations requested and the amount of appropriations identified in the most current independent cost estimate;

“(B) a description of the importance of the major system to the national security;

“(C) an assessment of the consequences for the funding of all programs of the National Foreign Intelligence Program in future fiscal years if the most current independent cost estimate for the major system is accurate and additional appropriations are required in future fiscal years to ensure the continued development or procurement of the major system, including the consequences of such funding shortfalls on the major system and all other programs of the National Foreign Intelligence Program; and

“(D) such other information on the funding of the major system as the President considers appropriate.

“(d) INCLUSION OF ESTIMATES IN BUDGET JUSTIFICATION MATERIALS.—The budget justification materials submitted to Congress in support of the budget of the President shall include the most current independent cost estimate under this section for each major system for which appropriations are requested in such budget for any fiscal year.

“(e) DEFINITIONS.—In this section:

“(1) The term ‘budget of the President’ means the budget of the President for a fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code.

“(2) The term ‘independent cost estimate’ means a pragmatic and neutral analysis, assessment, and quantification of all costs and risks associated with the acquisition of a major system, which shall be based on programmatic and technical specifications provided by the office within the element of the intelligence community with primary responsibility for the development, procurement, or operation of the major system.

“(3) The term ‘major system’ means any significant program of an element of the intelligence community with projected total development and procurement costs exceeding \$500,000,000 (in current fiscal year dollars), which costs shall include all end-to-end program costs, including costs associated with the development and procurement of the program and any other costs associated with the development and procurement of systems required to support or utilize the program.”.

(2) The table of contents for the National Security Act of 1947 is amended by inserting after the item relating to section 506 the following new item:

“Sec. 506A. Budget treatment of costs of acquisition of major systems by the intelligence community.”.

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

50 USC 415a-1
note.

(d) LIMITATIONS.—(1)(A) For each major system for which funds have been authorized for a fiscal year before fiscal year 2005, or for which funds are sought in the budget of the President for fiscal year 2005, as submitted to Congress pursuant to section 1105(a) of title 31, United States Code, and for which no independent cost estimate has been provided to Congress, no contract, or option to contract, for the procurement or acquisition of such major system may be entered into, or option to contract be exercised, before the date of the enactment of an Act to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government.

50 USC 415a-1
note.

(B) Subparagraph (A) shall not affect any contract for procurement or acquisition that was entered into before the date of the enactment of this Act.

(2) Commencing as of the date of the submittal to Congress of the budget of the President for fiscal year 2006 pursuant to section 1105(a) of title 31, United States Code, no funds may be obligated or expended for the development or procurement of a major system until the President has complied with the requirements of section 506A of the National Security Act of 1947 (as added by subsection (b)) with respect to such major system.

Effective date.
President.

(3) In this subsection, the terms “independent cost estimate” and “major system” have the meaning given such terms in subsection (e) of section 506A of the National Security Act of 1947 (as so added).

SEC. 313. MODIFICATION OF SUNSET OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

(a) **MODIFICATION.**—Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is repealed.

(b) **CLERICAL AMENDMENT.**—The table of contents for that Act is amended by striking the item relating to section 905.

SEC. 314. MODIFICATION OF NOTICE AND WAIT REQUIREMENTS ON PROJECTS TO CONSTRUCT OR IMPROVE INTELLIGENCE COMMUNITY FACILITIES.

(a) **INCREASE OF THRESHOLDS FOR NOTICE.**—Subsection (a) of section 602 of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103-359; 108 Stat. 3432; 50 U.S.C. 403-2b(a)) is amended—

(1) by striking “\$750,000” each place it appears and inserting “\$5,000,000”; and

(2) by striking “\$500,000” each place it appears and inserting “\$1,000,000”.

(b) **NOTICE AND WAIT REQUIREMENTS FOR EMERGENCY PROJECTS.**—Subsection (b)(2) of that section is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting “(A)” after “(2) REPORT.—”;

(3) by striking “21-day period” and inserting “7-day period”; and

(4) by adding at the end the following new subparagraph:
“(B) Notwithstanding subparagraph (A), a project referred to in paragraph (1) may begin on the date the notification is received by the appropriate committees of Congress under that paragraph if the Director of Central Intelligence and the Secretary of Defense jointly determine that—

“(i) an emergency exists with respect to the national security or the protection of health, safety, or environmental quality; and

“(ii) any delay in the commencement of the project would harm any or all of those interests.”.

SEC. 315. EXTENSION OF DEADLINE FOR FINAL REPORT OF THE NATIONAL COMMISSION FOR THE REVIEW OF THE RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

(a) **IN GENERAL.**—Subsection (a) of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 50 U.S.C. 401 note; 116 Stat. 2442) is amended by striking “September 1, 2003” and inserting “September 1, 2004”.

50 USC 401 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect as if included in the enactment of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003.

SEC. 316. IMPROVEMENT OF INFORMATION SHARING AMONG FEDERAL, STATE, AND LOCAL GOVERNMENT OFFICIALS.

(a) **TRAINING PROGRAM FOR STATE AND LOCAL OFFICIALS.**—Section 892(c) of the Homeland Security Act of 2002 (Public Law

107–296; 6 U.S.C. 482) is amended by adding at the end the following new paragraph:

“(3)(A) The Secretary shall establish a program to provide appropriate training to officials described in subparagraph (B) in order to assist such officials in—

“(i) identifying sources of potential terrorist threats through such methods as the Secretary determines appropriate;

“(ii) reporting information relating to such potential terrorist threats to the appropriate Federal agencies in the appropriate form and manner;

“(iii) assuring that all reported information is systematically submitted to and passed on by the Department for use by appropriate Federal agencies; and

“(iv) understanding the mission and roles of the intelligence community to promote more effective information sharing among Federal, State, and local officials and representatives of the private sector to prevent terrorist attacks against the United States.

“(B) The officials referred to in subparagraph (A) are officials of State and local government agencies and representatives of private sector entities with responsibilities relating to the oversight and management of first responders, counterterrorism activities, or critical infrastructure.

“(C) The Secretary shall consult with the Attorney General to ensure that the training program established in subparagraph (A) does not duplicate the training program established in section 908 of the USA PATRIOT Act (Public Law 107–56; 28 U.S.C. 509 note).

“(D) The Secretary shall carry out this paragraph in consultation with the Director of Central Intelligence and the Attorney General.”.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit to Congress a report that describes the Secretary’s plan for implementing section 892 of the Homeland Security Act of 2002 and includes an estimated date of completion of the implementation.

Deadline.

SEC. 317. PILOT PROGRAM ON ANALYSIS OF SIGNALS AND OTHER INTELLIGENCE BY INTELLIGENCE ANALYSTS OF VARIOUS ELEMENTS OF THE INTELLIGENCE COMMUNITY.

50 USC 403–3 note.

(a) IN GENERAL.—The Director of Central Intelligence shall, in coordination with the Secretary of Defense, carry out a pilot program to assess the feasibility and advisability of permitting intelligence analysts of various elements of the intelligence community to access and analyze intelligence from the databases of other elements of the intelligence community in order to achieve the objectives set forth in subsection (c).

(b) COVERED INTELLIGENCE.—The intelligence to be analyzed under the pilot program under subsection (a) shall include the following:

(1) Signals intelligence of the National Security Agency.

(2) Such intelligence of other elements of the intelligence community as the Director shall select for purposes of the pilot program.

(c) OBJECTIVES.—The objectives set forth in this subsection are as follows:

(1) To enhance the capacity of the intelligence community to undertake “all source fusion” analysis in support of the intelligence and intelligence-related missions of the intelligence community.

(2) To reduce, to the extent possible, the amount of intelligence collected by the intelligence community that is not assessed, or reviewed, by intelligence analysts.

(3) To reduce the burdens imposed on analytical personnel of the elements of the intelligence community by current practices regarding the sharing of intelligence among elements of the intelligence community.

Deadline.

(d) COMMENCEMENT.—The Director shall commence the pilot program under subsection (a) not later than December 31, 2003.

(e) VARIOUS MECHANISMS REQUIRED.—In carrying out the pilot program under subsection (a), the Director shall develop and utilize various mechanisms to facilitate the access to, and the analysis of, intelligence in the databases of the intelligence community by intelligence analysts of other elements of the intelligence community, including the use of so-called “detailees in place”.

(f) SECURITY.—(1) In carrying out the pilot program under subsection (a), the Director shall take appropriate actions to protect against the disclosure and unauthorized use of intelligence in the databases of the elements of the intelligence community which may endanger sources and methods which (as determined by the Director) warrant protection.

(2) The actions taken under paragraph (1) shall include the provision of training on the accessing and handling of information in the databases of various elements of the intelligence community and the establishment of limitations on access to information in such databases regarding United States persons.

Deadline.

(g) ASSESSMENT.—Not later than February 1, 2004, after the commencement under subsection (d) of the pilot program under subsection (a), the Under Secretary of Defense for Intelligence and the Assistant Director of Central Intelligence for Analysis and Production shall jointly carry out an assessment of the progress of the pilot program in meeting the objectives set forth in subsection (c).

(h) REPORT.—(1) The Director of Central Intelligence shall, in coordination with the Secretary of Defense, submit to the appropriate committees of Congress a report on the assessment carried out under subsection (g).

(2) The report shall include—

(A) a description of the pilot program under subsection (a);

(B) the findings of the Under Secretary and Assistant Director as a result of the assessment;

(C) any recommendations regarding the pilot program that the Under Secretary and the Assistant Director jointly consider appropriate in light of the assessment; and

(D) any recommendations that the Director and Secretary consider appropriate for purposes of the report.

(i) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

SEC. 318. PILOT PROGRAM ON RECRUITMENT AND TRAINING OF INTELLIGENCE ANALYSTS.

50 USC 441g
note.

(a) **PILOT PROGRAM.**—(1) The Director of Central Intelligence shall carry out a pilot program to ensure that selected students or former students are provided funds to continue academic training, or are reimbursed for academic training previously obtained, in areas of specialization that the Director, in consultation with the other heads of the elements of the intelligence community, identifies as areas in which the current analytic capabilities of the intelligence community are deficient or in which future analytic capabilities of the intelligence community are likely to be deficient.

(2) A student or former student selected for participation in the pilot program shall commit to employment with an element of the intelligence community, following completion of appropriate academic training, under such terms and conditions as the Director considers appropriate.

(3) The pilot program shall be known as the Pat Roberts Intelligence Scholars Program.

(b) **ELEMENTS.**—In carrying out the pilot program under subsection (a), the Director shall—

(1) establish such requirements relating to the academic training of participants as the Director considers appropriate to ensure that participants are prepared for employment as intelligence analysts; and

(2) periodically review the areas of specialization of the elements of the intelligence community to determine the areas in which such elements are, or are likely to be, deficient in analytic capabilities.

(c) **DURATION.**—The Director shall carry out the pilot program under subsection (a) during fiscal years 2004 through 2006.

(d) **LIMITATION ON NUMBER OF MEMBERS DURING FISCAL YEAR 2004.**—The total number of individuals participating in the pilot program under subsection (a) during fiscal year 2004 may not exceed 150 students.

(e) **RESPONSIBILITY.**—The Director shall carry out the pilot program under subsection (a) through the Assistant Director of Central Intelligence for Analysis and Production.

(f) **REPORTS.**—(1) Not later than 120 days after the date of the enactment of this Act, the Director shall submit to Congress a preliminary report on the pilot program under subsection (a), including a description of the pilot program and the authorities to be utilized in carrying out the pilot program.

Deadlines.

(2) Not later than one year after the commencement of the pilot program, the Director shall submit to Congress a report on the pilot program. The report shall include—

(A) a description of the activities under the pilot program, including the number of individuals who participated in the pilot program and the training provided such individuals under the pilot program;

(B) an assessment of the effectiveness of the pilot program in meeting the purpose of the pilot program; and

(C) any recommendations for additional legislative or administrative action that the Director considers appropriate in light of the pilot program.

(g) FUNDING.—Of the amounts authorized to be appropriated by this Act, \$4,000,000 shall be available until expended to carry out this section.

50 USC 403 note.

SEC. 319. IMPROVEMENT OF EQUALITY OF EMPLOYMENT OPPORTUNITIES IN THE INTELLIGENCE COMMUNITY.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the recommendation of the Joint Inquiry of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001, that the Intelligence Community should enhance recruitment of a more ethnically and culturally diverse workforce and devise a strategy to capitalize upon the unique cultural and linguistic capabilities of first generation Americans.

(2) The Intelligence Community could greatly benefit from an increased number of employees who are proficient in foreign languages and knowledgeable of world cultures, especially in foreign languages that are critical to the national security interests of the United States. Particular emphasis should be given to the recruitment of United States citizens whose linguistic capabilities are acutely required for the improvement of the overall intelligence collection and analysis effort of the United States Government.

(3) The Intelligence Community has a significantly lower percentage of women and minorities than the total workforce of the Federal government and the total civilian labor force.

(4) Women and minorities continue to be under-represented in senior grade levels, and in core mission areas, of the intelligence community.

(b) PILOT PROJECT TO PROMOTE EQUALITY OF EMPLOYMENT OPPORTUNITIES FOR WOMEN AND MINORITIES THROUGHOUT THE INTELLIGENCE COMMUNITY USING INNOVATIVE METHODOLOGIES.—The Director of Central Intelligence shall carry out a pilot project under this section to test and evaluate alternative, innovative methods to promote equality of employment opportunities in the intelligence community for women, minorities, and individuals with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise.

(c) METHODS.—In carrying out the pilot project, the Director shall employ methods to increase diversity of officers and employees in the intelligence community.

(d) DURATION OF PROJECT.—The Director shall carry out the project under this section for a 3-year period.

Deadline.

(e) REPORT.—Not later than 2 years after the date the Director implements the pilot project under this section, the Director shall submit to Congress a report on the project. The report shall include—

(1) an assessment of the effectiveness of the project; and

(2) recommendations on the continuation of the project, as well recommendations as for improving the effectiveness

of the project in meeting the goals of promoting equality of employment opportunities in the intelligence community for women, minorities, and individuals with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise.

(f) DIVERSITY PLAN.—(1) Not later than February 15, 2004, the Director of Central Intelligence shall submit to Congress a report which describes the plan of the Director, entitled the “DCI Diversity Strategic Plan”, and any subsequent revision to that plan, to increase diversity of officers and employees in the intelligence community, including the short- and long-term goals of the plan. The report shall also provide a detailed description of the progress that has been made by each element of the intelligence community in implementing the plan.

Deadline.
Reports.

(2) In implementing the plan, the Director shall incorporate innovative methods for recruitment and hiring that the Director has determined to be effective from the pilot project carried out under this section.

(g) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term “intelligence community” has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4)).

SEC. 320. SENSE OF CONGRESS ON RECRUITMENT AS INTELLIGENCE COMMUNITY PERSONNEL OF MEMBERS OF THE ARMED FORCES ON THEIR DISCHARGE OR RELEASE FROM DUTY.

It is the sense of Congress that the elements of the intelligence community should, in the course of their civilian recruitment efforts in the United States, endeavor to recruit as personnel of the intelligence community citizens and, as appropriate, nationals of the United States who are members of the Armed Forces who participated in Operation Enduring Freedom, Operation Iraqi Freedom, and other campaigns undertaken abroad upon the separation, discharge, or release of such individuals from the Armed Forces.

SEC. 321. EXTERNAL COLLECTION CAPABILITIES AND REQUIREMENTS REVIEW PANEL.

The President may establish an External Collection Capabilities and Requirements Review Panel as specified in the classified annex to this Act.

Subtitle C—Counterintelligence

SEC. 341. COUNTERINTELLIGENCE INITIATIVES FOR THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—(1) Title XI of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

“COUNTERINTELLIGENCE INITIATIVES

“SEC. 1102. (a) INSPECTION PROCESS.—(1) In order to protect intelligence sources and methods from unauthorized disclosure, the Director of Central Intelligence shall establish and implement an inspection process for all agencies and departments of the United States that handle classified information relating to the national security of the United States intended to assure that those agencies

50 USC 442a.

	and departments maintain effective operational security practices and programs directed against counterintelligence activities.
	“(2) The Director shall carry out the process through the Office of the National Counterintelligence Executive.
Procedures.	“(b) ANNUAL REVIEW OF DISSEMINATION LISTS.—(1) The Director of Central Intelligence shall establish and implement a process for all elements of the intelligence community to review, on an annual basis, individuals included on distribution lists for access to classified information. Such process shall ensure that only individuals who have a particularized ‘need to know’ (as determined by the Director) are continued on such distribution lists.
Deadline. Certification.	“(2) Not later than October 15 of each year, the Director shall certify to the congressional intelligence committees that the review required under paragraph (1) has been conducted in all elements of the intelligence community during the preceding fiscal year.
Procedures.	“(c) COMPLETION OF FINANCIAL DISCLOSURE STATEMENTS REQUIRED FOR ACCESS TO CERTAIN CLASSIFIED INFORMATION.—(1) The Director of Central Intelligence shall establish and implement a process by which each head of an element of the intelligence community directs that all employees of that element, in order to be granted access to classified information referred to in subsection (a) of section 1.3 of Executive Order No. 12968 (August 2, 1995; 60 Fed. Reg. 40245; 50 U.S.C. 435 note), submit financial disclosure forms as required under subsection (b) of such section.
	“(2) The Director shall carry out paragraph (1) through the Office of the National Counterintelligence Executive.
Procedures.	“(d) ARRANGEMENTS TO HANDLE SENSITIVE INFORMATION.—The Director of Central Intelligence shall establish, for all elements of the intelligence community, programs and procedures by which sensitive classified information relating to human intelligence is safeguarded against unauthorized disclosure by employees of those elements.”.
	(2) The table of contents contained in the first section of such Act is amended in the items relating to title XI by adding at the end the following new item:
	“Sec. 1102. Counterintelligence initiatives.”.
Procedures. 28 USC 519 note.	(b) INTELLIGENCE AND NATIONAL SECURITY ASPECTS OF ESPIONAGE PROSECUTIONS.—The Attorney General, acting through the Office of Intelligence Policy and Review of the Department of Justice, and in consultation with the Director of Central Intelligence, acting through the Office of the National Counterintelligence Executive, shall establish policies and procedures to assist the Attorney General in the consideration of intelligence and national security-related equities in the development of charging documents and related pleadings in espionage prosecutions.

Subtitle D—Reports

SEC. 351. REPORT ON CLEARED INSIDER THREAT TO CLASSIFIED COMPUTER NETWORKS.

(a) REPORT REQUIRED.—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the risks to the national security of the United States of the current computer security practices

of the elements of the intelligence community and of the Department of Defense.

(b) ASSESSMENTS.—The report under subsection (a) shall include an assessment of the following:

(1) The vulnerability of the computers and computer systems of the elements of the intelligence community, and of the Department of Defense, to various threats from foreign governments, international terrorist organizations, and organized crime, including information warfare (IW), Information Operations (IO), Computer Network Exploitation (CNE), and Computer Network Attack (CNA).

(2) The risks of providing users of local area networks (LANs) or wide-area networks (WANs) of computers that include classified information with capabilities for electronic mail, upload and download, or removable storage media without also deploying comprehensive computer firewalls, accountability procedures, or other appropriate security controls.

(3) Any other matters that the Director and the Secretary jointly consider appropriate for purposes of the report.

(c) INFORMATION ON ACCESS TO NETWORKS.—The report under subsection (a) shall also include information as follows:

(1) An estimate of the number of access points on each classified computer or computer system of an element of the intelligence community or the Department of Defense that permit unsupervised uploading or downloading of classified information, set forth by level of classification.

(2) An estimate of the number of individuals utilizing such computers or computer systems who have access to input-output devices on such computers or computer systems.

(3) A description of the policies and procedures governing the security of the access points referred to in paragraph (1), and an assessment of the adequacy of such policies and procedures.

(4) An assessment of the viability of utilizing other technologies (including so-called “thin client servers”) to achieve enhanced security of such computers and computer systems through more rigorous control of access to such computers and computer systems.

(d) RECOMMENDATIONS.—The report under subsection (a) shall also include such recommendations for modifications or improvements of the current computer security practices of the elements of the intelligence community, and of the Department of Defense, as the Director and the Secretary jointly consider appropriate as a result of the assessments under subsection (b) and the information under subsection (c).

(e) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(f) FORM.—The report under subsection (a) may be submitted in classified or unclassified form, at the election of the Director.

(g) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

(2) The term “elements of the intelligence community” means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 352. REPORT ON SECURITY BACKGROUND INVESTIGATIONS AND SECURITY CLEARANCE PROCEDURES OF THE FEDERAL GOVERNMENT.

(a) **REPORT REQUIRED.**—The Director of Central Intelligence, the Secretary of Defense, the Attorney General, the Director of the Office of Personnel Management, and the heads of other appropriate Federal departments and agencies (as determined by the President) shall jointly submit to the appropriate committees of Congress a report on the utility and effectiveness of the current security background investigations and security clearance procedures of the Federal Government in meeting the purposes of such investigations and procedures.

(b) **PARTICULAR REPORT MATTERS.**—The report shall address in particular the following:

(1) A comparison of the costs and benefits of conducting background investigations for Secret clearance with the costs and benefits of conducting full field background investigations.

(2) The standards governing the revocation of security clearances.

(c) **RECOMMENDATIONS.**—The report under subsection (a) shall include such recommendations for modifications or improvements of the current security background investigations or security clearance procedures of the Federal Government as are considered appropriate as a result of the preparation of the report under that subsection.

(d) **SUBMITTAL DATE.**—The report under subsection (a) shall be submitted not later than February 15, 2004.

(e) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 353. REPORT ON DETAIL OF CIVILIAN INTELLIGENCE PERSONNEL AMONG ELEMENTS OF THE INTELLIGENCE COMMUNITY AND THE DEPARTMENT OF DEFENSE.

(a) **REPORT REQUIRED.**—The Director of Central Intelligence shall, in consultation with the heads of the elements of the intelligence community, submit to the appropriate committees of Congress a report on means of improving the detail or transfer of civilian intelligence personnel between and among the various elements of the intelligence community for the purpose of enhancing the flexibility and effectiveness of the intelligence community in responding to changes in requirements for the collection, analysis, and dissemination of intelligence.

(b) **REPORT ELEMENTS.**—The report under subsection (a) shall—

(1) set forth a variety of proposals on means of improving the detail or transfer of civilian intelligence personnel as described in that subsection;

(2) identify the proposal or proposals determined by the heads of the elements of the intelligence community most likely to meet the purpose described in that subsection; and

(3) include such recommendations for such legislative or administrative action as the heads of the elements of the intelligence community consider appropriate to implement the proposal or proposals identified under paragraph (2).

(c) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(d) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committees on Armed Services, Governmental Affairs, and the Judiciary of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committees on Armed Services, Government Reform, and the Judiciary of the House of Representatives.

(2) The term “elements of the intelligence community” means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(3) The term “heads of the elements of the intelligence community” includes the Secretary of Defense with respect to each element of the intelligence community within the Department of Defense or the military departments.

SEC. 354. REPORT ON MODIFICATIONS OF POLICY AND LAW ON CLASSIFIED INFORMATION TO FACILITATE SHARING OF INFORMATION FOR NATIONAL SECURITY PURPOSES.

President.

(a) REPORT.—Not later than four months after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report that—

Deadline.

(1) identifies impediments in current policy and regulations to the sharing of classified information horizontally across and among Federal departments and agencies, and vertically between the Federal Government and agencies of State and local governments and the private sector, for national security purposes, including homeland security; and

(2) proposes appropriate modifications of policy, law, and regulations to eliminate such impediments in order to facilitate such sharing of classified information for national security purposes, including homeland security.

(b) CONSIDERATIONS.—In preparing the report under subsection (a), the President shall—

(1) consider the extent to which the reliance on a document-based approach to the protection of classified information impedes the sharing of classified information; and

(2) consider the extent to which the utilization of a database-based approach, or other electronic approach, to the protection of classified information might facilitate the sharing of classified information.

(c) COORDINATION WITH OTHER INFORMATION SHARING ACTIVITIES.—In preparing the report under subsection (a), the President shall, to the maximum extent practicable, take into account actions being undertaken under the Homeland Security Information Sharing Act (subtitle I of title VIII of Public Law 107–296; 116 Stat. 2252; 6 U.S.C. 481 et seq.).

(d) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services, Governmental Affairs, and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 355. REPORT ON STRATEGIC PLANNING.

Deadline.

(a) **REPORT.**—Not later than February 15, 2004, the Secretary of Defense and the Director of Central Intelligence shall jointly submit to the appropriate committees of Congress a report that assesses progress in the following:

(1) The development by the Department of Defense and the intelligence community of a comprehensive and uniform analytical capability to assess the utility and advisability of various sensor and platform architectures and capabilities for the collection of intelligence.

(2) The improvement of coordination between the Department and the intelligence community on strategic and budgetary planning.

(b) **FORM.**—The report under subsection (a) may be submitted in classified form.

(c) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 356. REPORT ON UNITED STATES DEPENDENCE ON COMPUTER HARDWARE AND SOFTWARE MANUFACTURED OVERSEAS.

Deadline.

(a) **REPORT.**—Not later than February 15, 2004, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the extent of United States dependence on computer hardware or software that is manufactured overseas.

(b) **ELEMENTS.**—The report under subsection (a) shall address the following:

(1) The extent to which the United States currently depends on computer hardware or software that is manufactured overseas.

(2) The extent to which United States dependence, if any, on such computer hardware or software is increasing.

(3) The vulnerabilities of the national security and economy of the United States as a result of United States dependence, if any, on such computer hardware or software.

(4) Any other matters relating to United States dependence, if any, on such computer hardware or software that the Director considers appropriate.

(c) **CONSULTATION WITH PRIVATE SECTOR.**—(1) In preparing the report under subsection (a), the Director may consult, and is encouraged to consult, with appropriate persons and entities in the computer hardware or software industry and with other appropriate persons and entities in the private sector.

(2) Consultations of the Director with persons or entities under paragraph (1) shall not be treated as the activities of an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(d) FORM.—(1) The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(2) The report may be in the form of a National Intelligence Estimate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 357. REPORT ON LESSONS LEARNED FROM MILITARY OPERATIONS IN IRAQ.

50 USC 403 note.

(a) REPORT.—As soon as possible, but not later than one year after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the intelligence lessons learned as a result of Operation Iraqi Freedom, including lessons relating to the following:

Deadline.

(1) The tasking, collection, processing, exploitation, analysis, and dissemination of intelligence.

(2) The accuracy, timeliness, and objectivity of intelligence analysis.

(3) The intelligence support available to policymakers and members of the Armed Forces in combat.

(4) The coordination of intelligence activities and operations with military operations.

(5) The strengths and limitations of intelligence systems and equipment.

(6) Such other matters as the Director considers appropriate.

(b) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations on improvement in the matters described in subsection (a) as the Director considers appropriate.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives; and

(2) the Select Committee on Intelligence and the Committee on Armed Services of the Senate.

SEC. 358. REPORTS ON CONVENTIONAL WEAPONS AND AMMUNITION OBTAINED BY IRAQ IN VIOLATION OF CERTAIN UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.

10 USC 113 note.

(a) PRELIMINARY REPORT.—Not later than 90 days after the date of the enactment of this Act, the Director of the Defense Intelligence Agency shall, after such consultation with the Secretary of State and the Attorney General as the Director considers appropriate, submit to the appropriate committees of Congress a preliminary report on all information obtained by the Department of Defense and the intelligence community on the conventional weapons and ammunition obtained by Iraq in violation of applicable

Deadline.

resolutions of the United Nations Security Council adopted since the invasion of Kuwait by Iraq in August 1990.

Deadline.

(b) FINAL REPORT.—(1) Not later than one year after the date of the enactment of this Act, the Director shall submit to the appropriate committees of Congress a final report on the information described in subsection (a).

(2) The final report under paragraph (1) shall include such updates of the preliminary report under subsection (a) as the Director considers appropriate.

(c) ELEMENTS.—Each report under this section shall set forth, to the extent practicable, with respect to each shipment of weapons or ammunition addressed in such report the following:

(1) The country of origin.

(2) Any country of transshipment.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 359. REPORT ON OPERATIONS OF DIRECTORATE OF INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION AND TERRORIST THREAT INTEGRATION CENTER.

President.

(a) REPORT REQUIRED.—The President shall submit to the appropriate committees of Congress a report on the operations of the Directorate of Information Analysis and Infrastructure Protection of the Department of Homeland Security and the Terrorist Threat Integration Center. The report shall include the following:

(1) An assessment of the operations of the Directorate and the Center, including the capabilities of each—

(A) to meet personnel requirements, including requirements to employ qualified analysts, and the status of efforts to employ qualified analysts;

(B) to share intelligence information with the other elements of the intelligence community, including the sharing of intelligence information through secure information technology connections between the Directorate, the Center, and the other elements of the intelligence community;

(C) to disseminate intelligence information, or analyses of intelligence information, to other departments and agencies of the Federal Government and, as appropriate, to State and local governments;

(D) to coordinate with State and local counterterrorism and law enforcement officials;

(E) to receive information from Federal, State, and local officials, and private sector entities, relating to the respective responsibilities and authorities of the Directorate and the Center; and

(F) to access information, including intelligence and law enforcement information, from the departments and

agencies of the Federal Government, including the ability of the Directorate to access, in a timely and efficient manner, all information authorized by section 202 of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 122).

(2) An assessment of the ability of the Center to fulfill the responsibilities assigned to it by the President given its structure, authorities, current assets, and capabilities.

(3) An assessment of the ability of the Directorate to fulfill the responsibilities set forth in section 201 of the Homeland Security Act of 2002 (6 U.S.C. 121) given its current assets and capabilities.

(4) A plan of action (including appropriate milestones, funding, and sources of funding) for bringing the Center to its full operational capacity as called for in the Information on the State of the Union given by the President to Congress under section 3 of Article II of the Constitution of the United States in 2003.

(5) A delineation of the responsibilities and duties of the Directorate and of the responsibilities and duties of the Center.

(6) A delineation and summary of the areas in which the responsibilities and duties of the Directorate, the Center, and other elements of the Federal Government overlap.

(7) An assessment of whether the areas of overlap, if any, delineated under paragraph (6) represent an inefficient utilization of resources.

(8) A description of the policies and procedures to ensure that the Directorate and the Center comply with the Constitution and applicable statutes, Executive orders, and regulations of the United States.

(9) The practical impact, if any, of the operations of the Center on individual liberties and privacy.

(10) Such information as the President considers appropriate to explain the basis for the establishment and operation of the Center as a “joint venture” of participating agencies rather than as an element of the Directorate reporting directly to the Secretary of Homeland Security through the Under Secretary of Homeland Security for Information Analysis and Infrastructure Protection.

(b) SUBMITTAL DATE.—The report required by this section shall be submitted not later than May 1, 2004.

(c) FORM.—The report required by this section shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Governmental Affairs, the Judiciary, and Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on the Judiciary and Appropriations of the House of Representatives.

SEC. 360. REPORT ON TERRORIST SCREENING CENTER.

(a) REPORT.—Not later than September 16, 2004, the President shall submit to Congress a report on the establishment and operation of the Terrorist Screening Center, established on September

Deadline.
President.

16, 2003, by Homeland Security Presidential Directive 6, including the matters described in subsection (b).

(b) COVERED MATTERS.—The matters referred to in subsection (a) are the following:

(1) An analysis of the operations of the Terrorist Screening Center to ensure that the Terrorist Screening Center does not violate the Constitution, or any statute, Executive order, or regulation of the United States.

(2) A description of the architecture of the database system of the Terrorist Screening Center, including the number of databases maintained, operated, or administered by the Terrorist Screening Center, and the extent to which these databases have been integrated.

(3) A determination of whether data from all watch lists detailed in the April 2003 report of the Comptroller General of the United States, entitled “Information Technology: Terrorist Watch Lists Should be Consolidated to Promote Better Integration and Sharing”, have been incorporated into the Terrorist Screening Center database system.

(4) A determination of whether there remain any relevant databases that are not yet part of the Terrorist Screening Center database system.

(5) A schedule that specifies the dates on which each Federal watch list database identified in the report referred to in paragraph (3), or determined under paragraph (4) to be not yet part of the Terrorist Screening Center database system, were, or will be, integrated into the Terrorist Screening Center database system.

(6) A description of the protocols in effect to ensure the protection of classified and sensitive information contained in the Terrorist Screening Center database system.

(7) A description of—

(A) the process by which databases in the Terrorist Screening Center database system are reviewed for accuracy and timeliness of data and the frequency of updates of such reviews; and

(B) the mechanism used to ensure that data within a particular database is synchronized and replicated throughout the database system of the Terrorist Screening Center.

(8) A description of the extent to which the Terrorist Screening Center makes information available to the private sector and critical infrastructure components, and the criteria for determining which private sector and critical infrastructure components receive that information.

(9) The number of individuals listed in the Terrorist Screening Center database system.

(10) The estimated operating budget of, and sources of funding for, the Terrorist Screening Center for each of fiscal years 2004, 2005, and 2006.

(11) An assessment of the impact of the Terrorist Screening Center on current law enforcement systems.

(12) The practical impact, if any, of the operations of the Terrorist Screening Center on individual liberties and privacy.

(13) Such recommendations as the President considers appropriate for modifications of law or policy to ensure the continuing operation of the Terrorist Screening Center.

(c) **FORM OF REPORT.**—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SEC. 361. REPEAL AND MODIFICATION OF REPORT REQUIREMENTS RELATING TO INTELLIGENCE ACTIVITIES.

(a) **ANNUAL EVALUATION OF PERFORMANCE AND RESPONSIVENESS OF INTELLIGENCE COMMUNITY.**—Section 105 of the National Security Act of 1947 (50 U.S.C. 403–5) is amended by striking subsection (d).

(b) **PERIODIC REPORTS ON DISCLOSURE OF INTELLIGENCE INFORMATION TO UNITED NATIONS.**—Section 112(b) of the National Security Act of 1947 (50 U.S.C. 404g(b)(1)) is amended—

(1) in the subsection caption, by striking “PERIODIC” and inserting “ANNUAL”;

(2) in paragraph (1), by striking “semiannually” and inserting “annually”; and

(3) in paragraph (3), by striking “periodic” and inserting “the annual”.

(c) **ANNUAL REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH COUNTERDRUG ACTIVITIES.**—Section 114 of the National Security Act of 1947 (50 U.S.C. 404i) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively.

(d) **ANNUAL REPORT ON COVERT LEASES.**—Section 114 of the National Security Act of 1947, as amended by this section, is further amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

(e) **ANNUAL REPORT ON CERTAIN FOREIGN COMPANIES INVOLVED IN PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.**—Section 827 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2430; 50 U.S.C. 404n–3) is repealed.

(f) **ANNUAL REPORT ON INTELLIGENCE ACTIVITIES OF PEOPLE’S REPUBLIC OF CHINA.**—Section 308 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107; 111 Stat. 2253; 50 U.S.C. 402a note) is repealed.

(g) **ANNUAL REPORT ON COORDINATION OF COUNTERINTELLIGENCE MATTERS WITH FBI.**—Section 811(c) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103–359; 50 U.S.C. 402a(c)) is amended—

(1) by striking paragraph (6); and

(2) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(h) **ANNUAL REPORT ON POSTEMPLOYMENT ASSISTANCE FOR TERMINATED INTELLIGENCE EMPLOYEES.**—Section 1611 of title 10, United States Code, is amended by striking subsection (e).

(i) **ANNUAL REPORT ON ACTIVITIES OF FBI PERSONNEL OUTSIDE THE UNITED STATES.**—Section 540C of title 28, United States Code, is repealed.

(j) **ANNUAL REPORT ON EXCEPTIONS TO CONSUMER DISCLOSURE REQUIREMENTS FOR NATIONAL SECURITY INVESTIGATIONS.**—Section 604(b)(4) of the Fair Credit Reporting Act (15 U.S.C. 1681b(b)(4)) is amended—

(1) by striking subparagraphs (D) and (E); and

(2) by redesignating subparagraph (F) as subparagraph (D).

(k) REPORTS ON ACQUISITION OF TECHNOLOGY RELATING TO WEAPONS OF MASS DESTRUCTION AND ADVANCED CONVENTIONAL MUNITIONS.—Subsection (b)(1) of section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293; 50 U.S.C. 2366) is amended by striking “a semiannual” and inserting “an annual”.

(l) CONFORMING AMENDMENTS.—Section 507 of the National Security Act of 1947 (50 U.S.C. 415b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A), (C), (G), (I), (J), and (L);

(ii) by redesignating subparagraphs (B), (D), (E), (H), (K), (M), and (N) as subparagraphs (A), (C), (D), (G), (H), and (I), respectively;

(iii) by inserting after subparagraph (A), as so redesignated, the following new subparagraph (B):

“(B) The annual report on intelligence provided to the United Nations required by section 112(b)(1).”; and

(iv) by inserting after subparagraph (D), as so redesignated, the following new subparagraph (E):

“(E) The annual report on the acquisition of technology relating to weapons of mass destruction and advanced conventional munitions required by section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293; 50 U.S.C. 2366).”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “section 114(b)” and inserting “section 114(a)”;

(ii) in subparagraph (B), by striking “section 114(d)” and inserting “section 114(c)”;

(iii) by striking subparagraphs (C), (E), and (F); and

(iv) by redesignating subparagraphs (D) and (G) as subparagraphs (C) and (D), respectively; and

(2) in subsection (b)—

(A) by striking paragraphs (1) and (4); and

(B) by redesignating paragraphs (2), (3), (5), (6), (7), and (8) as paragraphs (1), (2), (3), (4), (5), and (6), respectively.

(m) CLERICAL AMENDMENTS.—

(1) NATIONAL SECURITY ACT OF 1947.—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 603.

(2) TITLE 28, UNITED STATES CODE.—The table of sections at the beginning of chapter 33 of title 28, United States Code, is amended by striking the item relating to section 540C.

(n) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 2003.

Subtitle E—Other Matters

SEC. 371. EXTENSION OF SUSPENSION OF REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

Section 311 of the Intelligence Authorization Act for Fiscal Year 2002 (Public Law 107–108; 22 U.S.C. 7301 note) is amended—

(1) in the heading, by striking “TWO-YEAR” before “SUSPENSION OF REORGANIZATION”; and

(2) in the text, by striking “ending on October 1, 2003” and inserting “ending on the date that is 60 days after the appropriate congressional committees of jurisdiction (as defined in section 324(d) of that Act (22 U.S.C. 7304(d)) are notified jointly by the Secretary of State (or the Secretary’s designee) and the Director of the Office of Management and Budget (or the Director’s designee) that the operational framework for the office has been terminated”.

SEC. 372. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE MATERIALS.

(a) CLARIFICATION OF ALIENS AUTHORIZED TO DISTRIBUTE EXPLOSIVE MATERIALS.—Section 842(d)(7) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

“(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;”.

(b) CLARIFICATION OF ALIENS AUTHORIZED TO POSSESS OR RECEIVE EXPLOSIVE MATERIALS.—Section 842(i)(5) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

“(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;”.

SEC. 373. MODIFICATION OF PROHIBITION ON THE NATURALIZATION OF CERTAIN PERSONS.

Section 313(e)(4) of the Immigration and Nationality Act (8 U.S.C. 1424(e)(4)) is amended—

(1) by inserting “when Department of Defense activities are relevant to the determination” after “Secretary of Defense”; and

(2) by inserting “and the Secretary of Homeland Security” after “Attorney General”.

SEC. 374. MODIFICATION TO DEFINITION OF FINANCIAL INSTITUTION IN RIGHT TO FINANCIAL PRIVACY ACT.

(a) **MODIFICATION OF DEFINITION.**—Section 1114 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3414) is amended by adding at the end the following:

“(d) For purposes of this section, and sections 1115 and 1117 insofar as they relate to the operation of this section, the term ‘financial institution’ has the same meaning as in subsections (a)(2) and (c)(1) of section 5312 of title 31, United States Code, except that, for purposes of this section, such term shall include only such a financial institution any part of which is located inside any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the United States Virgin Islands.”.

(b) **CROSS REFERENCE MODIFICATION.**—Section 1101(1) of such Act (12 U.S.C. 3401(1)) is amended by inserting “, except as provided in section 1114,” before “means any office”.

SEC. 375. COORDINATION OF FEDERAL GOVERNMENT RESEARCH ON SECURITY EVALUATIONS.

(a) **WORKSHOPS FOR COORDINATION OF RESEARCH.**—The National Science Foundation and the Office of Science and Technology Policy shall jointly sponsor not less than two workshops on the coordination of Federal Government research on the use of behavioral, psychological, and physiological assessments of individuals in the conduct of security evaluations.

(b) **DEADLINE FOR COMPLETION OF ACTIVITIES.**—The activities of the workshops sponsored under subsection (a) shall be completed not later than March 1, 2004.

(c) **PURPOSES.**—The purposes of the workshops sponsored under subsection (a) are as follows:

(1) To provide a forum for cataloging and coordinating federally funded research activities relating to the development of new techniques in the behavioral, psychological, or physiological assessment of individuals to be used in security evaluations.

(2) To develop a research agenda for the Federal Government on behavioral, psychological, and physiological assessments of individuals, including an identification of the research most likely to advance the understanding of the use of such assessments of individuals in security evaluations.

(3) To distinguish between short-term and long-term areas of research on behavioral, psychological, and physiological

assessments of individuals in order to maximize the utility of short-term and long-term research on such assessments.

(4) To identify the Federal agencies best suited to support research on behavioral, psychological, and physiological assessments of individuals.

(5) To develop recommendations for coordinating future federally funded research for the development, improvement, or enhancement of security evaluations.

(d) ADVISORY GROUP.—(1) In order to assist the National Science Foundation and the Office of Science and Technology Policy in carrying out the activities of the workshops sponsored under subsection (a), there is hereby established an interagency advisory group with respect to such workshops. Establishment.

(2) The advisory group shall be composed of the following:

(A) A representative of the Social, Behavioral, and Economic Directorate of the National Science Foundation.

(B) A representative of the Office of Science and Technology Policy.

(C) The Secretary of Defense, or a designee of the Secretary.

(D) The Secretary of State, or a designee of the Secretary.

(E) The Attorney General, or a designee of the Attorney General.

(F) The Secretary of Energy, or a designee of the Secretary.

(G) The Secretary of Homeland Security, or a designee of the Secretary.

(H) The Director of Central Intelligence, or a designee of the Director.

(I) The Director of the Federal Bureau of Investigation, or a designee of the Director.

(J) The National Counterintelligence Executive, or a designee of the National Counterintelligence Executive.

(K) Any other official assigned to the advisory group by the President for purposes of this section.

(3) The members of the advisory group under subparagraphs (A) and (B) of paragraph (2) shall jointly head the advisory group.

(4) The advisory group shall provide the Foundation and the Office such information, advice, and assistance with respect to the workshops sponsored under subsection (a) as the advisory group considers appropriate.

(5) The advisory group shall not be treated as an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(e) FOIA EXEMPTION.—All files of the National Science Foundation and the Office of Science and Technology Policy for purposes of administering this section, including any files of a Federal, State, or local department or agency or of a private sector entity provided to or utilized by a workshop or advisory group under this section, shall be exempt from the provisions of section 552 of title 5, United States Code, that require publication, disclosure, search, or review in connection therewith.

(f) REPORT.—Not later than March 1, 2004, the National Science Foundation and the Office of Science and Technology Policy shall jointly submit to Congress a report on the results of activities of the workshops sponsored under subsection (a), including the findings and recommendations of the Foundation and the Office as a result of such activities. Deadline.

(g) FUNDING.—(1) Of the amount authorized to be appropriated for the Intelligence Community Management Account by section 104(a), \$500,000 shall be available to the National Science Foundation and the Office of Science and Technology Policy to carry out this section.

(2) The amount authorized to be appropriated by paragraph (1) shall remain available until expended.

SEC. 376. TREATMENT OF CLASSIFIED INFORMATION IN MONEY LAUNDERING CASES.

Section 5318A of title 31, United States Code, is amended by adding at the end the following:

“(f) CLASSIFIED INFORMATION.—In any judicial review of a finding of the existence of a primary money laundering concern, or of the requirement for 1 or more special measures with respect to a primary money laundering concern, made under this section, if the designation or imposition, or both, were based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)), such information may be submitted by the Secretary to the reviewing court ex parte and in camera. This subsection does not confer or imply any right to judicial review of any finding made or any requirement imposed under this section.”.

SEC. 377. TECHNICAL AMENDMENTS.

(a) NATIONAL SECURITY ACT OF 1947.—Section 112(d)(1) of the National Security Act of 1947 (50 U.S.C. 404g(d)(1)) is amended by striking “section 103(c)(6)” and inserting “section 103(c)(7)”.

(b) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—(1) Section 5(a)(1) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(1)) is amended by striking “(c)(6)” each place it appears and inserting “(c)(7)”.

(2) Section 6 of that Act (50 U.S.C. 403g) is amended by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))”.

(3) Section 15 of that Act (50 U.S.C. 403o) is amended—

(A) in subsection (a)(1), by striking “special policemen of the General Services Administration perform under the first section of the Act entitled ‘An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes’ (40 U.S.C. 318),” and inserting “officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,”; and

(B) in subsection (b), by striking “the fourth section of the Act referred to in subsection (a) of this section (40 U.S.C. 318c)” and inserting “section 1315(c)(2) of title 40, United States Code”.

(c) NATIONAL SECURITY AGENCY ACT OF 1959.—Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended—

(1) in subsection (a)(1), by striking “special policemen of the General Services Administration perform under the first section of the Act entitled ‘An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency

duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes” (40 U.S.C. 318)” and inserting “officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,”; and

(2) in subsection (b), by striking “the fourth section of the Act referred to in subsection (a) (40 U.S.C. 318c)” and inserting “section 1315(c)(2) of title 40, United States Code”.

(d) INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003.—Section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2399; 50 U.S.C. 404n–2) is amended—

(1) in subsection (c), by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))”; and

(2) in subsection (e)(2), by striking “section 103(c)(6)” and inserting “section 103(c)(7)”.

(e) FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002.—Section 3535(b)(1) of title 44, United States Code, as added by section 1001(b)(1) of the Homeland Security Act of 2002 (Public Law 107–296), and section 3545(b)(1) of title 44, United States Code, as added by section 301(b)(1) of the E-Government Act of 2002 (Public Law 107–347), are each amended by inserting “or any other law” after “1978”.

(f) PUBLIC LAW 107–173.—Section 201(c)(3)(F) of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C. 1721(c)(3)(F)) is amended by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))”.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. AMENDMENT TO CERTAIN CENTRAL INTELLIGENCE AGENCY ACT OF 1949 NOTIFICATION REQUIREMENTS.

Section 4(b)(5) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b)(5)) is amended by inserting “, other than regulations under paragraph (1),” after “Regulations”.

SEC. 402. PROTECTION OF CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL FROM TORT LIABILITY.

Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended by adding at the end the following new subsection:

“(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a), or designated by the Director under section 5(a)(4) to carry firearms for the protection of current or former Agency personnel and their immediate families, defectors and their immediate families, and other persons in the United States under Agency auspices, shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when

such Agency personnel take reasonable action, which may include the use of force, to—

“(A) protect an individual in the presence of such Agency personnel from a crime of violence;

“(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

“(C) prevent the escape of any individual whom such Agency personnel reasonably believe to have committed a crime of violence in the presence of such Agency personnel.

“(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679 of title 28, United States Code.

“(3) In this subsection, the term ‘crime of violence’ has the meaning given that term in section 16 of title 18, United States Code.”.

SEC. 403. REPEAL OF OBSOLETE LIMITATION ON USE OF FUNDS IN CENTRAL SERVICES WORKING CAPITAL FUND.

Section 21(f)(2) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

(1) in subparagraph (A), by striking “(A) Subject to subparagraph (B), the Director” and inserting “The Director”; and

(2) by striking subparagraph (B).

18 USC 4124
note.

SEC. 404. PURCHASES BY CENTRAL INTELLIGENCE AGENCY OF PRODUCTS OF FEDERAL PRISON INDUSTRIES.

Notwithstanding section 4124 of title 18, United States Code, purchases by the Central Intelligence Agency from Federal Prison Industries shall be made only if the Director of Central Intelligence determines that the product or service to be purchased from Federal Prison Industries best meets the needs of the Agency.

SEC. 405. POSTPONEMENT OF CENTRAL INTELLIGENCE AGENCY COMPENSATION REFORM AND OTHER MATTERS.

(a) **POSTPONEMENT OF COMPENSATION REFORM PLAN.**—Section 402(a)(2) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2403; 50 U.S.C. 403–4 note) is amended by striking “February 1, 2004,” and all that follows through the end and inserting “the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2005.”.

(b) **CONTRIBUTION BY CIA EMPLOYEES OF CERTAIN BONUS PAY TO THRIFT SAVINGS PLAN.**—

(1) **CIVIL SERVICE RETIREMENT SYSTEM PARTICIPANTS.**—Section 8351(d) of title 5, United States Code, is amended—

(A) by inserting “(1)” after “(d)”; and

(B) by adding at the end the following new paragraph:

“(2)(A) Only those employees of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 50 U.S.C. 403–4 note) and making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project.

“(B) Contributions under this paragraph are subject to section 8432(d) of this title.”.

(2) **FEDERAL EMPLOYEES’ RETIREMENT SYSTEM PARTICIPANTS.**—Section 8432 of title 5, United States Code, is amended by adding at the end the following new subsection:

“(k)(1) Only those employees of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 50 U.S.C. 403-4 note) and making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project.

“(2) Contributions under this subsection are subject to subsection (d).

“(3) For purposes of subsection (c), basic pay of an employee of the Central Intelligence Agency participating in the pilot project referred to in paragraph (1) shall include bonus pay received by the employee as part of the pilot project.”.

(c) REPORT.—(1) The Director of Central Intelligence shall submit to the congressional intelligence committees a report on the amount of compensation (including basic pay, bonuses, and employer contributions to the Thrift Savings Plan) of each employee of the Central Intelligence Agency participating in the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2403; 50 U.S.C. 403-4 note), and on the amount that each such employee would have received had such employee received compensation under the existing system of compensation used by the Agency.

50 USC 403-4
note.

(2) The report required by paragraph (1) shall be submitted together with the report required by paragraph (3) of such section 402(b).

(3) In this subsection, the term “congressional intelligence committees” has the meaning given that term in section 402(d) of the Intelligence Authorization Act for Fiscal Year 2003.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

SEC. 501. PROTECTION OF CERTAIN NATIONAL SECURITY AGENCY PERSONNEL FROM TORT LIABILITY.

Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new subsection:

“(d)(1) Notwithstanding any other provision of law, agency personnel designated by the Director of the National Security Agency under subsection (a) shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such agency personnel take reasonable action, which may include the use of force, to—

“(A) protect an individual in the presence of such agency personnel from a crime of violence;

“(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

“(C) prevent the escape of any individual whom such agency personnel reasonably believe to have committed a crime of violence in the presence of such agency personnel.

“(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679 of title 28, United States Code.

“(3) In this subsection, the term ‘crime of violence’ has the meaning given that term in section 16 of title 18, United States Code.”.

SEC. 502. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) **AUTHORITY.**—Funds designated for intelligence or intelligence-related purposes for assistance to the Government of Colombia for counterdrug activities for fiscal year 2004, and any unobligated funds available to any element of the intelligence community for such activities for a prior fiscal year, shall be available—

(1) to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations (such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)); and

(2) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) **APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.**—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Sections 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8077 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 117 Stat. 1090).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 575), as amended by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (115 Stat. 2131).

(c) **LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.**—No United States Armed Forces personnel or United States civilian contractor employed by the United States Armed Forces will participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting in self defense or during the course of search and rescue operations for United States citizens.

SEC. 503. SCENE VISUALIZATION TECHNOLOGIES.

Of the amount authorized to be appropriated by this Act, \$2,500,000 shall be available for the National Geospatial-Intelligence Agency (NGA) for scene visualization technologies.

SEC. 504. MEASUREMENT AND SIGNATURES INTELLIGENCE RESEARCH PROGRAM.

(a) **RESEARCH PROGRAM.**—(1) The Secretary of Defense and the Director of Central Intelligence shall jointly carry out a program to incorporate the results of basic research on sensors into the measurement and signatures intelligence systems of the United States, to the extent the results of such research are applicable to such systems.

(2) In carrying out paragraph (1), the Secretary of Defense and the Director of Central Intelligence shall act through the Director of the Defense Intelligence Agency's Directorate for MASINT and Technical Collection (hereinafter in this section referred to as the "Director").

(b) PROGRAM COMPONENTS.—The program under subsection (a) shall review and assess basic research on sensors and technologies conducted both by the United States Government and by non-governmental entities. In carrying out the program, the Director shall protect intellectual property rights, maintain organizational flexibility, and establish research projects, funding levels, and potential benefits in an equitable manner through the Directorate.

(c) ADVISORY PANEL.—(1) The Director shall establish an advisory panel to assist the Director in carrying out the program under subsection (a). Establishment.

(2) The advisory panel shall be headed by the Director who shall determine the selection, review, and assessment of the research projects under the program.

(3)(A) The Director shall appoint as members of the advisory panel representatives of each entity of the MASINT community, and may appoint as such members representatives of national laboratories, universities, and private sector entities.

(B) For purposes of this subsection the term "MASINT community" means academic, professional, industrial, and government entities that are committed towards the advancement of the sciences in measurement and signatures intelligence.

(C) The term for a member of the advisory panel shall be established by the Director, but may not exceed a period of 5 consecutive years.

(D) Members of the advisory panel may not receive additional pay, allowances, or benefits by reason of their service on the advisory panel, but may receive per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(4) The Director may accept contributions from non-governmental participants on the advisory panel to defray the expenses of the advisory panel.

(5) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the advisory panel established under this subsection.

(d) FOIA EXEMPTION.—All files in the possession of the Defense Intelligence Agency for purposes of administering the program under this section, including any files of a Federal, State, or local department or agency or of a private sector entity provided to or utilized by the program, shall be exempt from the provisions of section 552 of title 5, United States Code, that require publication, disclosure, search, or review in connection therewith.

SEC. 505. AVAILABILITY OF FUNDS OF NATIONAL SECURITY AGENCY FOR NATIONAL SECURITY SCHOLARSHIPS.

(a) AVAILABILITY OF FUNDS.—Any funds authorized to be appropriated for the National Security Agency for a fiscal year after fiscal year 2003 may be made available to the Independent College Fund of Maryland (also known as the "I-Fund") for the purpose of the establishment and provision of national security scholarships to the extent such funds are specifically authorized for that purpose.

(b) MECHANISMS OF AVAILABILITY.—Funds may be made available to the Independent College Fund of Maryland under subsection (a) by grant, contract, cooperative agreement, or such other appropriate mechanisms as the Director of the National Security Agency considers appropriate.

Approved December 13, 2003.

LEGISLATIVE HISTORY—H.R. 2417 (S. 1025):

HOUSE REPORTS: Nos. 108–163 (Permanent Select Comm. on Intelligence) and 108–381 (Comm. of Conference).

SENATE REPORTS: Nos. 108–44 (Select Comm. on Intelligence) and 108–80 (Comm. on Armed Services) both accompanying S. 1025.

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 25–27, considered and passed House.

July 31, considered and passed Senate, amended, in lieu of S. 1025.

Nov. 20, House agreed to conference report.

Nov. 21, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 13, Presidential statement.



Public Law 108–178
108th Congress

An Act

To improve the United States Code.

Dec. 15, 2003

[H.R. 1437]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LEGISLATIVE PURPOSE AND CONSTRUCTION.

40 USC note
prec. 101.

(a) **PURPOSE.**—The purpose of this Act is to improve the United States Code by making necessary technical changes.

(b) **NO SUBSTANTIVE CHANGE.**—This Act makes no substantive change in existing law and may not be construed as making a substantive change in existing law.

(c) **SEVERABILITY.**—If a provision enacted by this Act is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision enacted by this Act is held invalid in any of its applications, the provision remains valid for all valid applications that are severable from any of the invalid applications.

SEC. 2. TECHNICAL CHANGES IN PUBLIC LAW 107–217.

40 USC note
prec. 101.

(a) **TECHNICAL CHANGES IN SCHEDULE OF LAWS REPEALED.**—The Schedule of Laws Repealed, which is contained in section 6(b) of Public Law 107–217 (116 Stat. 1304), is amended as follows:

(1) In the item related to the Act of May 29, 1920 (ch. 214, 41 Stat. 642, 654), insert “on p. 654” after “words in par. under heading ‘Independent Treasury’”.

(2) In the item related to the Act of September 9, 1940 (ch. 717, 54 Stat. 873), strike “3d proviso” and substitute “last proviso”.

(3) In the item related to the Act of July 5, 1952 (ch. 576, 66 Stat. 385, 400), strike “, proviso on p. 400” (in the Section column), “, 400” (in the Page column), and “, 313–2” (in the U.S. Code column) and insert, immediately below, “578” (in the Chapter or Public Law column), “101 (proviso on p. 400)” (in the Section column), “66” (in the Volume column), “400” (in the Page column), and “313–2” (in the U.S. Code column).

(4) In the item related to the Act of July 31, 1953 (ch. 299, 67 Stat. 290), strike “4th proviso” and substitute “3d proviso”.

(5) In the item related to the Act of June 29, 1956 (ch. 479, 70 Stat. 447), strike “par.” and substitute “proviso”.

(6) In the item related to the Act of August 6, 1973 (Public Law 93–83, 87 Stat. 216), strike “2” (in the Section column) and substitute “2 ‘Sec. 525’”.

(7) In the item related to the Act of March 12, 2002 (Public Law 107-149, 116 Stat. 66), shift to the right one column the matter in the Section, Volume, and Page columns and insert, in the Section column, “1-13”.

(8) Insert the following items:

Schedule of Laws Repealed
Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large		U.S. Code (title 40 unless otherwise speci- fied)
			Vol- ume	Page	
1935 July 8	374	1 (matter classified to 40:26)	49	469	26
1936 Apr. 17	233	1 (matter classified to 40:26)	49	1224	26
1942 Sept. 9	558	1	56	750	174f
		2	56	751	174f note
		3	56	751	174g
		4	56	751	174h
		5	56	751	174i
		6	56	751	174j
		7	56	751	174f note
1943 July 12	215	1 (matter classified to 40:435)	57	425	435
1944 June 28	296	1 (matter classified to 40:435)	58	456	435
1945 May 5	109	1 (matter classified to 40:435)	59	160	435
1946 June 22	445	1 (matter classified to 40:435)	60	292	435
July 30	698	1	60	711	436
		2	60	711	437
		3	60	711	438
		4	60	712	439
1947 July 30	358	306 (matter classified to 40:19 note).	61	584	19 note
1949 June 30	286	201 (matter classified to 40:284) ...	63	373	284
1950 May 3	152	2	64	98	440
		3	64	99	441
		4	64	100	442
		5	64	100	443
		6	64	100	444
1953 July 30	282	108	67	231	459
1954 July 22	560	101 (related to redesignation of former “Sec. 411” as former “Sec. 412”).	68	518	298a note
		101 (related to new “Sec. 411”)	68	518	356
		102	68	521	357
		103	68	521	356 note
Aug. 2	649	804	68	643	459

Schedule of Laws Repealed—Continued
Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large		U.S. Code (title 40 unless otherwise speci- fied)
			Vol- ume	Page	
1955 July 12	331	(related to redesignation of former “Sec. 412” as “Sec. 413”).	69	297	298a note
		(related to new “Sec. 412”)	69	297	356a
Aug. 5	568	101 (matter classified to 40:166b note).	69	515	166b note
		101 (matter classified to 40:166b–1).	69	515	166b–1
1956 June 27	452	201 (matter classified to 40:459 note).	70	353	459 note
July 9	525	1	70	510	356
1957 July 1	85–75	101 (matter classified to 40:166b–1).	71	251	166b–1
1961 Aug. 10	87–130	101 (matter classified to 40:166b–1).	75	329	166b–1
1965 Mar. 9	89–4	203	40 App.:203
		204	40 App.:204
		205	40 App.:205
1976 Oct. 18	94–541	101	90	2505	601 note
		102	90	2505	601a
		103(1), (2)	90	2505	606
		103(3) (related to “Sec. 12(d)”)	90	2506	611
		103(3) (related to “Sec. 12(e)”)	90	2506	490
		103(3) (related to “Sec. 12(c)”)	90	2506	611
		104	90	2506	490
1979 Oct. 12	96–86	101(c) [H.R. 4390, title I (matter classified to 40:166a)].	93	657	166a
1990 Nov. 5	101–509	625	104	1476	490b note
1991 Oct. 28	102–141	604	105	868	490b note
1992 Oct. 6	102–393	604	106	1766	490b note
1993 Oct. 28	103–123	603	107	1259	490b note
1994 Sept. 30	103–329	603	108	2416	490b note
1995 Nov. 19	104–52	603	109	497	490b note
1996 Sept. 30	104–208	101(f) [title VI, § 603]	110	3009–353	490b note
1997 Oct. 10	105–61	603	111	1308	490b note

Revised Statutes

Revised Statutes Section	United States Code	
	Title	Section
355	40	255
1797	40	19
1800	40	45
1801	40	48
1802	40	54
1803	40	56
1804	40	57
1805	40	55
1807	40	46
1808	40	47
1809	40	49
1810	40	51
1811	40	52
1812	40	50
1818	40	66
1819	40	192
1830	40	102
1835	40	221
3750	40	301
3751	40	306
3752	40	305
3753	40	308
3754	40	309
3755	40	310

40 USC note
prec. 101.

41 USC 251 note.

20 USC 3508.

23 USC 101 note.

(b) REVIVAL OF CERTAIN PROVISIONS.—Section 6(b) of Public Law 107–217 (116 Stat. 1304) is repealed insofar as it relates to the provisions listed below, and the provisions listed below are revived to read as if section 6(b) had not been enacted:

(1) Section 1(a) of the Act of June 30, 1949 (ch. 288, 63 Stat. 377).

(2) Section 509(b) of the Department of Education Organization Act (Public Law 96–88, 93 Stat. 695).

(3) Public Law 101–427 (104 Stat. 927).

(4) Section 7306 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355, 108 Stat. 3384).

SEC. 3. TECHNICAL CHANGES IN TITLE 40, UNITED STATES CODE.

Title 40, United States Code, is amended as follows:

(1) In section 3304(b), insert “, by purchase, condemnation, donation, exchange, or otherwise,” after “may acquire”.

(2) In section 5107, strike “5105, 5105” and substitute “5105, 5106”.

SEC. 4. CONFORMING CROSS-REFERENCES.

(a) TITLE 5.—In section 5334(a) (matter after cl. (7)) of title 5, United States Code, strike “section 106(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)” and substitute “section 14306(a)(2) of title 40”.

(b) TITLE 10.—Title 10, United States Code, is amended as follows:

(1) In section 2194(b)(2)—

(A) insert “subtitle I of title 40 and title III of” before “the Federal”; and

(B) strike “(40 U.S.C. 471 et seq.)” and substitute “(41 U.S.C. 251 et seq.)”.

(2) In section 2225(b)(9), strike “sections 5122 and 5123 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1422, 1423)” and substitute “sections 11312 and 11313 of title 40”.

(3) In section 2305a(c)(1), strike “the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.)” and substitute “chapter 11 of title 40”.

(4) In section 2667(b)(5), as amended by section 3(b)(12)(B) of Public Law 107–217 (116 Stat. 1296), strike the comma appearing after “of title 40”.

(5) In section 4553(d), strike “Section 321 of the Act of June 30, 1932 (40 U.S.C. 303b),” and substitute “Section 1302 of title 40”.

(6) In section 7422(c)(1) (matter after cl. (D)), strike “lands’ within the meaning of that Act” and substitute “land’ within the meaning of those sections”.

(7) In section 9781(g), as amended by section 3(b)(40)(C) of Public Law 107–217 (116 Stat. 1298)—

(A) strike “subtitle III of the Federal Property and Administrative Services Act of 1949” and substitute “title III of the Federal Property and Administrative Services Act of 1949”; and

(B) strike “. (41 U.S.C. 251 et seq.)” and substitute “(41 U.S.C. 251 et seq.)”.

(c) TITLE 13.—In section 15 of title 13, United States Code, strike “; 40 U.S.C. 278a”.

(d) TITLE 23.—In section 104(a)(1) of title 23, United States Code, strike “section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)” and substitute “section 14501 of title 40”.

(e) THE INTERNAL REVENUE CODE OF 1986.—In section 7608(c)(1)(A)(i)(IV) of the Internal Revenue Code of 1986 (26 U.S.C. 7608(c)(1)(A)(i)(IV)), as amended by section 3(f) of Public Law 107–217 (116 Stat. 1299), strike “title 40” and substitute “title 40, 26 USC 7608. United States Code”.

(f) TITLE 31.—Title 31, United States Code, is amended as follows:

(1) In section 1105(g)(2)(B)(ii), as amended by section 3(h)(3) of Public Law 107–217 (116 Stat. 1299), insert “section” before “1102 of title 40”.

(2) In section 9303(d)(1), as amended by section 3(h)(9)(B)(i) of Public Law 107–217 (116 Stat. 1300), strike the comma appearing after “sections 3131 and 3133 of title 40”.

(g) TITLE 35.—In section 2(b)(4)(A) of title 35, United States Code, strike “the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Public Buildings Act (40 U.S.C. 601 et seq.),” and substitute “subtitle I and chapter 33 of title 40, title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.),”.

(h) TITLE 36.—Section 2113 of title 36, United States Code, is amended as follows:

(1) In subsection (a)(2), strike “(40 U.S.C. 1003 note)” and substitute “(40 U.S.C. 8903 note)”.

(2) In subsection (c)(1), strike “section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b))” and substitute “section 8906(b) of title 40”.

(3) In subsection (e), strike “section 8 of the Commemorative Works Act (40 U.S.C. 1008)” and substitute “section 8906 of title 40”.

(4) In subsection (h)—

(A) strike “section 10 of the Commemorative Works Act (40 U.S.C. 1010)” and substitute “section 8903(e) of title 40”; and

(B) strike “(40 U.S.C. 1003 note)” and substitute “(40 U.S.C. 8903 note)”.

(i) TITLE 38.—Title 38, United States Code, is amended as follows:

(1) In section 8162(a)(3), as amended by section 3(j)(5)(B) of Public Law 107–217 (116 Stat. 1301), strike the comma appearing after “of title 40”.

(2) In section 8165(c), as amended by section 3(j)(6) of Public Law 107–217 (116 Stat. 1301), strike the comma appearing after “of title 40”.

(j) TITLE 39.—Section 410(d) of title 39, United States Code, is amended as follows:

(1) In paragraph (1), strike “section 276a of title 40” and substitute “section 3142 of title 40”.

(2) In paragraph (2), strike “section 276c of title 40” and substitute “section 3145 of title 40”.

(k) TITLE 49.—In section 40110(d)(2) of title 49, United States Code—

(1) strike clause (G);

(2) redesignate clause (H) as clause (G); and

(3) in clause (G) as redesignated, strike “subparagraphs (A) through (G)” and substitute “subparagraphs (A) through (F)”.

5 USC 5334 note.

SEC. 5. EFFECTIVE DATE.

This Act and amendments and repeals made by this Act are effective August 21, 2002.

Approved December 15, 2003.

LEGISLATIVE HISTORY—H.R. 1437:

HOUSE REPORTS: No. 108–103 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

July 21, considered and passed House.

Nov. 25, considered and passed Senate.



Public Law 108–179
108th Congress

An Act

To amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic and foreign centers and programs for the treatment of victims of torture, and for other purposes.

Dec. 15, 2003

[H.R. 1813]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Torture Victims Relief Reauthorization Act of 2003”.

Torture Victims
Relief
Reauthorization
Act of 2003.
22 USC 2151
note.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR DOMESTIC TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 5(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

“(1) **AUTHORIZATION OF APPROPRIATIONS.**—Of the amounts authorized to be appropriated for the Department of Health and Human Services for fiscal years 2004 and 2005, there are authorized to be appropriated to carry out subsection (a) (relating to assistance for domestic centers and programs for the treatment of victims of torture) \$20,000,000 for fiscal year 2004 and \$25,000,000 for fiscal year 2005.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect October 1, 2003.

22 USC 2152
note.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR FOREIGN TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 4(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

“(1) **AUTHORIZATION OF APPROPRIATIONS.**—Of the amounts authorized to be appropriated for fiscal years 2004 and 2005 pursuant to chapter 1 of part I of the Foreign Assistance Act of 1961, there are authorized to be appropriated to the President to carry out section 130 of such Act (relating to assistance for centers in foreign countries and programs for the treatment of victims of torture) \$11,000,000 for fiscal year 2004 and \$12,000,000 for fiscal year 2005.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect October 1, 2003.

22 USC 2152
note.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES CONTRIBUTION TO THE UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.

Of the amounts authorized to be appropriated for fiscal years 2004 and 2005 pursuant to chapter 3 of part I of the Foreign Assistance Act of 1961, there are authorized to be appropriated to the President for a voluntary contribution to the United Nations Voluntary Fund for Victims of Torture \$6,000,000 for fiscal year 2004 and \$7,000,000 for fiscal year 2005.

Approved December 15, 2003.

LEGISLATIVE HISTORY—H.R. 1813:

HOUSE REPORTS: No. 108–261, Pt. 1 (Comm. on International Relations) and Pt. 2 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 19, considered and passed House.

Nov. 25, considered and passed Senate.



Public Law 108–180
108th Congress

An Act

To award congressional gold medals posthumously on behalf of Reverend Joseph A. DeLaine, Harry and Eliza Briggs, and Levi Pearson in recognition of their contributions to the Nation as pioneers in the effort to desegregate public schools that led directly to the landmark desegregation case of *Brown et al. v. the Board of Education of Topeka et al.*

Dec. 15, 2003

[H.R. 3287]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

31 USC 5111
note.

SECTION 1. FINDINGS.

The Congress finds as follows:

(1) The Reverend Joseph Armstrong DeLaine, one of the true heroes of the civil rights struggle, led a crusade to break down barriers in education in South Carolina.

(2) The efforts of Reverend DeLaine led to the desegregation of public schools in the United States, but forever scarred his own life.

(3) In 1949, Joseph DeLaine, a minister and school principal, organized African-American parents in Summerton, South Carolina, to petition the school board for a bus for black students, who had to walk up to 10 miles through corn and cotton fields to attend a segregated school, while the white children in the school district rode to and from school in nice clean buses.

(4) In 1950, these same parents, including Harry and Eliza Briggs, sued to end public school segregation in *Briggs et al. v. Elliott et al.*, one of 5 cases that collectively led to the landmark 1954 Supreme Court decision of *Brown et al. v. Board of Education of Topeka et al.*

(5) Because of his participation in the desegregation movement, Reverend DeLaine was subjected to repeated acts of domestic terror in which—

(A) he, along with 2 sisters and a niece, lost their jobs;

(B) he fought off an angry mob;

(C) he received frequent death threats; and

(D) his church and his home were burned to the ground.

(6) In October 1955, after Reverend DeLaine relocated to Florence County in South Carolina, shots were fired at the DeLaine home, and because Reverend DeLaine fired back to mark the car, he was charged with assault and battery with intent to kill.

(7) The shooting incident drove him from South Carolina to Buffalo, New York, where he organized an African Methodist Episcopal Church.

(8) Believing that he would not be treated fairly by the South Carolina judicial system if he returned to South Carolina, Reverend DeLaine told the Federal Bureau of Investigation, “I am not running from justice but injustice”, and it was not until 2000 (26 years after his death and 45 years after the incident) that Reverend DeLaine was cleared of all charges relating to the October 1955 incident.

(9) Reverend DeLaine was a humble and fearless man who showed the Nation that all people, regardless of the color of their skin, deserve a first-rate education, a lesson from which the Nation has benefited immeasurably.

(10) Reverend DeLaine deserves rightful recognition for the suffering that he and his family endured to teach the Nation one of the great civil rights lessons of the last century.

(11) Like the Reverend DeLaine and Harry and Eliza Briggs, Levi Pearson was an integral participant in the struggle to equalize the educational experiences of white and black students in South Carolina.

(12) Levi Pearson, with the assistance of Reverend Joseph DeLaine, filed a lawsuit against the Clarendon County School District to protest the inequitable treatment of black children.

(13) As a result of his lawsuit, Levi Pearson also suffered from acts of domestic terror, such as the time gun shots were fired into his home, as well as economic consequences: local banks refused to provide him with credit to purchase farming materials and area farmers refused to lend him equipment.

(14) Although his case was ultimately dismissed on a technicality, Levi Pearson’s courage to stand up for equalized treatment and funding for black students served as the catalyst for further attempts to desegregate South Carolina schools, as he continued to fight against segregation practices and became President of Clarendon County Chapter of the NAACP.

(15) When Levi Pearson’s litigation efforts to obtain equalized treatment and funding for black students were stymied, Harry and Eliza Briggs, a service station attendant and a maid, continued to fight for not only equalized treatment of all children but desegregated schools as well.

(16) As with Reverend DeLaine and Levi Pearson, the family of Harry and Eliza Briggs suffered consequences for their efforts: Harry and Eliza both were fired from their jobs and forced to move their family to Florida.

(17) Although they and their family suffered tremendously, Harry and Eliza Briggs were also pioneers leading the effort to desegregate America’s public schools.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) **PRESENTATION AUTHORIZED.**—In recognition of the contributions of Reverend Joseph A. DeLaine, Harry and Eliza Briggs, and Levi Pearson to the Nation as pioneers in the effort to desegregate public schools that led directly to the landmark desegregation case of *Brown et al. v. the Board of Education of Topeka et al.*, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of the Congress, of a gold medal

of appropriate design, to Joseph De Laine, Jr., as next of kin of Reverend Joseph A. DeLaine, and to the next of kin or other personal representative of Harry and Eliza Briggs and of Levi Pearson.

(b) DESIGN AND STRIKING.—For the purposes of the awards referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the “Secretary”) shall strike 3 gold medals with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medals struck pursuant to section 2, under such regulations as the Secretary may prescribe, and at a price sufficient to cover the costs thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medals.

SEC. 4. STATUS AS NATIONAL MEDALS.

(a) NATIONAL MEDALS.—The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

(b) NUMISMATIC ITEMS.—For purposes of section 5134 of title 31, United States Code, all medals struck under this Act shall be considered to be numismatic items.

SEC. 5. FUNDING.

(a) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund such amounts as may be necessary to pay for the cost of the medals authorized by this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

Approved December 15, 2003.

LEGISLATIVE HISTORY—H.R. 3287 (S. 498):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 18, considered and passed House.

Nov. 25, considered and passed Senate.



Public Law 108–181
108th Congress

Joint Resolution

Dec. 15, 2003
[H.J. Res. 80]

Appointing the day for the convening of the second session of the One Hundred Eighth Congress.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DAY FOR CONVENING OF SECOND REGULAR SESSION OF ONE HUNDRED EIGHTH CONGRESS.

The second regular session of the One Hundred Eighth Congress shall begin at noon on Tuesday, January 20, 2004.

SEC. 2. AUTHORITY FOR CALLING SPECIAL SESSION BEFORE CONVENING OF SECOND REGULAR SESSION.

If the Speaker of the House of Representatives (or the designee of the Speaker) and the Majority Leader of the Senate (or the designee of the Majority Leader), acting jointly after consultation with the Minority Leader of the House of Representatives and the Minority Leader of the Senate, determine it is in the public interest for Congress to assemble during the period between the end of the first regular session of the One Hundred Eighth Congress at noon on January 3, 2004, and the convening of the second regular session of the One Hundred Eighth Congress as provided in section 1—

Notification.

(1) the Speaker and Majority Leader, or their respective designees, shall notify the Members of the House and Senate, respectively, of such determination and of the place and time for Congress to so assemble; and

(2) Congress shall assemble in accordance with that notification.

Approved December 15, 2003.

LEGISLATIVE HISTORY—H.J. Res. 80:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 21, considered and passed House.

Nov. 25, considered and passed Senate.



Public Law 108–182
108th Congress

An Act

To ensure that a public safety officer who suffers a fatal heart attack or stroke while on duty shall be presumed to have died in the line of duty for purposes of public safety officer survivor benefits.

Dec. 15, 2003

[S. 459]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Hometown Heroes Survivors Benefits Act of 2003”.

Hometown
Heroes Survivors
Benefits Act of
2003.
42 USC 3711
note.

SEC. 2. FATAL HEART ATTACK OR STROKE ON DUTY PRESUMED TO BE DEATH IN LINE OF DUTY FOR PURPOSES OF PUBLIC SAFETY OFFICER SURVIVOR BENEFITS.

Section 1201 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended by adding at the end the following:

“(k) For purposes of this section, if a public safety officer dies as the direct and proximate result of a heart attack or stroke, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty, if—

“(1) that officer, while on duty—

“(A) engaged in a situation, and such engagement involved nonroutine stressful or strenuous physical law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

“(B) participated in a training exercise, and such participation involved nonroutine stressful or strenuous physical activity;

“(2) that officer died as a result of a heart attack or stroke suffered—

“(A) while engaging or participating as described under paragraph (1);

“(B) while still on that duty after so engaging or participating; or

“(C) not later than 24 hours after so engaging or participating; and

“(3) such presumption is not overcome by competent medical evidence to the contrary.

“(l) For purposes of subsection (k), ‘nonroutine stressful or strenuous physical’ excludes actions of a clerical, administrative, or nonmanual nature.”.

Approved December 15, 2003.

LEGISLATIVE HISTORY—S. 459:

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 15, considered and passed Senate.

Nov. 21, considered and passed House, amended.

Nov. 25, Senate concurred in House amendment.



Public Law 108–183
108th Congress

An Act

To amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and for other purposes.

Dec. 16, 2003

[H.R. 2297]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Veterans Benefits Act of 2003”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—SURVIVOR BENEFITS

Sec. 101. Retention of certain veterans survivor benefits for surviving spouses remarrying after age 57.

Sec. 102. Benefits for children with spina bifida of veterans of certain service in Korea.

Sec. 103. Alternative beneficiaries for National Service Life Insurance and United States Government Life Insurance.

Sec. 104. Payment of benefits accrued and unpaid at time of death.

TITLE II—BENEFITS FOR FORMER PRISONERS OF WAR AND FOR FILIPINO VETERANS

SUBTITLE A—FORMER PRISONERS OF WAR

Sec. 201. Presumptions of service-connection relating to diseases and disabilities of former prisoners of war.

SUBTITLE B—FILIPINO VETERANS

Sec. 211. Rate of payment of benefits for certain Filipino veterans and their survivors residing in the United States.

Sec. 212. Burial benefits for new Philippine Scouts residing in the United States.

Sec. 213. Extension of authority to maintain regional office in the Republic of the Philippines.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

Sec. 301. Expansion of Montgomery GI Bill education benefits for certain self-employment training.

Sec. 302. Increase in rates of survivors’ and dependents’ educational assistance.

Sec. 303. Restoration of survivors’ and dependents’ education benefits of individuals being ordered to full-time National Guard duty.

Sec. 304. Rounding down of certain cost-of-living adjustments on educational assistance.

Sec. 305. Authorization for State approving agencies to approve certain entrepreneurship courses.

Sec. 306. Repeal of provisions relating to obsolete education loan program.

Sec. 307. Six-year extension of the Veterans’ Advisory Committee on Education.

Sec. 308. Procurement program for small business concerns owned and controlled by service-disabled veterans.

Veterans
Benefits Act of
2003.

38 USC 101 note.

Sec. 309. Outstationing of Transition Assistance Program personnel.

TITLE IV—HOUSING BENEFITS AND RELATED MATTERS

Sec. 401. Authorization to provide adapted housing assistance to certain disabled members of the Armed Forces who remain on active duty.

Sec. 402. Increase in amounts for certain adaptive benefits for disabled veterans.

Sec. 403. Permanent authority for housing loans for members of the Selected Reserve.

Sec. 404. Reinstatement of minimum requirements for sale of vendee loans.

Sec. 405. Adjustment to home loan fees.

Sec. 406. One-year extension of procedures on liquidation sales of defaulted home loans guaranteed by the Department of Veterans Affairs.

TITLE V—BURIAL BENEFITS

Sec. 501. Burial plot allowance.

Sec. 502. Eligibility of surviving spouses who remarry for burial in national cemeteries.

Sec. 503. Permanent authority for State cemetery grants program.

TITLE VI—EXPOSURE TO HAZARDOUS SUBSTANCES

Sec. 601. Radiation Dose Reconstruction Program of Department of Defense.

Sec. 602. Study on disposition of Air Force Health Study.

Sec. 603. Funding of Medical Follow-Up Agency of Institute of Medicine of National Academy of Sciences for epidemiological research on members of the Armed Forces and veterans.

TITLE VII—OTHER MATTERS

Sec. 701. Time limitations on receipt of claim information pursuant to requests of Department of Veterans Affairs.

Sec. 702. Clarification of applicability of prohibition on assignment of veterans benefits to agreements requiring payment of future receipt of benefits.

Sec. 703. Six-year extension of Advisory Committee on Minority Veterans.

Sec. 704. Temporary authority for performance of medical disabilities examinations by contract physicians.

Sec. 705. Forfeiture of benefits for subversive activities.

Sec. 706. Two-year extension of round-down requirement for compensation cost-of-living adjustments.

Sec. 707. Codification of requirement for expeditious treatment of cases on remand.

Sec. 708. Technical and clerical amendments.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—SURVIVOR BENEFITS

SEC. 101. RETENTION OF CERTAIN VETERANS SURVIVOR BENEFITS FOR SURVIVING SPOUSES REMARRYING AFTER AGE 57.

38 USC 103.

(a) EXCEPTION TO TERMINATION OF BENEFITS UPON REMARRIAGE.—Section 103(d)(2)(B) is amended by striking “The remarriage after age 55” and inserting “The remarriage after age 57 of the surviving spouse of a veteran shall not bar the furnishing of benefits specified in paragraph (5) to such person as the surviving spouse of the veteran. Notwithstanding the previous sentence, the remarriage after age 55”.

(b) COORDINATION OF BENEFITS.—Section 1311 is amended by adding at the end the following new subsection:

“(e) In the case of an individual who is eligible for dependency and indemnity compensation under this section by reason of section 103(d)(2)(B) of this title who is also eligible for benefits under another provision of law by reason of such individual’s status as

the surviving spouse of a veteran, then, notwithstanding any other provision of law (other than section 5304(b)(3) of this title), no reduction in benefits under such other provision of law shall be made by reason of such individual's eligibility for benefits under this section.”.

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004. 38 USC 103 note.

(d) **RETROACTIVE BENEFITS PROHIBITED.**—No benefit may be paid to any person by reason of the amendments made by subsections (a) and (b) for any period before the effective date specified in subsection (c). 38 USC 103 note.

(e) **APPLICATION FOR BENEFITS.**—In the case of an individual who but for having remarried would be eligible for benefits under title 38, United States Code, by reason of the amendment made by subsection (a) and whose remarriage was before the date of the enactment of this Act and after the individual had attained age 57, the individual shall be eligible for such benefits by reason of such amendment only if the individual submits an application for such benefits to the Secretary of Veterans Affairs not later than the end of the one-year period beginning on the date of the enactment of this Act. Effective date.
38 USC 103 note.

(f) **TECHNICAL CORRECTION.**—Section 101(b) of the Veterans Benefits Act of 2002 (Public Law 107–330; 116 Stat. 2821; 38 U.S.C. 103 note) is amended by striking “during the 1-year period” and all that follows through “(c)” and inserting “before the end of the one-year period beginning on the date of the enactment of the Veterans Benefits Act of 2003”.

SEC. 102. BENEFITS FOR CHILDREN WITH SPINA BIFIDA OF VETERANS OF CERTAIN SERVICE IN KOREA.

(a) **IN GENERAL.**—Chapter 18 is amended—

(1) by redesignating subchapter III, and sections 1821, 1822, 1823, and 1824, as subchapter IV, and sections 1831, 1832, 1833, and 1834, respectively; and

(2) by inserting after subchapter II the following new subchapter III:

“SUBCHAPTER III—CHILDREN OF CERTAIN KOREA SERVICE VETERANS BORN WITH SPINA BIFIDA

“§ 1821. Benefits for children of certain Korea service veterans born with spina bifida

“(a) **BENEFITS AUTHORIZED.**—The Secretary may provide to any child of a veteran of covered service in Korea who is suffering from spina bifida the health care, vocational training and rehabilitation, and monetary allowance required to be paid to a child of a Vietnam veteran who is suffering from spina bifida under subchapter I of this chapter as if such child of a veteran of covered service in Korea were a child of a Vietnam veteran who is suffering from spina bifida under such subchapter.

“(b) **SPINA BIFIDA CONDITIONS COVERED.**—This section applies with respect to all forms and manifestations of spina bifida, except spina bifida occulta.

“(c) **VETERAN OF COVERED SERVICE IN KOREA.**—For purposes of this section, a veteran of covered service in Korea is any individual, without regard to the characterization of that individual's service, who—

“(1) served in the active military, naval, or air service in or near the Korean demilitarized zone (DMZ), as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on September 1, 1967, and ending on August 31, 1971; and

“(2) is determined by the Secretary, in consultation with the Secretary of Defense, to have been exposed to a herbicide agent during such service in or near the Korean demilitarized zone.

“(d) HERBICIDE AGENT.—For purposes of this section, the term ‘herbicide agent’ means a chemical in a herbicide used in support of United States and allied military operations in or near the Korean demilitarized zone, as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on September 1, 1967, and ending on August 31, 1971.”.

(b) CHILD DEFINED.—Section 1831, as redesignated by subsection (a) of this section, is amended by striking paragraph (1) and inserting the following new paragraph (1):

“(1) The term ‘child’ means the following:

“(A) For purposes of subchapters I and II of this chapter, an individual, regardless of age or marital status, who—

“(i) is the natural child of a Vietnam veteran; and

“(ii) was conceived after the date on which that veteran first entered the Republic of Vietnam during the Vietnam era.

“(B) For purposes of subchapter III of this chapter, an individual, regardless of age or marital status, who—

“(i) is the natural child of a veteran of covered service in Korea (as determined for purposes of section 1821 of this title); and

“(ii) was conceived after the date on which that veteran first entered service described in subsection (c) of that section.”.

(c) NONDUPLICATION OF BENEFITS.—Subsection (a) of section 1834, as redesignated by subsection (a) of this section, is amended by adding at the end the following new sentence: “In the case of a child eligible for benefits under subchapter I or II of this chapter who is also eligible for benefits under subchapter III of this chapter, a monetary allowance shall be paid under the subchapter of this chapter elected by the child.”.

(d) CONFORMING AMENDMENTS.—(1) Section 1811(1)(A) is amended by striking “section 1821(1)” and inserting “section 1831(1)”.

(2) The heading for chapter 18 is amended to read as follows:

“CHAPTER 18—BENEFITS FOR CHILDREN OF VIETNAM VETERANS AND CERTAIN OTHER VETERANS”.

(e) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 18 is amended by striking the items relating to subchapter III and sections 1821, 1822, 1823, and 1824 and inserting the following new items:

**“SUBCHAPTER III—CHILDREN OF CERTAIN KOREA SERVICE VETERANS
BORN WITH SPINA BIFIDA**

“1821. Benefits for children of certain Korea service veterans born with spina bifida.

“SUBCHAPTER IV—GENERAL PROVISIONS

“1831. Definitions.

“1832. Applicability of certain administrative provisions.

“1833. Treatment of receipt of monetary allowance and other benefits.

“1834. Nonduplication of benefits.”

(2) The table of chapters at the beginning of title 38, United States Code, and at the beginning of part II, are each amended by striking the item relating to chapter 18 and inserting the following new item:

“18. Benefits for Children of Vietnam Veterans and Certain Other Veterans 1802”.

SEC. 103. ALTERNATIVE BENEFICIARIES FOR NATIONAL SERVICE LIFE INSURANCE AND UNITED STATES GOVERNMENT LIFE INSURANCE.

(a) NATIONAL SERVICE LIFE INSURANCE.—Section 1917 is amended by adding at the end the following new subsection:

“(f)(1) Following the death of the insured and in a case not covered by subsection (d)—

“(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within two years after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

“(B) if, within four years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

Deadline.

“(2) Payment of insurance under paragraph (1) shall be a bar to recovery by any other person.”.

(b) UNITED STATES GOVERNMENT LIFE INSURANCE.—Section 1952 is amended by adding at the end the following new subsection:

“(c)(1) Following the death of the insured and in a case not covered by section 1950 of this title—

“(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within two years after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

“(B) if, within four years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

“(2) Payment of insurance under paragraph (1) shall be a bar to recovery by any other person.”.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2004.

38 USC 1917
note.

(d) TRANSITION PROVISION.—In the case of a person insured under subchapter I or II of chapter 19 of title 38, United States Code, who dies before the effective date of the amendments made

38 USC 1917
note.

by subsections (a) and (b), as specified by subsection (c), the two-year and four-year periods specified in subsection (f)(1) of section 1917 of title 38, United States Code, as added by subsection (a), and subsection (c)(1) of section 1952 of such title, as added by subsection (b), as applicable, shall for purposes of the applicable subsection be treated as being the two-year and four-year periods, respectively, beginning on the effective date of such amendments, as so specified.

SEC. 104. PAYMENT OF BENEFITS ACCRUED AND UNPAID AT TIME OF DEATH.

(a) **REPEAL OF TWO-YEAR LIMITATION ON PAYMENT.**—Section 5121(a) is amended by striking “for a period not to exceed two years” in the matter preceding paragraph (1).

(b) **PAYMENT RECIPIENTS FOR BENEFICIARIES UNDER CHAPTER 18.**—Such section is further amended—

(1) by striking “and” at the end of paragraph (4);

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

“(5) Upon the death of a child claiming benefits under chapter 18 of this title, to the surviving parents.”.

(c) **TECHNICAL AMENDMENTS.**—Such section is further amended—

(1) in the matter preceding paragraph (1), by striking the comma after “or decisions”;

(2) by striking the semicolon at the end of paragraphs (1), (2), (3), and (4), and at the end of subparagraphs (A) and (B) of paragraph (2), and inserting a period.

(d) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall apply with respect to deaths occurring on or after the date of the enactment of this Act.

Applicability.
38 USC 5121
note.

TITLE II—BENEFITS FOR FORMER PRISONERS OF WAR AND FOR FILIPINO VETERANS

Subtitle A—Former Prisoners of War

SEC. 201. PRESUMPTIONS OF SERVICE-CONNECTION RELATING TO DISEASES AND DISABILITIES OF FORMER PRISONERS OF WAR.

Subsection (b) of section 1112 is amended to read as follows:
“(b)(1) For the purposes of section 1110 of this title and subject to the provisions of section 1113 of this title, in the case of a veteran who is a former prisoner of war—

“(A) a disease specified in paragraph (2) which became manifest to a degree of 10 percent or more after active military, naval, or air service shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service; and

“(B) if the veteran was detained or interned as a prisoner of war for not less than thirty days, a disease specified in paragraph (3) which became manifest to a degree of 10 percent or more after active military, naval, or air service shall be

considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

“(2) The diseases specified in this paragraph are the following:

“(A) Psychosis.

“(B) Any of the anxiety states.

“(C) Dysthymic disorder (or depressive neurosis).

“(D) Organic residuals of frostbite, if the Secretary determines that the veteran was detained or interned in climatic conditions consistent with the occurrence of frostbite.

“(E) Post-traumatic osteoarthritis.

“(3) The diseases specified in this paragraph are the following:

“(A) Avitaminosis.

“(B) Beriberi (including beriberi heart disease).

“(C) Chronic dysentery.

“(D) Helminthiasis.

“(E) Malnutrition (including optic atrophy associated with malnutrition).

“(F) Pellagra.

“(G) Any other nutritional deficiency.

“(H) Cirrhosis of the liver.

“(I) Peripheral neuropathy except where directly related to infectious causes.

“(J) Irritable bowel syndrome.

“(K) Peptic ulcer disease.”.

Subtitle B—Filipino Veterans

SEC. 211. RATE OF PAYMENT OF BENEFITS FOR CERTAIN FILIPINO VETERANS AND THEIR SURVIVORS RESIDING IN THE UNITED STATES.

(a) RATE OF PAYMENT.—Section 107 is amended—

(1) in the second sentence of subsection (b), by striking “Payments” and inserting “Except as provided in subsection (c), payments”; and

(2) in subsection (c)—

(A) by inserting “and subchapter II of chapter 13 (except section 1312(a)) of this title” after “chapter 11 of this title”;

(B) by striking “in subsection (a)” and inserting “in subsection (a) or (b)”; and

(C) by striking “of subsection (a)” and inserting “of the applicable subsection”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to benefits paid for months beginning after the date of the enactment of this Act.

Applicability.
38 USC 107 note.

SEC. 212. BURIAL BENEFITS FOR NEW PHILIPPINE SCOUTS RESIDING IN THE UNITED STATES.

(a) BENEFIT ELIGIBILITY.—Section 107, as amended by section 211 of this Act, is amended—

(1) in subsection (b)(2)—

(A) by striking “and” and inserting a comma; and

(B) by inserting “, 23, and 24 (to the extent provided for in section 2402(8))” after “(except section 1312(a))”;

(2) in the second sentence of subsection (b), as so amended, by inserting “or (d)” after “subsection (c)”;

(3) in subsection (d)(1), by inserting “or (b), as otherwise applicable,” after “subsection (a)”;

(4) in subsection (d)(2), by inserting “or whose service is described in subsection (b) and who dies after the date of the enactment of the Veterans Benefits Act of 2003,” after “November 1, 2000.”

(b) NATIONAL CEMETERY INTERMENT.—Section 2402(8) is amended by striking “section 107(a)” and inserting “subsection (a) or (b) of section 107”.

Applicability.
38 USC 107 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring on or after the date of the enactment of this Act.

SEC. 213. EXTENSION OF AUTHORITY TO MAINTAIN REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 315(b) is amended by striking “December 31, 2003” and inserting “December 31, 2009”.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

SEC. 301. EXPANSION OF MONTGOMERY GI BILL EDUCATION BENEFITS FOR CERTAIN SELF-EMPLOYMENT TRAINING.

(a) DEFINITION OF TRAINING ESTABLISHMENT.—Section 3452(e) is amended by striking “means any” and all that follows and inserting “means any of the following:

“(1) An establishment providing apprentice or other on-job training, including those under the supervision of a college or university or any State department of education.

“(2) An establishment providing self-employment on-job training consisting of full-time training for a period of less than six months that is needed or accepted for purposes of obtaining licensure to engage in a self-employment occupation or required for ownership and operation of a franchise that is the objective of the training.

“(3) A State board of vocational education.

“(4) A Federal or State apprenticeship registration agency.

“(5) A joint apprenticeship committee established pursuant to the Act of August 16, 1937, popularly known as the ‘National Apprenticeship Act’ (29 U.S.C. 50 et seq.).

“(6) An agency of the Federal Government authorized to supervise such training.”

Applicability.
38 USC 3452
note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is six months after the date of the enactment of this Act and shall apply to self-employment on-job training approved and pursued on or after that date.

SEC. 302. INCREASE IN RATES OF SURVIVORS’ AND DEPENDENTS’ EDUCATIONAL ASSISTANCE.

(a) SURVIVORS’ AND DEPENDENTS’ EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “at the monthly rate of” and all that follows and inserting “at the monthly rate of \$788 for full-time, \$592 for three-quarter-time, or \$394 for half-time pursuit.”; and

(B) in paragraph (2), by striking “at the rate of” and all that follows and inserting “at the rate of the lesser of—

“(A) the established charges for tuition and fees that the educational institution involved requires similarly circumstanced nonveterans enrolled in the same program to pay; or

“(B) \$788 per month for a full-time course.”;

(2) in subsection (b), by striking “\$670” and inserting “\$788”; and

(3) in subsection (c)(2), by striking “shall be” and all that follows and inserting “shall be \$636 for full-time, \$477 for three-quarter-time, or \$319 for half-time pursuit.”.

(b) CORRESPONDENCE COURSES.—Section 3534(b) is amended by striking “\$670” and inserting “\$788”.

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking “\$670” and inserting “\$788”; and

(2) by striking “\$210” each place it appears and inserting “\$247”.

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended by striking “shall be \$488 for the first six months” and all that follows and inserting “shall be \$574 for the first six months, \$429 for the second six months, \$285 for the third six months, and \$144 for the fourth and any succeeding six-month period of training.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2004, and shall apply with respect to educational assistance allowances payable under chapter 35 and section 3687(b)(2) of title 38, United States Code, for months beginning on or after that date.

Applicability.
38 USC 3532
note.

SEC. 303. RESTORATION OF SURVIVORS’ AND DEPENDENTS’ EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO FULL-TIME NATIONAL GUARD DUTY.

(a) DELIMITING DATE.—Section 3512(h) is amended by inserting “or is involuntarily ordered to full-time National Guard duty under section 502(f) of title 32,” after “title 10,”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 11, 2001.

38 USC 3512
note.

SEC. 304. ROUNDING DOWN OF CERTAIN COST-OF-LIVING ADJUSTMENTS ON EDUCATIONAL ASSISTANCE.

(a) BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.—Section 3015(h) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting “(1)” after “(h)”;

(3) by striking “(rounded to the nearest dollar)”;

(4) in subparagraph (B), as so redesignated, by striking “paragraph (1)” and inserting “subparagraph (A)”;

(5) by adding at the end the following new paragraph:

“(2) Any increase under paragraph (1) in a rate with respect to a fiscal year after fiscal year 2004 and before fiscal year 2014

shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after fiscal year 2013 shall be rounded to the nearest whole dollar amount.”.

(b) SURVIVORS’ AND DEPENDENTS’ EDUCATIONAL ASSISTANCE.—Section 3564 is amended—

(1) by inserting “(a)” before “With”;

(2) by striking “(rounded to the nearest dollar)”; and

(3) by adding at the end the following new subsection:

“(b) Any increase under subsection (a) in a rate with respect to a fiscal year after fiscal year 2004 and before fiscal year 2014 shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after fiscal year 2013 shall be rounded to the nearest whole dollar amount.”.

SEC. 305. AUTHORIZATION FOR STATE APPROVING AGENCIES TO APPROVE CERTAIN ENTREPRENEURSHIP COURSES.

(a) APPROVAL OF ENTREPRENEURSHIP COURSES.—Section 3675 is amended by adding at the end the following new subsection:

“(c)(1) A State approving agency may approve the entrepreneurship courses offered by a qualified provider of entrepreneurship courses.

“(2) For purposes of this subsection, the term ‘entrepreneurship course’ means a non-degree, non-credit course of business education that enables or assists a person to start or enhance a small business concern (as defined pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a))).

“(3) Subsection (a) and paragraphs (1) and (2) of subsection (b) shall not apply to—

“(A) an entrepreneurship course offered by a qualified provider of entrepreneurship courses; and

“(B) a qualified provider of entrepreneurship courses by reason of such provider offering one or more entrepreneurship courses.”.

(b) BUSINESS OWNERS NOT TREATED AS ALREADY QUALIFIED.—Section 3471 is amended by inserting before the last sentence the following: “The Secretary shall not treat a person as already qualified for the objective of a program of education offered by a qualified provider of entrepreneurship courses solely because such person is the owner or operator of a business.”.

(c) INCLUSION OF ENTREPRENEURSHIP COURSES IN DEFINITION OF PROGRAM OF EDUCATION.—Subsection (b) of section 3452 is amended by adding at the end the following: “Such term also includes any course, or combination of courses, offered by a qualified provider of entrepreneurship courses.”.

(d) INCLUSION OF QUALIFIED PROVIDER OF ENTREPRENEURSHIP COURSES IN DEFINITION OF EDUCATIONAL INSTITUTION.—Subsection (c) of section 3452 is amended by adding at the end the following: “Such term also includes any qualified provider of entrepreneurship courses.”.

(e) DEFINITION OF QUALIFIED PROVIDER OF ENTREPRENEURSHIP COURSES.—Section 3452 is further amended by adding at the end the following new subsection:

“(h) The term ‘qualified provider of entrepreneurship courses’ means any of the following entities insofar as such entity offers, sponsors, or cosponsors an entrepreneurship course (as defined in section 3675(c)(2) of this title):

“(1) Any small business development center described in section 21 of the Small Business Act (15 U.S.C. 648).

“(2) The National Veterans Business Development Corporation (established under section 33 of the Small Business Act (15 U.S.C. 657c)).”.

(f) **EFFECTIVE DATE.**—The amendments made by this section shall apply to courses approved by State approving agencies after the date of the enactment of this Act.

Applicability.
38 USC 3452
note.

SEC. 306. REPEAL OF PROVISIONS RELATING TO OBSOLETE EDUCATION LOAN PROGRAM.

(a) **TERMINATION OF PROGRAM.**—The Secretary of Veterans Affairs may not make a loan under subchapter III of chapter 36 of title 38, United States Code, after the date of the enactment of this Act.

38 USC 3698
note.

(b) **DISCHARGE OF LIABILITIES.**—Effective as of the date of the transfer of funds under subsection (c)—

Effective date.
38 USC 3698
note.

(1) any liability on an education loan under subchapter III of chapter 36 of title 38, United States Code, that is outstanding as of such date shall be deemed discharged; and

(2) the right of the United States to recover an overpayment declared under section 3698(e)(1) of such title that is outstanding as of such date shall be deemed waived.

(c) **TERMINATION OF LOAN FUND.**—(1) Effective as of the day before the date of the repeal under this section of subchapter III of chapter 36 of title 38, United States Code, all monies in the revolving fund of the Treasury known as the “Department of Veterans Affairs Education Loan Fund” shall be transferred to the Department of Veterans Affairs Readjustment Benefits Account, and the revolving fund shall be closed.

(2) Any monies transferred to the Department of Veterans Affairs Readjustment Benefits Account under paragraph (1) shall be merged with amounts in that account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in that account.

(d) **USE OF ENTITLEMENT TO VETERANS EDUCATIONAL ASSISTANCE FOR EDUCATION LOAN PROGRAM.**—Section 3462(a) is amended by striking paragraph (2).

(e) **REPEAL OF EDUCATION LOAN PROGRAM.**—Subchapter III of chapter 36 is repealed.

38 USC 3698,
3699.

(f) **CONFORMING AMENDMENTS.**—(1) Section 3485(e)(1) is amended by striking “(other than an education loan under subchapter III)”.

(2) Section 3512 is amended by striking subsection (f).

(g) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 36 is amended by striking the items relating to subchapter III and sections 3698 and 3699.

(h) **EFFECTIVE DATES.**—(1) The amendments made by subsection (d) shall take effect on the date of the enactment of this Act.

38 USC 3462
note.

(2) The amendments made by subsections (e), (f), and (g) shall take effect 90 days after the date of the enactment of this Act.

38 USC 3485
note.

SEC. 307. SIX-YEAR EXTENSION OF THE VETERANS’ ADVISORY COMMITTEE ON EDUCATION.

(a) **MEMBERSHIP.**—Subsection (a) of section 3692 is amended in the second sentence by inserting “, to the maximum extent practicable,” after “The committee shall also”.

(b) EXTENSION.—Subsection (c) of that section is amended by striking “December 31, 2003” and inserting “December 31, 2009”.

(c) TECHNICAL AMENDMENTS.—That section is further amended—

(1) in subsections (a) and (b), by striking “chapter 106” each place it appears and inserting “chapter 1606”; and

(2) in subsection (b), by striking “chapter 30” and inserting “chapters 30”.

SEC. 308. PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

15 USC 631 note. The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

15 USC 657f. **“SEC. 36. PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.**

“(a) SOLE SOURCE CONTRACTS.—In accordance with this section, a contracting officer may award a sole source contract to any small business concern owned and controlled by service-disabled veterans if—

“(1) such concern is determined to be a responsible contractor with respect to performance of such contract opportunity and the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity;

“(2) the anticipated award price of the contract (including options) will not exceed—

“(A) \$5,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

“(B) \$3,000,000, in the case of any other contract opportunity; and

“(3) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

“(b) RESTRICTED COMPETITION.—In accordance with this section, a contracting officer may award contracts on the basis of competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer has a reasonable expectation that not less than 2 small business concerns owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price.

“(c) RELATIONSHIP TO OTHER CONTRACTING PREFERENCES.—A procurement may not be made from a source on the basis of a preference provided under subsection (a) or (b) if the procurement would otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O’Day Act (41 U.S.C. 46 et seq.).

Applicability.

“(d) ENFORCEMENT; PENALTIES.—Rules similar to the rules of paragraphs (5) and (6) of section 8(m) shall apply for purposes of this section.

“(e) CONTRACTING OFFICER.—For purposes of this section, the term ‘contracting officer’ has the meaning given such term in section 27(f)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(f)(5)).”.

SEC. 309. OUTSTATIONING OF TRANSITION ASSISTANCE PROGRAM PERSONNEL.

(a) IN GENERAL.—(1) Chapter 41 is amended by adding at the end the following new section:

“§ 4113. Outstationing of Transition Assistance Program personnel

“(a) STATIONING OF TAP PERSONNEL AT OVERSEAS MILITARY INSTALLATIONS.—(1) The Secretary—

“(A) shall station employees of the Veterans’ Employment and Training Service, or contractors under subsection (c), at each veterans assistance office described in paragraph (2); and

“(B) may station such employees or contractors at such other military installations outside the United States as the Secretary, after consultation with the Secretary of Defense, determines to be appropriate or desirable to carry out the purposes of this chapter.

“(2) Veterans assistance offices referred to in paragraph (1)(A) are those offices that are established by the Secretary of Veterans Affairs on military installations pursuant to the second sentence of section 7723(a) of this title.

“(b) FUNCTIONS.—Employees (or contractors) stationed at military installations pursuant to subsection (a) shall provide, in person, counseling, assistance in identifying employment and training opportunities, help in obtaining such employment and training, and other related information and services to members of the Armed Forces who are being separated from active duty, and the spouses of such members, under the Transition Assistance Program and Disabled Transition Assistance Program established in section 1144 of title 10.

“(c) AUTHORITY TO CONTRACT WITH PRIVATE ENTITIES.—The Secretary, consistent with section 1144 of title 10, may enter into contracts with public or private entities to provide, in person, some or all of the counseling, assistance, information and services under the Transition Assistance Program required under subsection (a).”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“4113. Outstationing of Transition Assistance Program personnel.”.

(b) DEADLINE FOR IMPLEMENTATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor shall implement section 4113 of title 38, United States Code, as added by subsection (a), and shall have employees of the Veterans’ Employment and Training Service, or contractors, to carry out that section at the military installations involved by such date.

38 USC 4113
note.

(c) ADDITIONAL AMENDMENT.—(1) The second sentence of section 7723(a) is amended by inserting “and taking into account recommendations, if any, of the Secretary of Labor” after “Secretary of Defense”.

(2) The amendment made by paragraph (1) shall apply with respect to offices established after the date of the enactment of this Act.

Applicability.
38 USC 7723
note.

TITLE IV—HOUSING BENEFITS AND RELATED MATTERS

SEC. 401. AUTHORIZATION TO PROVIDE ADAPTED HOUSING ASSISTANCE TO CERTAIN DISABLED MEMBERS OF THE ARMED FORCES WHO REMAIN ON ACTIVE DUTY.

Section 2101 is amended by adding at the end the following new subsection:

“(c)(1) The Secretary may provide assistance under subsection (a) to a member of the Armed Forces serving on active duty who is suffering from a disability described in paragraph (1), (2), or (3) of that subsection if such disability is the result of an injury incurred or disease contracted in or aggravated in line of duty in the active military, naval, or air service. Such assistance shall be provided to the same extent as assistance is provided under that subsection to veterans eligible for assistance under that subsection and subject to the requirements of the second sentence of that subsection.

“(2) The Secretary may provide assistance under subsection (b) to a member of the Armed Forces serving on active duty who is suffering from a disability described in subparagraph (A) or (B) of paragraph (1) of that subsection if such disability is the result of an injury incurred or disease contracted in or aggravated in line of duty in the active military, naval, or air service. Such assistance shall be provided to the same extent as assistance is provided under that subsection to veterans eligible for assistance under that subsection and subject to the requirements of paragraph (2) of that subsection.”.

SEC. 402. INCREASE IN AMOUNTS FOR CERTAIN ADAPTIVE BENEFITS FOR DISABLED VETERANS.

(a) INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING.—Section 2102 is amended—

(1) in the matter preceding paragraph (1) of subsection (a), by striking “\$48,000” and inserting “\$50,000”; and

(2) in subsection (b)(2), by striking “\$9,250” and inserting “\$10,000”.

(b) INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS.—Section 3902(a) is amended by striking “\$9,000” and inserting “\$11,000”.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to assistance furnished on or after the date of the enactment of this Act.

SEC. 403. PERMANENT AUTHORITY FOR HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE.

Section 3702(a)(2)(E) is amended by striking “For the period” and all that follows through “each” and inserting “Each”.

SEC. 404. REINSTATEMENT OF MINIMUM REQUIREMENTS FOR SALE OF VENDEE LOANS.

(a) REINSTATEMENT.—Subsection (a) of section 3733 is amended by adding at the end the following new paragraph:

“(7) During the period that begins on the date of the enactment of the Veterans’ Benefits Act of 2003 and ends on September 30,

Applicability.
38 USC 2102
note.

2013, the Secretary shall carry out the provisions of this subsection as if—

“(A) the references in the first sentence of paragraph (1) to ‘65 percent’ and ‘may be financed’ were references to ‘85 percent’ and ‘shall be financed’, respectively;

“(B) the second sentence of paragraph (1) were repealed; and

“(C) the reference in paragraph (2) to ‘September 30, 1990,’ were a reference to ‘September 30, 2013,’.”

(b) **STYLISTIC AMENDMENTS.**—Such section is further amended—

(1) by striking “of this subsection” after—

(A) “paragraph (1)” in subsections (a)(4)(A), (a)(5), (a)(6), and (c)(2); and

(B) “paragraph (5)” in subsection (a)(4)(B)(i); and

(2) by striking “of this paragraph” each place it appears in subsection (a)(4).

SEC. 405. ADJUSTMENT TO HOME LOAN FEES.

Effective date.

Effective January 1, 2004, paragraph (2) of section 3729(b) is amended to read as follows:

“(2) The loan fee table referred to in paragraph (1) is as follows:

“LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before January 1, 2004)	2.00	2.75	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004)	2.20	2.40	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before October 1, 2011)	2.15	2.40	NA
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2011)	1.40	1.65	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before January 1, 2004)	3.00	3.00	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2004, and before October 1, 2011)	3.30	3.30	NA

“LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2011 and before October 1, 2013)	2.15	2.15	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2013)	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, 2011)	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2011)	0.75	1.00	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, 2011)	1.25	1.50	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2011)	0.50	0.75	NA
(E) Interest rate reduction refinancing loan	0.50	0.50	NA
(F) Direct loan under section 3711	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25	2.25”.

SEC. 406. ONE-YEAR EXTENSION OF PROCEDURES ON LIQUIDATION SALES OF DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

Section 3732(c)(11) is amended by striking “October 1, 2011” and inserting “October 1, 2012”.

TITLE V—BURIAL BENEFITS

SEC. 501. BURIAL PLOT ALLOWANCE.

(a) IN GENERAL.—Section 2303(b) is amended—

(1) in the matter preceding paragraph (1), by striking “a burial allowance under such section 2302, or under such subsection, who was discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or who is a veteran of any war” and inserting “burial in a national cemetery under section 2402 of this title”; and

(2) in paragraph (2), by striking “(other than a veteran whose eligibility for benefits under this subsection is based

on being a veteran of any war)” and inserting “is eligible for a burial allowance under section 2302 of this title or under subsection (a) of this section, or was discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty, and such veteran”.

(b) CONFORMING AMENDMENT.—Section 2307 is amended in the last sentence by striking “and (b)” and inserting “and (b)(2)”.

SEC. 502. ELIGIBILITY OF SURVIVING SPOUSES WHO REMARRY FOR BURIAL IN NATIONAL CEMETERIES.

(a) ELIGIBILITY.—Section 2402(5) is amended by striking “(which for purposes of this chapter includes an unremarried surviving spouse who had a subsequent remarriage which was terminated by death or divorce)” and inserting “(which for purposes of this chapter includes a surviving spouse who had a subsequent remarriage)”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to deaths occurring on or after January 1, 2000.

Applicability.
38 USC 2402
note.

SEC. 503. PERMANENT AUTHORITY FOR STATE CEMETERY GRANTS PROGRAM.

(a) PERMANENT AUTHORITY.—Subsection (a) of section 2408 is amended—

- (1) by striking “(1)”; and
- (2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking “Sums appropriated under subsection (a) of this section” and inserting “Amounts appropriated to carry out this section”.

(c) TECHNICAL AMENDMENT TO REPEAL OBSOLETE PROVISION.—Subsection (d)(1) of such section is amended by striking “on or after November 21, 1997,”.

TITLE VI—EXPOSURE TO HAZARDOUS SUBSTANCES

SEC. 601. RADIATION DOSE RECONSTRUCTION PROGRAM OF DEPARTMENT OF DEFENSE.

38 USC 1154
note.

(a) REVIEW OF MISSION, PROCEDURES, AND ADMINISTRATION.—

(1) The Secretary of Veterans Affairs and the Secretary of Defense shall jointly conduct a review of the mission, procedures, and administration of the Radiation Dose Reconstruction Program of the Department of Defense.

(2) In conducting the review under paragraph (1), the Secretaries shall—

(A) determine whether any additional actions are required to ensure that the quality assurance and quality control mechanisms of the Radiation Dose Reconstruction Program are adequate and sufficient for purposes of the program; and

(B) determine the actions that are required to ensure that the mechanisms of the Radiation Dose Reconstruction Program for communication and interaction with veterans are adequate and sufficient for purposes of the program, including mechanisms to permit veterans to review the assumptions utilized in their dose reconstructions.

Deadline.
Reports.

(3) Not later than 90 days after the date of the enactment of this Act, the Secretaries shall jointly submit to Congress a report on the review under paragraph (1). The report shall set forth—

(A) the results of the review;

(B) a plan for any actions determined to be required under paragraph (2); and

(C) such other recommendations for the improvement of the mission, procedures, and administration of the Radiation Dose Reconstruction Program as the Secretaries jointly consider appropriate.

(b) ON-GOING REVIEW AND OVERSIGHT.—The Secretaries shall jointly take appropriate actions to ensure the on-going independent review and oversight of the Radiation Dose Reconstruction Program, including the establishment of the advisory board required by subsection (c).

Establishment.

(c) ADVISORY BOARD.—(1) In taking actions under subsection (b), the Secretaries shall jointly appoint an advisory board to provide review and oversight of the Radiation Dose Reconstruction Program.

(2) The advisory board under paragraph (1) shall be composed of the following:

(A) At least one expert in historical dose reconstruction of the type conducted under the Radiation Dose Reconstruction Program.

(B) At least one expert in radiation health matters.

(C) At least one expert in risk communications matters.

(D) A representative of the Department of Veterans Affairs.

(E) A representative of the Defense Threat Reduction Agency.

(F) At least three veterans, including at least one veteran who is a member of an atomic veterans group.

(3) The advisory board under paragraph (1) shall—

(A) conduct periodic, random audits of dose reconstructions under the Radiation Dose Reconstruction Program and of decisions by the Department of Veterans Affairs on claims for service connection of radiogenic diseases;

(B) assist the Department of Veterans Affairs and the Defense Threat Reduction Agency in communicating to veterans information on the mission, procedures, and evidentiary requirements of the Radiation Dose Reconstruction Program; and

(C) carry out such other activities with respect to the review and oversight of the Radiation Dose Reconstruction Program as the Secretaries shall jointly specify.

(4) The advisory board under paragraph (1) may make such recommendations on modifications in the mission or procedures of the Radiation Dose Reconstruction Program as the advisory board considers appropriate as a result of the audits conducted under paragraph (3)(A).

SEC. 602. STUDY ON DISPOSITION OF AIR FORCE HEALTH STUDY.

(a) STUDY REQUIRED.—The Secretary of Veterans Affairs shall, in accordance with this section, carry out a study to determine the appropriate disposition of the Air Force Health Study, an epidemiologic study of Air Force personnel who were responsible for conducting aerial spray missions of herbicides during the Vietnam era.

(b) **STUDY THROUGH NATIONAL ACADEMY OF SCIENCES.**—Not later than 60 days after the date of the enactment of this Act, the Secretary shall seek to enter into an agreement with the National Academy of Sciences, or another appropriate scientific organization, to carry out the study required by subsection (a). Deadline.

(c) **ELEMENTS.**—Under the study under subsection (a), the National Academy of Sciences, or other appropriate scientific organization, shall address the following:

(1) The scientific merit of retaining and maintaining the medical records, other study data, and laboratory specimens collected in the course of the Air Force Health Study after the currently-scheduled termination date of the study in 2006.

(2) Whether or not any obstacles exist to retaining and maintaining the medical records, other study data, and laboratory specimens referred to in paragraph (1), including privacy concerns.

(3) The advisability of providing independent oversight of the medical records, other study data, and laboratory specimens referred to in paragraph (1), and of any further study of such records, data, and specimens, and, if so, the mechanism for providing such oversight.

(4) The advisability of extending the Air Force Health Study, including the potential value and relevance of extending the study, the potential cost of extending the study, and the Federal or non-Federal entity best suited to continue the study if extended.

(5) The advisability of making the laboratory specimens of the Air Force Health Study available for independent research, including the potential value and relevance of such research, and the potential cost of such research.

(d) **REPORT.**—Not later than 120 days after entering into an agreement under subsection (b), the National Academy of Sciences, or other appropriate scientific organization, shall submit to the Secretary and Congress a report on the results of the study under subsection (a). The report shall include the results of the study, including the matters addressed under subsection (c), and such other recommendations as the Academy, or other appropriate scientific organization, considers appropriate as a result of the study. Deadline.

SEC. 603. FUNDING OF MEDICAL FOLLOW-UP AGENCY OF INSTITUTE OF MEDICINE OF NATIONAL ACADEMY OF SCIENCES FOR EPIDEMIOLOGICAL RESEARCH ON MEMBERS OF THE ARMED FORCES AND VETERANS.

(a) **FUNDING.**—(1) The Secretary of Veterans Affairs and the Secretary of Defense shall each make available to the National Academy of Sciences in each of fiscal years 2004 through 2013 the amount of \$250,000 for the Medical Follow-Up Agency of the Institute of Medicine of the Academy for purposes of epidemiological research on members of the Armed Forces and veterans.

(2) The Secretary of Veterans Affairs shall make available amounts under paragraph (1) for a fiscal year from amounts available for the Department of Veterans Affairs for that fiscal year.

(3) The Secretary of Defense shall make available amounts under paragraph (1) for a fiscal year from amounts available for the Department of Defense for that fiscal year.

(b) **USE OF FUNDS.**—The Medical Follow-Up Agency shall use funds made available under subsection (a) for epidemiological research on members of the Armed Forces and veterans.

(c) **SUPPLEMENT NOT SUPPLANT.**—Amounts made available to the Medical Follow-Up Agency under this section for a fiscal year for the purposes referred to in subsection (b) are in addition to any other amount made available to the Agency for that fiscal year for those purposes.

TITLE VII—OTHER MATTERS

SEC. 701. TIME LIMITATIONS ON RECEIPT OF CLAIM INFORMATION PURSUANT TO REQUESTS OF DEPARTMENT OF VETERANS AFFAIRS.

(a) **INFORMATION TO COMPLETE CLAIMS APPLICATIONS.**—Section 5102 is amended by adding at the end the following new subsection:

“(c) **TIME LIMITATION.**—(1) If information that a claimant and the claimant’s representative, if any, are notified under subsection (b) is necessary to complete an application is not received by the Secretary within one year from the date such notice is sent, no benefit may be paid or furnished by reason of the claimant’s application.

“(2) This subsection shall not apply to any application or claim for Government life insurance benefits.”.

(b) **CONSTRUCTION OF LIMITATION ON INFORMATION TO SUBSTANTIATE CLAIMS.**—Section 5103(b) is amended—

(1) in paragraph (1), by striking “if such” and all that follows through “application” and inserting “such information or evidence must be received by the Secretary within one year from the date such notice is sent”; and

(2) by adding at the end the following new paragraph:

“(3) Nothing in paragraph (1) shall be construed to prohibit the Secretary from making a decision on a claim before the expiration of the period referred to in that subsection.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if enacted on November 9, 2000, immediately after the enactment of the Veterans Claims Assistance Act of 2000 (Public Law 106–475; 114 Stat. 2096).

(d) **PROCEDURES FOR READJUDICATION OF CERTAIN CLAIMS.**—

(1) The Secretary of Veterans Affairs shall readjudicate a claim of a qualified claimant if the request for such readjudication is received not later than the end of the one-year period that begins on the date of the enactment of this Act.

(2) For purposes of this subsection, a claimant is qualified within the meaning of paragraph (1) if the claimant—

(A) received notice under section 5103(a) of title 38, United States Code, requesting information or evidence to substantiate a claim;

(B) did not submit such information or evidence within a year after the date such notice was sent;

(C) did not file a timely appeal to the Board of Veterans’ Appeals or the United States Court of Appeals for Veterans Claims; and

(D) submits such information or evidence during the one-year period referred to in paragraph (1).

38 USC 5102
note.

38 USC 5103
note.

(3) If the decision of the Secretary on a readjudication under this subsection is in favor of the qualified claimant, the award of the grant shall take effect as if the prior decision by the Secretary on the claim had not been made.

(4) Nothing in this subsection shall be construed to establish a duty on the part of the Secretary to identify or readjudicate any claim that—

(A) is not submitted during the one-year period referred to in paragraph (1); or

(B) has been the subject of a timely appeal to the Board of Veterans' Appeals or the United States Court of Appeals for Veterans Claims.

(e) CONSTRUCTION ON PROVIDING RENOTIFICATION.—Nothing in this section, or the amendments made by this section, shall be construed to require the Secretary of Veterans Affairs—

(1) to provide notice under section 5103(a) of such title with respect to a claim insofar as the Secretary has previously provided such notice; or

(2) to provide for a special notice with respect to this section and the amendments made by this section.

SEC. 702. CLARIFICATION OF APPLICABILITY OF PROHIBITION ON ASSIGNMENT OF VETERANS BENEFITS TO AGREEMENTS REQUIRING PAYMENT OF FUTURE RECEIPT OF BENEFITS.

Section 5301(a) is amended—

(1) by inserting “(1)” after “(a)”;

(2) by designating the last sentence as paragraph (2); and

(3) by adding at the end the following new paragraph:

“(3)(A) This paragraph is intended to clarify that, in any case where a beneficiary entitled to compensation, pension, or dependency and indemnity compensation enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive such benefit by payment of such compensation, pension, or dependency and indemnity compensation, as the case may be, except as provided in subparagraph (B), and including deposit into a joint account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited.

“(B) Notwithstanding subparagraph (A), nothing in this paragraph is intended to prohibit a loan involving a beneficiary under the terms of which the beneficiary may use the benefit to repay such other person as long as each of the periodic payments made to repay such other person is separately and voluntarily executed by the beneficiary or is made by preauthorized electronic funds transfer pursuant to the Electronic Funds Transfers Act (15 U.S.C. 1693 et seq.).

“(C) Any agreement or arrangement for collateral for security for an agreement that is prohibited under subparagraph (A) is also prohibited and is void from its inception.”.

SEC. 703. SIX-YEAR EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS.

Section 544(e) is amended by striking “December 31, 2003” and inserting “December 31, 2009”.

38 USC 5101
note.

SEC. 704. TEMPORARY AUTHORITY FOR PERFORMANCE OF MEDICAL DISABILITIES EXAMINATIONS BY CONTRACT PHYSICIANS.

(a) **AUTHORITY.**—Using appropriated funds, other than funds available for compensation and pension, the Secretary of Veterans Affairs may provide for the conduct of examinations with respect to the medical disabilities of applicants for benefits under laws administered by the Secretary by persons other than Department of Veterans Affairs employees. The authority under this section is in addition to the authority provided in section 504(b) of the Veterans' Benefits Improvement Act of 1996 (Public Law 104–275; 38 U.S.C. 5101 note).

(b) **PERFORMANCE BY CONTRACT.**—Examinations under the authority provided in subsection (a) shall be conducted pursuant to contracts entered into and administered by the Under Secretary for Benefits.

(c) **EXPIRATION.**—The authority in subsection (a) shall expire on December 31, 2009. No examination may be carried out under the authority provided in that subsection after that date.

Deadline.

(d) **REPORT.**—Not later than four years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the use of the authority provided in subsection (a). The Secretary shall include in the report an assessment of the effect of examinations under that authority on the cost, timeliness, and thoroughness of examinations with respect to the medical disabilities of applicants for benefits under laws administered by the Secretary.

SEC. 705. FORFEITURE OF BENEFITS FOR SUBVERSIVE ACTIVITIES.

(a) **ADDITION OF CERTAIN OFFENSES.**—Paragraph (2) of section 6105(b) is amended—

(1) by inserting “175, 229,” after “sections”; and

(2) by inserting “831, 1091, 2332a, 2332b,” after “798.”

Applicability.
38 USC 6105
note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to claims filed after the date of the enactment of this Act.

SEC. 706. TWO-YEAR EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS.

Sections 1104(a) and 1303(a) are each amended by striking “2011” and inserting “2013”.

SEC. 707. CODIFICATION OF REQUIREMENT FOR EXPEDITIOUS TREATMENT OF CASES ON REMAND.

(a) **CASES REMANDED BY BOARD OF VETERANS' APPEALS.**—(1) Chapter 51 is amended by adding at the end of subchapter I the following new section:

“§ 5109B. Expedited treatment of remanded claims

“The Secretary shall take such actions as may be necessary to provide for the expeditious treatment by the appropriate regional office of the Veterans Benefits Administration of any claim that is remanded to a regional office of the Veterans Benefits Administration by the Board of Veterans' Appeals.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5109A the following new item:

“5109B. Expedited treatment of remanded claims.”.

(b) CASES REMANDED BY COURT OF APPEALS FOR VETERANS CLAIMS.—(1) Chapter 71 is amended by adding at the end the following new section:

“§ 7112. Expedited treatment of remanded claims

“The Secretary shall take such actions as may be necessary to provide for the expeditious treatment by the Board of any claim that is remanded to the Secretary by the Court of Appeals for Veterans Claims.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“7112. Expedited treatment of remanded claims.”.

(c) REPEAL OF SOURCE SECTION.—Section 302 of the Veterans’ Benefits Improvement Act of 1994 (Public Law 103–446; 108 Stat. 4658; 38 U.S.C. 5101 note) is repealed.

SEC. 708. TECHNICAL AND CLERICAL AMENDMENTS.

(a) MISCELLANEOUS AMENDMENTS.—(1) Section 103(d) is amended—

(A) in paragraph (4)—

(i) in the matter preceding subparagraph (A), by striking “this subsection” and inserting “paragraph (2)(A) or (3)”; and

(ii) in subparagraph (A), by striking “paragraph (2)” and inserting “paragraph (2)(A)”; and

(B) in paragraph (5), by striking “Paragraphs (2)” and inserting “(A)”.
(2) Section 1729A is amended—

(A) in subsection (b), by striking “after June 30, 1997,” in the matter preceding paragraph (1);

(B) in subsection (c), by striking paragraph (3);

(C) by striking subsection (e); and

(D) by redesignating subsection (f) as subsection (e).

(3) Section 1804(c)(2) is amended by striking “subsection” and inserting “section”.

(4) Section 1974(a)(5) is amended by striking “Secretary of Transportation” and inserting “Secretary of Homeland Security”.

(b) AMENDMENTS RELATING TO THE JOBS FOR VETERANS ACT.—(1)(A) Subsection (c)(2)(B)(ii) of section 4102A is amended by striking “October 1, 2002” and inserting “October 1, 2003”.

(B) The amendment made by subparagraph (A) shall take effect as if included in the enactment of section 4(a) of the Jobs for Veterans Act (Public Law 107–288; 116 Stat. 2038). 38 USC 4102A.

(2) Subsection (f)(1) of section 4102A is amended by striking “6 months after the date of the enactment of this section,” and inserting “May 7, 2003.”.

(c) AMENDMENTS RELATING TO THE ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY.—(1) Section 1322 is amended—

(A) in subsection (a), by striking “Secretary of Health and Human Services” and all that follows through the period and

inserting “Commissioner of Social Security, and shall be certified by the Commissioner to the Secretary upon request of the Secretary.”; and

(B) in subsection (b)—

(i) by striking “Secretary of Health and Human Services” in the first sentence and inserting “Commissioner of Social Security”;

(ii) by striking “the two Secretaries” and inserting “the Secretary and the Commissioner”; and

(iii) by striking “Secretary of Health and Human Services” in the second sentence and inserting “Commissioner”.

(2) Section 5101(a) is amended by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”.

(3) Section 5317 is amended by striking “Secretary of Health and Human Services” in subsections (a), (b), and (g) and inserting “Commissioner of Social Security”.

(4)(A) Section 5318 is amended—

(i) in subsection (a), by striking “Department of Health and Human Services” and inserting “Social Security Administration”; and

(ii) in subsection (b)—

(I) by striking “Department of Health and Human Services” and inserting “Social Security Administration”;

(II) by striking “Secretary of Health and Human Services” the first place it appears and inserting “Commissioner of Social Security”;

(III) by striking “Secretary of Health and Human Services” the second place it appears and inserting “Commissioner”; and

(IV) by striking “such Secretaries” and inserting “the Secretary and the Commissioner”.

(B)(i) The heading of such section is amended to read as follows:

“§ 5318. Review of Social Security Administration death information”.

(ii) The item relating to that section in the table of sections at the beginning at chapter 53 is amended to read as follows:

“5318. Review of Social Security Administration death information.”.

Approved December 16, 2003.

LEGISLATIVE HISTORY—H.R. 2297 (S. 1132):

HOUSE REPORTS: No. 108–211 (Comm. on Veterans’ Affairs)

SENATE REPORTS: No. 108–169 accompanying S. 1132 (Comm. on Veterans’ Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 8, considered and passed House.

Nov. 19, considered and passed Senate, amended.

Nov. 20, House concurred in Senate amendment.



Public Law 108–184
108th Congress

An Act

Dec. 16, 2003
[H.R. 3491]

To establish within the Smithsonian Institution the National Museum of African American History and Culture, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National
Museum of
African American
History and
Culture Act.
20 USC 80r note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Museum of African American History and Culture Act”.

20 USC 80r.

SEC. 2. FINDINGS.

Congress finds that—

(1) since its founding, the United States has grown into a symbol of democracy and freedom around the world, and the legacy of African Americans is rooted in the very fabric of the democracy and freedom of the United States;

(2) there exists no national museum within the Smithsonian Institution that—

(A) is devoted to the documentation of African American life, art, history, and culture; and

(B) encompasses, on a national level—

(i) the period of slavery;

(ii) the era of Reconstruction;

(iii) the Harlem renaissance;

(iv) the civil rights movement; and

(v) other periods associated with African American life, art, history, and culture; and

(3) a National Museum of African American History and Culture would be dedicated to the collection, preservation, research, and exhibition of African American historical and cultural material reflecting the breadth and depth of the experiences of individuals of African descent living in the United States.

20 USC 80r–1.

SEC. 3. DEFINITIONS.

In this Act:

(1) **BOARD OF REGENTS.**—The term “Board of Regents” means the Board of Regents of the Smithsonian Institution.

(2) **COUNCIL.**—The term “Council” means the National Museum of African American History and Culture Council established by section 5.

(3) **MUSEUM.**—The term “Museum” means the National Museum of African American History and Culture established by section 4.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Smithsonian Institution.

SEC. 4. ESTABLISHMENT OF MUSEUM.

20 USC 80r-2.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution a museum to be known as the “National Museum of African American History and Culture”.

(b) PURPOSE.—The purpose of the Museum shall be to provide for—

(1) the collection, study, and establishment of programs relating to African American life, art, history, and culture that encompass—

- (A) the period of slavery;
- (B) the era of Reconstruction;
- (C) the Harlem renaissance;
- (D) the civil rights movement; and
- (E) other periods of the African American diaspora;

(2) the creation and maintenance of permanent and temporary exhibits documenting the history of slavery in America and African American life, art, history, and culture during the periods referred to in paragraph (1);

(3) the collection and study of artifacts and documents relating to African American life, art, history, and culture; and

(4) collaboration between the Museum and other museums, historically black colleges and universities, historical societies, educational institutions, and other organizations that promote the study or appreciation of African American life, art, history, or culture, including collaboration concerning—

- (A) development of cooperative programs and exhibitions;
- (B) identification, management, and care of collections; and
- (C) training of museum professionals.

SEC. 5. COUNCIL.

20 USC 80r-3.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution a council to be known as the “National Museum of African American History and Culture Council”.

(b) DUTIES.—

(1) IN GENERAL.—The Council shall—

(A) make recommendations to the Board of Regents concerning the planning, design, and construction of the Museum;

(B) advise and assist the Board of Regents on all matters relating to the administration, operation, maintenance, and preservation of the Museum;

(C) recommend annual operating budgets for the Museum to the Board of Regents;

(D) report annually to the Board of Regents on the acquisition, disposition, and display of objects relating to African American life, art, history, and culture; and

(E) adopt bylaws for the operation of the Council.

(2) PRINCIPAL RESPONSIBILITIES.—The Council, subject to the general policies of the Board of Regents, shall have sole authority to—

(A) purchase, accept, borrow, and otherwise acquire artifacts for addition to the collections of the Museum;

Reports.

(B) loan, exchange, sell, and otherwise dispose of any part of the collections of the Museum, but only if the funds generated by that disposition are used for additions to the collections of the Museum; or

(C) specify criteria with respect to the use of the collections and resources of the Museum, including policies on programming, education, exhibitions, and research with respect to—

(i) the life, art, history, and culture of African Americans;

(ii) the role of African Americans in the history of the United States from the period of slavery to the present; and

(iii) the contributions of African Americans to society.

(3) OTHER RESPONSIBILITIES.—The Council, subject to the general policies of the Board of Regents, shall have authority—

(A) to provide for preservation, restoration, and maintenance of the collections of the Museum; and

(B) to solicit, accept, use, and dispose of gifts, bequests, and devises of personal property for the purpose of aiding and facilitating the work of the Museum.

(c) COMPOSITION AND APPOINTMENT.—

(1) IN GENERAL.—The Council shall be composed of 19 voting members as provided under paragraph (2).

(2) VOTING MEMBERS.—The Council shall include the following voting members:

(A) The Secretary of the Smithsonian Institution.

(B) One member of the Board of Regents, appointed by the Board of Regents.

(C) Seventeen individuals appointed by the Board of Regents—

(i) taking into consideration individuals recommended by organizations and entities that are committed to the advancement of knowledge of African American life, art, history, and culture; and

(ii) taking into consideration individuals recommended by the members of the Council.

Deadline.

(3) INITIAL APPOINTMENTS.—The Board of Regents shall make initial appointments to the Council under paragraph (2) not later than 180 days after the date of enactment of this Act.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in this subsection, each appointed member of the Council shall be appointed for a term of 3 years.

(2) INITIAL APPOINTEES.—As designated by the Board of Regents at the time of appointment, of the voting members first appointed under subparagraph (C) of subsection (c)(2)—

(A) six members shall be appointed for a term of 1 year;

(B) six members shall be appointed for a term of 2 years; and

(C) five members shall be appointed for a term of 3 years.

(3) REAPPOINTMENT.—A member of the Council may be reappointed, except that no individual may serve on the Council

for a total of more than 2 terms. For purposes of this paragraph, the number of terms an individual serves on the Council shall not include any portion of a term for which an individual is appointed to fill a vacancy under paragraph (4)(B).

(4) VACANCIES.—

(A) IN GENERAL.—A vacancy on the Council—

(i) shall not affect the powers of the Council; and

(ii) shall be filled in the same manner as the original appointment was made.

(B) TERM.—Any member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

(e) COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), a member of the Council shall serve without pay.

(2) TRAVEL EXPENSES.—A member of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Council.

(f) CHAIRPERSON.—By a majority vote of its voting members, the Council shall elect a chairperson from its members.

(g) MEETINGS.—

(1) IN GENERAL.—The Council shall meet at the call of the chairperson or on the written request of a majority of the voting members of the Council, but not fewer than twice each year.

(2) INITIAL MEETINGS.—During the 1-year period beginning on the date of the first meeting of the Council, the Council shall meet not fewer than 4 times for the purpose of carrying out the duties of the Council under this Act.

(h) QUORUM.—A majority of the voting members of the Council holding office shall constitute a quorum for the purpose of conducting business, but a lesser number may receive information on behalf of the Council.

SEC. 6. DIRECTOR AND STAFF OF THE MUSEUM.

20 USC 80r-4.

(a) DIRECTOR.—

(1) IN GENERAL.—The Museum shall have a Director who shall be appointed by the Secretary, taking into consideration individuals recommended by the Council.

(2) DUTIES.—The Director shall manage the Museum subject to the policies of the Board of Regents.

(b) STAFF.—The Secretary may appoint two additional employees to serve under the Director, except that such additional employees may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(c) PAY.—The employees appointed by the Secretary under subsection (b) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

SEC. 7. EDUCATIONAL AND LIAISON PROGRAMS.

20 USC 80r-5.

(a) IN GENERAL.—

(1) PROGRAMS AUTHORIZED.—The Director of the Museum may carry out educational and liaison programs in support of the goals of the Museum.

(2) SPECIFIC ACTIVITIES DESCRIBED.—In carrying out this section, the Director shall—

(A) carry out educational programs relating to African American life, art, history, and culture, including—

(i) programs using digital, electronic, and interactive technologies; and

(ii) programs carried out in collaboration with elementary schools, secondary schools, and postsecondary schools; and

(B) consult with the Director of the Institute of Museum and Library Services concerning the grant and scholarship programs carried out under subsection (b).

(b) GRANT AND SCHOLARSHIP PROGRAMS.—

(1) IN GENERAL.—In consultation with the Council and the Director of the Museum, the Director of the Institute of Museum and Library Services shall establish—

(A) a grant program with the purpose of improving operations, care of collections, and development of professional management at African American museums;

(B) a grant program with the purpose of providing internship and fellowship opportunities at African American museums;

(C) a scholarship program with the purpose of assisting individuals who are pursuing careers or carrying out studies in the arts, humanities, and sciences in the study of African American life, art, history, and culture;

(D) in cooperation with other museums, historical societies, and educational institutions, a grant program with the purpose of promoting the understanding of modern-day practices of slavery throughout the world; and

(E) a grant program under which an African-American museum (including a nonprofit education organization the primary mission of which is to promote the study of African-American diaspora) may use the funds provided under the grant to increase an endowment fund established by the museum (or organization) as of May 1, 2003, for the purposes of—

(i) enhancing educational programming; and

(ii) maintaining and operating traveling educational exhibits.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Director of the Institute of Museum and Library Services to carry out this subsection—

(A) \$15,000,000 for fiscal year 2004; and

(B) such sums as are necessary for each fiscal year thereafter.

20 USC 80r-6.

SEC. 8. BUILDING FOR THE NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE.

(a) IN GENERAL.—

(1) LOCATION.—

Deadline.

(A) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, the Board of Regents shall designate a site for the Museum.

(B) SITES FOR CONSIDERATION.—In designating a site under subparagraph (A), the Board of Regents shall select from among the following sites in the District of Columbia:

(i) The Arts and Industries Building of the Smithsonian Institution, located on the National Mall at 900 Jefferson Drive, Southwest, Washington, District of Columbia.

(ii) The area bounded by Constitution Avenue, Madison Drive, and 14th and 15th Streets, Northwest.

(iii) The site known as the “Liberty Loan site”, located on 14th Street Southwest at the foot of the 14th Street Bridge.

(iv) The site known as the “Banneker Overlook site”, located on 10th Street Southwest at the foot of the L’Enfant Plaza Promenade.

(C) AVAILABILITY OF SITE.—

(i) IN GENERAL.—A site described in subparagraph (B) shall remain available until the date on which the Board of Regents designates a site for the Museum under subparagraph (A).

(ii) TRANSFER TO SMITHSONIAN INSTITUTION.—Except with respect to a site described in clause (i) of subparagraph (B), if the site designated for the Museum is in an area that is under the administrative jurisdiction of a Federal agency, as soon as practicable after the date on which the designation is made, the head of the Federal agency shall transfer to the Smithsonian Institution administrative jurisdiction over the area.

(D) CONSULTATION.—The Board of Regents shall carry out its duties under this paragraph in consultation with the following:

(i) The Chair of the National Capital Planning Commission.

(ii) The Chair of the Commission on Fine Arts.

(iii) The Chair and Vice Chair of the Presidential Commission referred to in section 10.

(iv) The Chair of the Building and Site Subcommittee of the Presidential Commission referred to in section 10.

(v) The Chair and ranking minority member of each of the following Committees:

(I) The Committee on Rules and Administration of the Senate.

(II) The Committee on House Administration of the House of Representatives.

(III) The Committee on Transportation and Infrastructure of the House of Representatives.

(IV) The Committee on Appropriations of the House of Representatives.

(V) The Committee on Appropriations of the Senate.

(2) CONSTRUCTION OF BUILDING.—The Board of Regents, in consultation with the Council, may plan, design, and construct a building for the Museum, which shall be located at the site designated by the Board of Regents under this paragraph.

(3) NONAPPLICABILITY OF PROVISIONS RELATING TO MONUMENTS AND COMMEMORATIVE WORKS.—Chapter 89 of title 40, United States Code, shall not apply with respect to the Museum.

(b) COST SHARING.—The Board of Regents shall pay—

(1) 50 percent of the costs of carrying out this section from Federal funds; and

(2) 50 percent of the costs of carrying out this section from non-Federal sources.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

Contracts.
20 USC 80r-7.

SEC. 9. CONGRESSIONAL BUDGET ACT COMPLIANCE.

Authority under this Act to enter into contracts or to make payments shall be effective in any fiscal year only to the extent provided in advance in an appropriations Act, except as provided under section 11(b).

20 USC 80r-8.

SEC. 10. CONSIDERATION OF RECOMMENDATIONS OF PRESIDENTIAL COMMISSION.

In carrying out their duties under this Act, the Council and the Board of Regents shall take into consideration the reports and plans submitted by the National Museum of African American History and Culture Plan for Action Presidential Commission under the National Museum of African American History and Culture Plan for Action Presidential Commission Act of 2001 (Public Law 107-106).

20 USC 80r-9.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Smithsonian Institution to carry out this Act, other than sections 7(b) and 8—

(1) \$17,000,000 for fiscal year 2004; and

(2) such sums as are necessary for each fiscal year thereafter.

(b) AVAILABILITY.—Amounts made available under subsection (a) shall remain available until expended.

(c) USE OF FUNDS FOR FUNDRAISING.—Amounts appropriated pursuant to the authorization under this section may be used to conduct fundraising in support of the Museum from private sources.

Approved December 16, 2003.

LEGISLATIVE HISTORY—H.R. 3491 (S. 1157):

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 18, 19, considered and passed House.

Nov. 20, considered and passed Senate.



Public Law 108–185
108th Congress

Joint Resolution

Dec. 16, 2003
[H.J. Res. 82]

Making further continuing appropriations for the fiscal year 2004, and for other purposes.

Ante, p. 1044.
Certification.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 121 of Public Law 108–84 is amended by striking “\$3,800,000,000” and inserting “\$7,667,000,000”: *Provided*, That the amendment made by this section shall take effect only after a certification by the Director of the Office of Management and Budget is submitted to the Committees on Appropriations of the House of Representatives and the Senate that the use of the authority provided pursuant to this section will not result in commitments to guarantee new loans for the entire fiscal year at a level in excess of the limitation set forth in the fiscal year 2003 appropriations Act and that the apportionment of loan commitment authority provided for the Federal Housing Administration, General and Special Risk Insurance Fund and the Federal Housing Administration, Mutual Mortgage Insurance Fund is in compliance with the terms and conditions set forth in Public Law 108–84: *Provided further*, That the authority provided under the amendment made by this section shall only apply to new commitments issued after enactment of this section: *Provided further*, That nothing in this section may be construed to pardon or release an officer or employee of the United States Government for an act or acts in violation of section 1341 of title 31, United States Code (the Antideficiency Act) or any other applicable law that occurred prior to enactment of this section.

Applicability.

Ante, p. 1200.

SEC. 2. Public Law 108–84, as amended, is further amended by adding at the end the following new section:

“SEC. 131. Subject to sections 107(c) and 108 of this joint resolution, for the Federal Aviation Administration Operations Account Staff Offices line of business, at a rate of operations not to exceed \$141,411,000.”.

Approved December 16, 2003.

LEGISLATIVE HISTORY—H.J. Res. 82

CONGRESSIONAL RECORD, Vol. 149 (2003):

Dec. 8, considered and passed House.

Dec. 9, considered and passed Senate.



Public Law 108–186
108th Congress

An Act

To support certain housing proposals in the fiscal year 2003 budget for the Federal Government, including the downpayment assistance initiative under the HOME Investment Partnership Act, and for other purposes.

Dec. 16, 2003
[S. 811]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—DOWNPAYMENT ASSISTANCE

Sec. 101. Short title.

Sec. 102. Downpayment assistance initiative.

TITLE II—INTERGENERATIONAL HOUSING ASSISTANCE

Sec. 201. Short title.

Sec. 202. Definitions.

Sec. 203. Demonstration program for elderly housing for intergenerational families.

Sec. 204. Training for HUD personnel regarding grandparent-headed and relative-headed families issues.

Sec. 205. Study of housing needs of grandparent-headed and relative-headed families.

**TITLE III—ADJUSTABLE RATE SINGLE FAMILY MORTGAGES AND LOAN
LIMIT ADJUSTMENTS**

Sec. 301. Hybrid arms.

Sec. 302. FHA multifamily loan limit adjustments.

TITLE IV—HOPE VI PROGRAM REAUTHORIZATION

Sec. 401. Short title.

Sec. 402. Hope VI program reauthorization.

Sec. 403. Hope VI grants for assisting affordable housing through main street projects.

TITLE V—COMMUNITY DEVELOPMENT BLOCK GRANTS

Sec. 501. Funding for insular areas.

TITLE I—DOWNPAYMENT ASSISTANCE

SEC. 101. SHORT TITLE.

This title may be cited as the “American Dream Downpayment Act”.

SEC. 102. DOWNPAYMENT ASSISTANCE INITIATIVE.

Subtitle E of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12821) is amended to read as follows:

American Dream
Downpayment
Act.
42 USC 12701
note.

“Subtitle E—Other Assistance

42 USC 12821.

“SEC. 271. DOWNPAYMENT ASSISTANCE INITIATIVE.

“(a) DEFINITIONS.—In this section:

“(1) DOWNPAYMENT ASSISTANCE.—The term “downpayment assistance” means assistance to help a family acquire a principal residence.

“(2) HOME REPAIRS.—The term “home repairs” means capital improvements or repairs that—

“(A) are identified in an appraisal or home inspection completed in conjunction with a home purchase; or

“(B) are completed within 1 year of the purchase of a home, and are necessary to bring the housing into compliance with health and safety housing codes of the unit of general local government in which the housing is located, including the remediation of lead paint or other home health hazards.

“(3) PARTICIPATING JURISDICTION.—The term “participating jurisdiction” means a State or unit of general local government designated under section 216.

“(4) STATE.—The term “State” means any State of the United States and the District of Columbia.

“(b) GRANT AUTHORITY.—The Secretary may award grants to participating jurisdictions to assist low-income families to achieve homeownership, in accordance with this section.

“(c) ELIGIBLE ACTIVITIES.—

“(1) IN GENERAL.—

“(A) DOWNPAYMENT ASSISTANCE.—Subject to subparagraph (B), grants awarded under this section may be used only for downpayment assistance toward the purchase of single family housing (including 1 to 4 unit family dwelling units, condominium units, cooperative units, and manufactured housing units which are located on land which is owned by the manufactured housing unit owner, owned as a cooperative, or is subject to a leasehold interest with a term equal to at least the term of the mortgage financing on the unit, and manufactured housing lots) by low-income families who are first-time home-buyers.

“(B) HOME REPAIRS.—Not more than 20 percent of the grant funds provided under subsection (d) to a participating jurisdiction may be used to provide assistance to low-income, first-time home-buyers for home repairs.

“(2) LIMITATIONS.—

“(A) AMOUNT OF ASSISTANCE.—The amount of assistance provided to any low-income families under paragraph (1) shall not exceed the greater of—

“(i) 6 percent of the purchase price of a single family housing unit; or

“(ii) \$10,000.

“(B) PARTICIPATION.—A participating jurisdiction may not use any amount of a grant awarded under this section to provide funding to an entity or organization that provides downpayment assistance if the activities of that entity or organization are financed in whole or in part, directly or indirectly, by contributions, service fees, or other payments from the sellers of housing.

“(d) FORMULA ALLOCATION.—

“(1) IN GENERAL.—For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this section to each State that is a participating jurisdiction in an amount equal to a percentage of the total allocation that is equal to the percentage of the national total of low-income households residing in rental housing in the State, as determined on the basis of the most recent census data compiled by the Bureau of the Census.

“(2) PARTICIPATING JURISDICTIONS OTHER THAN STATES.—

“(A) IN GENERAL.—Subject to subparagraph (B), for each fiscal year, of the amount allocated to each State under paragraph (1), the Secretary shall further allocate from such amount to each participating jurisdiction located within such State an amount equal to the percentage of the allocation made to the State under paragraph (1) that is equal to the percentage of the State-wide total of low-income households residing in rental housing in such participating jurisdiction, as determined on the basis of the most recent census data compiled by the Bureau of the Census.

“(B) LIMITATION.—

“(i) IN GENERAL.—Direct allocations made under subparagraph (A) shall be made to a local participating jurisdiction only if—

“(I) the participating jurisdiction has a total population of 150,000 individuals or more, as determined on the basis of the most recent census data compiled by the Bureau of the Census; or

“(II) the participating jurisdiction would receive an allocation of \$50,000 or more.

“(ii) REVERSION.—Any allocation that would have otherwise been made to a participating jurisdiction that does not meet the requirements of clause (i) shall revert back to the State in which the participating jurisdiction is located.

“(e) REALLOCATION.—If any amounts allocated to a participating jurisdiction under this section become available for reallocation, the amounts shall be reallocated to other participating jurisdictions in accordance with subsection (d).

“(f) APPLICABILITY OF OTHER PROVISIONS.—

“(1) IN GENERAL.—Except as otherwise provided in this section, grants made under this section shall not be subject to the provisions of this title.

“(2) APPLICABLE PROVISIONS.—In addition to the requirements of this section, grants made under this section shall be subject to the provisions of title I, sections 215(b), 218, 219, 221, 223, 224, and 226(a) of subtitle A of this title, and subtitle F of this title.

“(3) REFERENCES.—In applying the requirements of subtitle A referred to in paragraph (2)—

“(A) any references to funds under subtitle A shall be considered to refer to amounts made available for assistance under this section; and

“(B) any references to funds allocated or reallocated under section 217 or 217(d) shall be considered to refer

to amounts allocated or reallocated under subsection (d) or (e) of this section, respectively.

“(g) HOUSING STRATEGY.—To be eligible to receive a grant under this section in any fiscal year, a participating jurisdiction shall include in its comprehensive housing affordability strategy developed under section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705) for such fiscal year—

“(1) a description of the anticipated use of any grant received under this section;

“(2) a plan for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies, for the purpose of ensuring that grant amounts provided under this section to a participating jurisdiction are used for downpayment assistance for such residents, tenants, and families; and

“(3) a description of the actions to be taken to ensure the suitability of families receiving downpayment assistance under this section to undertake and maintain homeownership.

Deadline.

“(h) REPORT.—Not later than June 30, 2006, the Comptroller General of the United States shall submit a report containing a State-by-State analysis of the impact of grants awarded under this section to—

“(1) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(2) the Committee on Financial Services of the House of Representatives.

“(i) SUNSET.—The Secretary shall have no authority to make grants under this Act after December 31, 2007.

“(j) RELOCATION ASSISTANCE AND DOWNPAYMENT ASSISTANCE.—The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) shall not apply to downpayment assistance under this section.

“(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2004 through 2007.”.

Living Equitably:
Grandparents
Aiding Children
and Youth Act of
2003.
12 USC 1701q
note.

TITLE II—INTERGENERATIONAL HOUSING ASSISTANCE

SEC. 201. SHORT TITLE.

This title may be cited as the “Living Equitably: Grandparents Aiding Children and Youth Act of 2003” or the “LEGACY Act of 2003”.

12 USC 1701q
note.

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—The term “child” means an individual who—

(A) is not attending school and is not more than 18 years of age; or

(B) is attending school and is not more than 19 years of age.

(2) COVERED FAMILY.—The term “covered family” means a family that—

(A) includes a child; and

(B) has a head of household who is—

(i) a grandparent of the child who is raising the child; or

(ii) a relative of the child who is raising the child.

(3) ELDERLY PERSON.—The term “elderly person” has the same meaning as in section 202(k) of the Housing Act of 1959 (12 U.S.C. 1701q(k)).

(4) GRANDPARENT.—

(A) IN GENERAL.—The term “grandparent” means, with respect to a child, an individual who is a grandparent or stepgrandparent of the child by blood or marriage, regardless of the age of such individual.

(B) CASE OF ADOPTION.—In the case of a child who was adopted, the term includes an individual who, by blood or marriage, is a grandparent or stepgrandparent of the child as adopted.

(5) INTERGENERATIONAL DWELLING UNIT.—The term “intergenerational dwelling unit” means a qualified dwelling unit that is reserved for occupancy only by an intergenerational family.

(6) INTERGENERATIONAL FAMILY.—The term “intergenerational family” means a covered family that has a head of household who is an elderly person.

(7) PRIVATE NONPROFIT ORGANIZATION.—The term “private nonprofit organization” has the same meaning as in section 202(k) of the Housing Act of 1959 (12 U.S.C. 1701q(k)).

(8) QUALIFIED DWELLING UNIT.—The term “qualified dwelling unit” means a dwelling unit that—

(A) has not fewer than 2 separate bedrooms;

(B) is equipped with design features appropriate to meet the special physical needs of elderly persons, as needed; and

(C) is equipped with design features appropriate to meet the special physical needs of young children, as needed.

(9) RAISING A CHILD.—The term “raising a child” means, with respect to an individual, that the individual—

(A) resides with the child; and

(B) is the primary caregiver for the child—

(i) because the biological or adoptive parents of the child do not reside with the child or are unable or unwilling to serve as the primary caregiver for the child; and

(ii) regardless of whether the individual has a legal relationship to the child (such as guardianship or legal custody) or is caring for the child informally and has no such legal relationship with the child.

(10) RELATIVE.—

(A) IN GENERAL.—The term “relative” means, with respect to a child, an individual who—

(i) is not a parent of the child by blood or marriage; and

(ii) is a relative of the child by blood or marriage, regardless of the age of the individual.

(B) CASE OF ADOPTION.—In the case of a child who was adopted, the term “relative” includes an individual who, by blood or marriage, is a relative of the family who adopted the child.

(11) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

12 USC 1701q
note.

SEC. 203. DEMONSTRATION PROGRAM FOR ELDERLY HOUSING FOR INTERGENERATIONAL FAMILIES.

(a) DEMONSTRATION PROGRAM.—The Secretary shall carry out a demonstration program (referred to in this section as the “demonstration program”) to provide assistance for intergenerational dwelling units for intergenerational families in connection with the supportive housing program under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q).

(b) INTERGENERATIONAL DWELLING UNITS.—The Secretary shall provide assistance under this section only to private nonprofit organizations selected under subsection (d) for use only for expanding the supply of intergenerational dwelling units, which units shall be provided—

(1) by designating and retrofitting, for use as intergenerational dwelling units, existing dwelling units that are located within a project assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);

(2) through development of buildings or projects comprised solely of intergenerational dwelling units; or

(3) through the development of an annex or addition to an existing project assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), that contains intergenerational dwelling units, including through the development of elder cottage housing opportunity units that are small, freestanding, barrier free, energy efficient, removable dwelling units located adjacent to a larger project or dwelling.

(c) PROGRAM TERMS.—Assistance provided pursuant to this section shall be subject to the provisions of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), except that—

(1) notwithstanding subsection (d)(1) of that section 202 or any provision of that section restricting occupancy to elderly persons, any intergenerational dwelling unit assisted under the demonstration program may be occupied by an intergenerational family;

(2) subsections (e) and (f) of that section 202 shall not apply;

(3) in addition to the requirements under subsection (g) of that section 202, the Secretary shall—

(A) ensure that occupants of intergenerational dwelling units assisted under the demonstration program are provided a range of services that are tailored to meet the needs of elderly persons, children, and intergenerational families; and

(B) coordinate with the heads of other Federal agencies as may be appropriate to ensure the provision of such services; and

(4) the Secretary may waive or alter any other provision of that section 202 necessary to provide for assistance under the demonstration program.

(d) SELECTION.—The Secretary shall—

(1) establish application procedures for private nonprofit organizations to apply for assistance under this section; and

(2) to the extent that amounts are made available pursuant to subsection (f), select not less than 2 and not more than

Procedures.

4 projects that are assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) for assistance under this section, based on the ability of the applicant to develop and operate intergenerational dwelling units and national geographical diversity among those projects funded.

(e) REPORT.—Not later than 36 months after the date of enactment of this Act, the Secretary shall submit a report to Congress that—

Deadline.

(1) describes the demonstration program; and

(2) analyzes the effectiveness of the demonstration program.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 to carry out this section.

(g) SUNSET.—The demonstration program carried out under this section shall terminate 5 years after the date of enactment of this Act.

SEC. 204. TRAINING FOR HUD PERSONNEL REGARDING GRANDPARENT-HEADED AND RELATIVE-HEADED FAMILIES ISSUES.

12 USC 1701q
note.

Section 7 of the Department of Housing and Urban Development Act (42 U.S.C. 3535) is amended by adding at the end the following:

“(t) TRAINING REGARDING ISSUES RELATING TO GRANDPARENT-HEADED AND RELATIVE-HEADED FAMILIES.—The Secretary shall ensure that all personnel employed in field offices of the Department who have responsibilities for administering the housing assistance program under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or the supportive housing program under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), and an appropriate number of personnel in the headquarters office of the Department who have responsibilities for those programs, have received adequate training regarding how covered families (as that term is defined in section 202 of the LEGACY Act of 2003) can be served by existing affordable housing programs.”.

SEC. 205. STUDY OF HOUSING NEEDS OF GRANDPARENT-HEADED AND RELATIVE-HEADED FAMILIES.

12 USC 1701q
note.

(a) IN GENERAL.—The Secretary and the Director of the Bureau of the Census jointly shall—

(1) conduct a study to determine an estimate of the number of covered families in the United States and their affordable housing needs; and

(2) submit a report to Congress regarding the results of the study conducted under paragraph (1).

(b) REPORT AND RECOMMENDATIONS.—The report required under subsection (a) shall—

(1) be submitted to Congress not later than 12 months after the date of enactment of this Act; and

Deadline.

(2) include recommendations by the Secretary and the Director of the Bureau of the Census regarding how the major assisted housing programs of the Department of Housing and Urban Development, including the supportive housing for the elderly program under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) can be used and, if appropriate, amended or altered, to meet the affordable housing needs of covered families.

TITLE III—ADJUSTABLE RATE SINGLE FAMILY MORTGAGES AND LOAN LIMIT ADJUSTMENTS

SEC. 301. HYBRID ARMS.

(a) **IN GENERAL.**—Section 251(d)(1)(C) of the National Housing Act (12 U.S.C. 1715z–16(d)(1)(C)) is amended by striking “five” and inserting “3”.

12 USC 1715z–16
note.

(b) **APPLICABILITY.**—The amendment made by subsection (a) shall apply to mortgages executed on or after the date of the enactment of this title.

FHA Multifamily
Loan Limit
Adjustment Act
of 2003.
12 USC 1701
note.

SEC. 302. FHA MULTIFAMILY LOAN LIMIT ADJUSTMENTS.

(a) **SHORT TITLE.**—This section may be cited as the “FHA Multifamily Loan Limit Adjustment Act of 2003”.

(b) **MAXIMUM MORTGAGE AMOUNT LIMIT FOR MULTIFAMILY HOUSING IN HIGH-COST AREAS.**—Sections 207(c)(3), 213(b)(2)(B)(i), 220(d)(3)(B)(iii)(III), 221(d)(3)(ii)(II), 221(d)(4)(ii)(II), 231(c)(2)(B), and 234(e)(3)(B) of the National Housing Act (12 U.S.C. 1713(c)(3), 1715e(b)(2)(B)(i), 1715k(d)(3)(B)(iii)(II), 1715l(d)(3)(ii)(III), 1715l(d)(4)(ii)(II), 1715v(c)(2)(B), and 1715y(e)(3)(B)) are each amended—

(1) by striking “110 percent” and inserting “140 percent”; and

(2) by inserting “, or 170 percent in high cost areas,” after “140 percent”.

(c) **CATCH-UP ADJUSTMENTS TO CERTAIN MAXIMUM MORTGAGE AMOUNT LIMITS.**—

(1) **SECTION 207 LIMITS.**—Section 207(c)(3)(A) of the National Housing Act (12 U.S.C. 1713(c)(3)(A)) is amended by striking “\$11,250” and inserting “\$17,460”.

(2) **SECTION 213 LIMITS.**—Section 213(b)(2)(A) of the National Housing Act (12 U.S.C. 1715e(b)(2)(A)) is amended—

(A) by striking “\$38,025” and inserting “\$41,207”;

(B) by striking “\$42,120” and inserting “\$47,511”;

(C) by striking “\$50,310” and inserting “\$57,300”;

(D) by striking “\$62,010” and inserting “\$73,343”;

(E) by striking “\$70,200” and inserting “\$81,708”;

(F) by striking “\$49,140” and inserting “\$49,710”;

(G) by striking “\$60,255” and inserting “\$60,446”;

(H) by striking “\$75,465” and inserting “\$78,197”; and

(I) by striking “\$85,328” and inserting “\$85,836”.

(d) **REHABILITATION AND NEIGHBORHOOD CONSERVATION HOUSING MORTGAGE INSURANCE.**—Section 220(d)(3)(B)(iii) of the National Housing Act (12 U.S.C. 1715k(d)(3)(B)(iii)) is amended—

(1) by striking “with respect to dollar amount limitations applicable to rehabilitation projects described in subclause (II),” and inserting “; (III)”;

(2) by redesignating subclauses (III) and (IV) as subclauses (IV) and (V), respectively.

TITLE IV—HOPE VI PROGRAM REAUTHORIZATION

Hope VI Program
Reauthorization
and Small
Community
Mainstreet
Rejuvenation and
Housing Act of
2003.
42 USC 1437
note.

SEC. 401. SHORT TITLE.

This title may be cited as the “HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003”.

SEC. 402. HOPE VI PROGRAM REAUTHORIZATION.

(a) SELECTION CRITERIA.—Section 24(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437v(e)(2)) is amended—

(1) by striking the matter preceding subparagraph (A) and inserting the following:

“(2) SELECTION CRITERIA.—The Secretary shall establish criteria for the award of grants under this section and shall include among the factors—”;

(2) in subparagraph (B), by striking “large-scale”;

(3) in subparagraph (D)—

(A) by inserting “and ongoing implementation” after “development”; and

(B) by inserting “, except that the Secretary may not award a grant under this section unless the applicant has involved affected public housing residents at the beginning and during the planning process for the revitalization program, prior to submission of an application” before the semicolon at the end;

(4) in subparagraph (H), by striking “and” at the end;

(5) by redesignating subparagraph (I) as subparagraph (L);

and

(6) by inserting after subparagraph (H) the following:

“(I) the extent to which the plan minimizes permanent displacement of current residents of the public housing site who wish to remain in or return to the revitalized community and provides for community and supportive services to residents prior to any relocation;

“(J) the extent to which the plan sustains or creates more project-based housing units available to persons eligible for public housing in markets where the plan shows there is demand for the maintenance or creation of such units;

“(K) the extent to which the plan gives to existing residents priority for occupancy in dwelling units which are public housing dwelling units, or for residents who can afford to live in other units, priority for those units in the revitalized community; and”.

(b) DEFINITION OF SEVERELY DISTRESSED PUBLIC HOUSING.—Section 24(j)(2)(A)(iii) of the United States Housing Act of 1937 (42 U.S.C. 1437v(j)(2)(A)(iii)) is amended—

(1) in subclause (I), by striking “or” at the end;

(2) in subclause (II), by inserting “or” after the semicolon at the end; and

(3) by inserting at the end the following:

“(III) is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services, resulting in severe social distress in the project;”.

Deadline.
Reports.
42 USC 1437v
note.

(c) **STUDY OF ELDERLY AND DISABLED PUBLIC HOUSING NEEDS.**—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress regarding the extent of severely distressed elderly and non-elderly disabled public housing, and recommendations for improving that housing through the HOPE VI program or other means, taking into account the special needs of the residents.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—Paragraph (1) of section 24(m) of the United States Housing Act of 1937 (42 U.S.C. 1437v(m)(1)) is amended by striking “, 2001, and 2002” and inserting “through 2006”.

(e) **EXTENSION OF PROGRAM.**—Section 24(n) of the United States Housing Act of 1937 (42 U.S.C. 1437v(n)) is amended by striking “September 30, 2004” and inserting “September 30, 2006”.

SEC. 403. HOPE VI GRANTS FOR ASSISTING AFFORDABLE HOUSING THROUGH MAIN STREET PROJECTS.

(a) **PURPOSES.**—Section 24(a) of the United States Housing Act of 1937 (42 U.S.C. 1437v(a)) is amended by adding after and below paragraph (4) the following:

“It is also the purpose of this section to provide assistance to smaller communities for the purpose of facilitating the development of affordable housing for low-income families that is undertaken in connection with a main street revitalization or redevelopment project in such communities.”.

(b) **GRANTS FOR ASSISTING AFFORDABLE HOUSING DEVELOPED THROUGH MAIN STREET PROJECTS IN SMALLER COMMUNITIES.**—Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended—

(1) by redesignating subsection (n) as subsection (o); and

(2) by inserting after subsection (m) the following new subsection:

“(n) **GRANTS FOR ASSISTING AFFORDABLE HOUSING DEVELOPED THROUGH MAIN STREET PROJECTS IN SMALLER COMMUNITIES.**—

“(1) **AUTHORITY AND USE OF GRANT AMOUNTS.**—The Secretary may make grants under this subsection to smaller communities. Such grant amounts shall be used by smaller communities only to provide assistance to carry out eligible affordable housing activities under paragraph (4) in connection with an eligible project under paragraph (2).

“(2) **ELIGIBLE PROJECT.**—For purposes of this subsection, the term ‘eligible project’ means a project that—

“(A) the Secretary determines, under the criteria established pursuant to paragraph (3), is a main street project;

“(B) is carried out within the jurisdiction of a smaller community receiving the grant; and

“(C) involves the development of affordable housing that is located in the commercial area that is the subject of the project.

“(3) **MAIN STREET PROJECTS.**—The Secretary shall establish requirements for a project to be considered a main street project for purposes of this section, which shall require that the project—

“(A) has as its purpose the revitalization or redevelopment of a historic or traditional commercial area;

“(B) involves investment, or other participation, by the government for, and private entities in, the community in which the project is carried out; and

“(C) complies with such historic preservation guidelines or principles as the Secretary shall identify to preserve significant historic or traditional architectural and design features in the structures or area involved in the project.

“(4) ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.—For purposes of this subsection, the activities described in subsection (d)(1) shall be considered eligible affordable housing activities, except that—

“(A) such activities shall be conducted with respect to affordable housing rather than with respect to severely distressed public housing projects; and

“(B) eligible affordable housing activities under this subsection shall not include the activities described in subparagraphs (B) through (E), (J), or (K) of subsection (d)(1).

“(5) MAXIMUM GRANT AMOUNT.—A grant under this subsection for a fiscal year for a single smaller community may not exceed \$1,000,000.

“(6) CONTRIBUTION REQUIREMENT.—A smaller community applying for a grant under this subsection shall be considered an applicant for purposes of subsection (c) (relating to contributions by applicants), except that—

“(A) such supplemental amounts shall be used only for carrying out eligible affordable housing activities; and

“(B) paragraphs (1)(B) and (3) shall not apply to grants under this subsection.

“(7) APPLICATIONS AND SELECTION.—

“(A) APPLICATION.—Pursuant to subsection (e)(1), the Secretary shall provide for smaller communities to apply for grants under this subsection, except that the Secretary may establish such separate or additional criteria for applications for such grants as may be appropriate to carry out this subsection.

“(B) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this subsection, which shall be based on the selection criteria established pursuant to subsection (e)(2), with such changes as may be appropriate to carry out the purposes of this subsection.

“(8) COST LIMITS.—The cost limits established pursuant to subsection (f) shall apply to eligible affordable housing activities assisted with grant amounts under this subsection.

“(9) INAPPLICABILITY OF OTHER PROVISIONS.—The provisions of subsections (g) (relating to disposition and replacement of severely distressed public housing), and (h) (relating to administration of grants by other entities), shall not apply to grants under this subsection.

“(10) REPORTING.—The Secretary shall require each smaller community receiving a grant under this subsection to submit a report regarding the use of all amounts provided under the grant.

“(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

“(A) AFFORDABLE HOUSING.—The term ‘affordable housing’ means rental or homeownership dwelling units that—

“(i) are made available for initial occupancy to low-income families, with a subset of units made available to very- and extremely-low income families; and

“(ii) are subject to the same rules regarding occupant contribution toward rent or purchase and terms of rental or purchase as dwelling units in public housing projects assisted with a grant under this section.

“(B) SMALLER COMMUNITY.—The term ‘smaller community’ means a unit of general local government (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) that—

“(i) has a population of 50,000 or fewer; and

“(ii)(I) is not served by a public housing agency;

or

“(II) is served by a single public housing agency, which agency administers 100 or fewer public housing dwelling units.”.

(c) ANNUAL REPORT.—Section 24(l) of the United States Housing Act of 1937 (42 U.S.C. 1437v(l)) is amended—

(1) in paragraph (3), by striking “; and” and inserting “, including a specification of the amount and type of assistance provided under subsection (n);”;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

“(4) the types of projects funded, and number of affordable housing dwelling units developed with, grants under subsection (n); and”.

(d) FUNDING.—Section 24(m) of the United States Housing Act of 1937 (42 U.S.C. 1437v(m)) is amended by adding at the end the following:

“(3) SET-ASIDE FOR MAIN STREET HOUSING GRANTS.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary shall provide up to 5 percent for use only for grants under subsection (n).”.

TITLE V—COMMUNITY DEVELOPMENT BLOCK GRANTS

SEC. 501. FUNDING FOR INSULAR AREAS.

(a) DEFINITION OF INSULAR AREAS.—Section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)) is amended by adding at the end the following:

“(24) The term ‘insular area’ means each of Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.”.

(b) DEFINITION OF UNIT OF GENERAL GOVERNMENT.—The first sentence of section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)) is amended—

(1) by inserting “and” after “Secretary;”, and

(2) by striking “; and the Trust Territory of the Pacific Islands”.

(c) STATEMENT OF ACTIVITIES AND REVIEW.—Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended—

(1) in subsection (a)(1)—

(A) in the first sentence—

(i) by striking “or” after “State,”; and

(ii) by inserting “or under section 106(a)(3) by any insular area,” after “government,”; and

(B) in the second sentence—

(i) by striking “and in the case of” and inserting a comma; and

(ii) by inserting “and insular areas receiving grants pursuant to section 106(a)(3),” after “106(d)(2)(B),”;

(2) in subsection (e)(1), by striking “section 106(b) or section 106(d)(2)(B)” and inserting “subsection (a)(3), (b), or (d)(2)(B) of section 106”; and

(3) in subsection (m)—

(A) in paragraph (1), by inserting “(a)(2),” after “under subsection”; and

(B) in paragraph (2), by striking “government—” and inserting “government other than an insular area—”.

(d) ALLOCATION AND DISTRIBUTION OF FUNDS.—Section 106(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(a)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking “an appropriation Act” and inserting “appropriation Acts”; and

(B) by striking “in any year” and inserting “for such fiscal year”;

(2) in paragraph (2), by inserting “under paragraph (1) and after reserving such amounts for insular areas under paragraph (2)” after “tribes”;

(3) in paragraph (3), by striking “paragraphs (1) and (2)” and inserting “paragraphs (1), (2), and (3)”;

(4) by redesignating paragraphs (2) and (3) (as so amended) as paragraphs (3) and (4); and

(5) by inserting after paragraph (1) the following:

“(2) For each fiscal year, of the amount approved in appropriation Acts under section 103 for grants for such fiscal year (excluding the amounts provided for use in accordance with section 107), the Secretary shall reserve for grants to insular areas \$7,000,000. The Secretary shall provide for distribution of amounts under this paragraph to insular areas on the basis of the ratio of the population of each insular area to the population of all insular areas. In determining the distribution of amounts to insular areas, the Secretary may also include other statistical criteria as data become available from the Bureau of the Census, but only if such criteria are contained in a regulation promulgated by the Secretary after notice and public comment.”.

(e) CONFORMING AMENDMENT.—The first sentence of section 106(d)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)(1)) is amended by striking “paragraphs (1) and (2)” and inserting “paragraphs (1), (2), and (3)”.

(f) SPECIAL PURPOSE GRANTS.—Section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. 5307) is amended—

(1) in subsection (a)(1)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G), respectively; and
(2) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (7) as paragraphs (1) through (6), respectively.

Effective date.
42 USC 5302
note.

(g) REGULATIONS.—The Secretary of Housing and Urban Development shall issue regulations to carry out the amendments made by this section, which shall take effect not later than the expiration of the 90-day period beginning on the date of the enactment of this Act.

Approved December 16, 2003.

LEGISLATIVE HISTORY—S. 811 (H.R. 1276) (H.R. 1614):

HOUSE REPORTS: Nos. 108–164 accompanying H.R. 1276 and 108–165 accompanying H.R. 1614 (both from Comm. on Financial Services).
CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 24, considered and passed Senate.

Dec. 8, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 16, Presidential remarks.



Public Law 108–187
108th Congress

An Act

To regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet.

Dec. 16, 2003
[S. 877]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003”, or the “CAN-SPAM Act of 2003”.

Controlling the
Assault of Non-
Solicited
Pornography and
Marketing Act of
2003.
15 USC 7701
note.
15 USC 7701.

SEC. 2. CONGRESSIONAL FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds the following:

(1) Electronic mail has become an extremely important and popular means of communication, relied on by millions of Americans on a daily basis for personal and commercial purposes. Its low cost and global reach make it extremely convenient and efficient, and offer unique opportunities for the development and growth of frictionless commerce.

(2) The convenience and efficiency of electronic mail are threatened by the extremely rapid growth in the volume of unsolicited commercial electronic mail. Unsolicited commercial electronic mail is currently estimated to account for over half of all electronic mail traffic, up from an estimated 7 percent in 2001, and the volume continues to rise. Most of these messages are fraudulent or deceptive in one or more respects.

(3) The receipt of unsolicited commercial electronic mail may result in costs to recipients who cannot refuse to accept such mail and who incur costs for the storage of such mail, or for the time spent accessing, reviewing, and discarding such mail, or for both.

(4) The receipt of a large number of unwanted messages also decreases the convenience of electronic mail and creates a risk that wanted electronic mail messages, both commercial and noncommercial, will be lost, overlooked, or discarded amidst the larger volume of unwanted messages, thus reducing the reliability and usefulness of electronic mail to the recipient.

(5) Some commercial electronic mail contains material that many recipients may consider vulgar or pornographic in nature.

(6) The growth in unsolicited commercial electronic mail imposes significant monetary costs on providers of Internet access services, businesses, and educational and nonprofit institutions that carry and receive such mail, as there is a finite volume of mail that such providers, businesses, and

institutions can handle without further investment in infrastructure.

(7) Many senders of unsolicited commercial electronic mail purposefully disguise the source of such mail.

(8) Many senders of unsolicited commercial electronic mail purposefully include misleading information in the messages' subject lines in order to induce the recipients to view the messages.

(9) While some senders of commercial electronic mail messages provide simple and reliable ways for recipients to reject (or "opt-out" of) receipt of commercial electronic mail from such senders in the future, other senders provide no such "opt-out" mechanism, or refuse to honor the requests of recipients not to receive electronic mail from such senders in the future, or both.

(10) Many senders of bulk unsolicited commercial electronic mail use computer programs to gather large numbers of electronic mail addresses on an automated basis from Internet websites or online services where users must post their addresses in order to make full use of the website or service.

(11) Many States have enacted legislation intended to regulate or reduce unsolicited commercial electronic mail, but these statutes impose different standards and requirements. As a result, they do not appear to have been successful in addressing the problems associated with unsolicited commercial electronic mail, in part because, since an electronic mail address does not specify a geographic location, it can be extremely difficult for law-abiding businesses to know with which of these disparate statutes they are required to comply.

(12) The problems associated with the rapid growth and abuse of unsolicited commercial electronic mail cannot be solved by Federal legislation alone. The development and adoption of technological approaches and the pursuit of cooperative efforts with other countries will be necessary as well.

(b) CONGRESSIONAL DETERMINATION OF PUBLIC POLICY.—On the basis of the findings in subsection (a), the Congress determines that—

(1) there is a substantial government interest in regulation of commercial electronic mail on a nationwide basis;

(2) senders of commercial electronic mail should not mislead recipients as to the source or content of such mail; and

(3) recipients of commercial electronic mail have a right to decline to receive additional commercial electronic mail from the same source.

15 USC 7702.

SEC. 3. DEFINITIONS.

In this Act:

(1) **AFFIRMATIVE CONSENT.**—The term "affirmative consent", when used with respect to a commercial electronic mail message, means that—

(A) the recipient expressly consented to receive the message, either in response to a clear and conspicuous request for such consent or at the recipient's own initiative; and

(B) if the message is from a party other than the party to which the recipient communicated such consent, the recipient was given clear and conspicuous notice at

the time the consent was communicated that the recipient's electronic mail address could be transferred to such other party for the purpose of initiating commercial electronic mail messages.

(2) COMMERCIAL ELECTRONIC MAIL MESSAGE.—

(A) IN GENERAL.—The term “commercial electronic mail message” means any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service (including content on an Internet website operated for a commercial purpose).

(B) TRANSACTIONAL OR RELATIONSHIP MESSAGES.—The term “commercial electronic mail message” does not include a transactional or relationship message.

(C) REGULATIONS REGARDING PRIMARY PURPOSE.—Not later than 12 months after the date of the enactment of this Act, the Commission shall issue regulations pursuant to section 13 defining the relevant criteria to facilitate the determination of the primary purpose of an electronic mail message.

Deadline.

(D) REFERENCE TO COMPANY OR WEBSITE.—The inclusion of a reference to a commercial entity or a link to the website of a commercial entity in an electronic mail message does not, by itself, cause such message to be treated as a commercial electronic mail message for purposes of this Act if the contents or circumstances of the message indicate a primary purpose other than commercial advertisement or promotion of a commercial product or service.

(3) COMMISSION.—The term “Commission” means the Federal Trade Commission.

(4) DOMAIN NAME.—The term “domain name” means any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.

(5) ELECTRONIC MAIL ADDRESS.—The term “electronic mail address” means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox (commonly referred to as the “local part”) and a reference to an Internet domain (commonly referred to as the “domain part”), whether or not displayed, to which an electronic mail message can be sent or delivered.

(6) ELECTRONIC MAIL MESSAGE.—The term “electronic mail message” means a message sent to a unique electronic mail address.

(7) FTC ACT.—The term “FTC Act” means the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(8) HEADER INFORMATION.—The term “header information” means the source, destination, and routing information attached to an electronic mail message, including the originating domain name and originating electronic mail address, and any other information that appears in the line identifying, or purporting to identify, a person initiating the message.

(9) INITIATE.—The term “initiate”, when used with respect to a commercial electronic mail message, means to originate or transmit such message or to procure the origination or

transmission of such message, but shall not include actions that constitute routine conveyance of such message. For purposes of this paragraph, more than one person may be considered to have initiated a message.

(10) INTERNET.—The term “Internet” has the meaning given that term in the Internet Tax Freedom Act (47 U.S.C. 151 nt).

(11) INTERNET ACCESS SERVICE.—The term “Internet access service” has the meaning given that term in section 231(e)(4) of the Communications Act of 1934 (47 U.S.C. 231(e)(4)).

(12) PROCURE.—The term “procure”, when used with respect to the initiation of a commercial electronic mail message, means intentionally to pay or provide other consideration to, or induce, another person to initiate such a message on one’s behalf.

(13) PROTECTED COMPUTER.—The term “protected computer” has the meaning given that term in section 1030(e)(2)(B) of title 18, United States Code.

(14) RECIPIENT.—The term “recipient”, when used with respect to a commercial electronic mail message, means an authorized user of the electronic mail address to which the message was sent or delivered. If a recipient of a commercial electronic mail message has one or more electronic mail addresses in addition to the address to which the message was sent or delivered, the recipient shall be treated as a separate recipient with respect to each such address. If an electronic mail address is reassigned to a new user, the new user shall not be treated as a recipient of any commercial electronic mail message sent or delivered to that address before it was reassigned.

(15) ROUTINE CONVEYANCE.—The term “routine conveyance” means the transmission, routing, relaying, handling, or storing, through an automatic technical process, of an electronic mail message for which another person has identified the recipients or provided the recipient addresses.

(16) SENDER.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “sender”, when used with respect to a commercial electronic mail message, means a person who initiates such a message and whose product, service, or Internet web site is advertised or promoted by the message.

(B) SEPARATE LINES OF BUSINESS OR DIVISIONS.—If an entity operates through separate lines of business or divisions and holds itself out to the recipient throughout the message as that particular line of business or division rather than as the entity of which such line of business or division is a part, then the line of business or the division shall be treated as the sender of such message for purposes of this Act.

(17) TRANSACTIONAL OR RELATIONSHIP MESSAGE.—

(A) IN GENERAL.—The term “transactional or relationship message” means an electronic mail message the primary purpose of which is—

(i) to facilitate, complete, or confirm a commercial transaction that the recipient has previously agreed to enter into with the sender;

(ii) to provide warranty information, product recall information, or safety or security information with respect to a commercial product or service used or purchased by the recipient;

(iii) to provide—

(I) notification concerning a change in the terms or features of;

(II) notification of a change in the recipient's standing or status with respect to; or

(III) at regular periodic intervals, account balance information or other type of account statement with respect to, a subscription, membership, account, loan, or comparable ongoing commercial relationship involving the ongoing purchase or use by the recipient of products or services offered by the sender;

(iv) to provide information directly related to an employment relationship or related benefit plan in which the recipient is currently involved, participating, or enrolled; or

(v) to deliver goods or services, including product updates or upgrades, that the recipient is entitled to receive under the terms of a transaction that the recipient has previously agreed to enter into with the sender.

(B) MODIFICATION OF DEFINITION.—The Commission by regulation pursuant to section 13 may modify the definition in subparagraph (A) to expand or contract the categories of messages that are treated as transactional or relationship messages for purposes of this Act to the extent that such modification is necessary to accommodate changes in electronic mail technology or practices and accomplish the purposes of this Act.

SEC. 4. PROHIBITION AGAINST PREDATORY AND ABUSIVE COMMERCIAL E-MAIL.

15 USC 7703.

(a) OFFENSE.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following new section:

“§ 1037. Fraud and related activity in connection with electronic mail

“(a) IN GENERAL.—Whoever, in or affecting interstate or foreign commerce, knowingly—

“(1) accesses a protected computer without authorization, and intentionally initiates the transmission of multiple commercial electronic mail messages from or through such computer,

“(2) uses a protected computer to relay or retransmit multiple commercial electronic mail messages, with the intent to deceive or mislead recipients, or any Internet access service, as to the origin of such messages,

“(3) materially falsifies header information in multiple commercial electronic mail messages and intentionally initiates the transmission of such messages,

“(4) registers, using information that materially falsifies the identity of the actual registrant, for five or more electronic

mail accounts or online user accounts or two or more domain names, and intentionally initiates the transmission of multiple commercial electronic mail messages from any combination of such accounts or domain names, or

“(5) falsely represents oneself to be the registrant or the legitimate successor in interest to the registrant of 5 or more Internet Protocol addresses, and intentionally initiates the transmission of multiple commercial electronic mail messages from such addresses,

or conspires to do so, shall be punished as provided in subsection (b).

“(b) PENALTIES.—The punishment for an offense under subsection (a) is—

“(1) a fine under this title, imprisonment for not more than 5 years, or both, if—

“(A) the offense is committed in furtherance of any felony under the laws of the United States or of any State; or

“(B) the defendant has previously been convicted under this section or section 1030, or under the law of any State for conduct involving the transmission of multiple commercial electronic mail messages or unauthorized access to a computer system;

“(2) a fine under this title, imprisonment for not more than 3 years, or both, if—

“(A) the offense is an offense under subsection (a)(1);

“(B) the offense is an offense under subsection (a)(4) and involved 20 or more falsified electronic mail or online user account registrations, or 10 or more falsified domain name registrations;

“(C) the volume of electronic mail messages transmitted in furtherance of the offense exceeded 2,500 during any 24-hour period, 25,000 during any 30-day period, or 250,000 during any 1-year period;

“(D) the offense caused loss to one or more persons aggregating \$5,000 or more in value during any 1-year period;

“(E) as a result of the offense any individual committing the offense obtained anything of value aggregating \$5,000 or more during any 1-year period; or

“(F) the offense was undertaken by the defendant in concert with three or more other persons with respect to whom the defendant occupied a position of organizer or leader; and

“(3) a fine under this title or imprisonment for not more than 1 year, or both, in any other case.

“(c) FORFEITURE.—

“(1) IN GENERAL.—The court, in imposing sentence on a person who is convicted of an offense under this section, shall order that the defendant forfeit to the United States—

“(A) any property, real or personal, constituting or traceable to gross proceeds obtained from such offense; and

“(B) any equipment, software, or other technology used or intended to be used to commit or to facilitate the commission of such offense.

“(2) PROCEDURES.—The procedures set forth in section 413 of the Controlled Substances Act (21 U.S.C. 853), other than subsection (d) of that section, and in Rule 32.2 of the Federal Rules of Criminal Procedure, shall apply to all stages of a criminal forfeiture proceeding under this section.

Applicability.

“(d) DEFINITIONS.—In this section:

“(1) LOSS.—The term ‘loss’ has the meaning given that term in section 1030(e) of this title.

“(2) MATERIALLY.—For purposes of paragraphs (3) and (4) of subsection (a), header information or registration information is materially falsified if it is altered or concealed in a manner that would impair the ability of a recipient of the message, an Internet access service processing the message on behalf of a recipient, a person alleging a violation of this section, or a law enforcement agency to identify, locate, or respond to a person who initiated the electronic mail message or to investigate the alleged violation.

“(3) MULTIPLE.—The term ‘multiple’ means more than 100 electronic mail messages during a 24-hour period, more than 1,000 electronic mail messages during a 30-day period, or more than 10,000 electronic mail messages during a 1-year period.

“(4) OTHER TERMS.—Any other term has the meaning given that term by section 3 of the CAN-SPAM Act of 2003.”.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

“Sec.

“1037. Fraud and related activity in connection with electronic mail.”.

(b) UNITED STATES SENTENCING COMMISSION.—

28 USC 994 note.

(1) DIRECTIVE.—Pursuant to its authority under section 994(p) of title 28, United States Code, and in accordance with this section, the United States Sentencing Commission shall review and, as appropriate, amend the sentencing guidelines and policy statements to provide appropriate penalties for violations of section 1037 of title 18, United States Code, as added by this section, and other offenses that may be facilitated by the sending of large quantities of unsolicited electronic mail.

(2) REQUIREMENTS.—In carrying out this subsection, the Sentencing Commission shall consider providing sentencing enhancements for—

(A) those convicted under section 1037 of title 18, United States Code, who—

(i) obtained electronic mail addresses through improper means, including—

(I) harvesting electronic mail addresses of the users of a website, proprietary service, or other online public forum operated by another person, without the authorization of such person; and

(II) randomly generating electronic mail addresses by computer; or

(ii) knew that the commercial electronic mail messages involved in the offense contained or advertised an Internet domain for which the registrant of the domain had provided false registration information; and

(B) those convicted of other offenses, including offenses involving fraud, identity theft, obscenity, child pornography, and the sexual exploitation of children, if such offenses involved the sending of large quantities of electronic mail.

(c) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Spam has become the method of choice for those who distribute pornography, perpetrate fraudulent schemes, and introduce viruses, worms, and Trojan horses into personal and business computer systems; and

(2) the Department of Justice should use all existing law enforcement tools to investigate and prosecute those who send bulk commercial e-mail to facilitate the commission of Federal crimes, including the tools contained in chapters 47 and 63 of title 18, United States Code (relating to fraud and false statements); chapter 71 of title 18, United States Code (relating to obscenity); chapter 110 of title 18, United States Code (relating to the sexual exploitation of children); and chapter 95 of title 18, United States Code (relating to racketeering), as appropriate.

15 USC 7704.

SEC. 5. OTHER PROTECTIONS FOR USERS OF COMMERCIAL ELECTRONIC MAIL.

(a) REQUIREMENTS FOR TRANSMISSION OF MESSAGES.—

(1) PROHIBITION OF FALSE OR MISLEADING TRANSMISSION INFORMATION.—It is unlawful for any person to initiate the transmission, to a protected computer, of a commercial electronic mail message, or a transactional or relationship message, that contains, or is accompanied by, header information that is materially false or materially misleading. For purposes of this paragraph—

(A) header information that is technically accurate but includes an originating electronic mail address, domain name, or Internet Protocol address the access to which for purposes of initiating the message was obtained by means of false or fraudulent pretenses or representations shall be considered materially misleading;

(B) a “from” line (the line identifying or purporting to identify a person initiating the message) that accurately identifies any person who initiated the message shall not be considered materially false or materially misleading; and

(C) header information shall be considered materially misleading if it fails to identify accurately a protected computer used to initiate the message because the person initiating the message knowingly uses another protected computer to relay or retransmit the message for purposes of disguising its origin.

(2) PROHIBITION OF DECEPTIVE SUBJECT HEADINGS.—It is unlawful for any person to initiate the transmission to a protected computer of a commercial electronic mail message if such person has actual knowledge, or knowledge fairly implied on the basis of objective circumstances, that a subject heading of the message would be likely to mislead a recipient, acting reasonably under the circumstances, about a material fact

regarding the contents or subject matter of the message (consistent with the criteria used in enforcement of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(3) INCLUSION OF RETURN ADDRESS OR COMPARABLE MECHANISM IN COMMERCIAL ELECTRONIC MAIL.—

(A) IN GENERAL.—It is unlawful for any person to initiate the transmission to a protected computer of a commercial electronic mail message that does not contain a functioning return electronic mail address or other Internet-based mechanism, clearly and conspicuously displayed, that—

(i) a recipient may use to submit, in a manner specified in the message, a reply electronic mail message or other form of Internet-based communication requesting not to receive future commercial electronic mail messages from that sender at the electronic mail address where the message was received; and

(ii) remains capable of receiving such messages or communications for no less than 30 days after the transmission of the original message.

(B) MORE DETAILED OPTIONS POSSIBLE.—The person initiating a commercial electronic mail message may comply with subparagraph (A)(i) by providing the recipient a list or menu from which the recipient may choose the specific types of commercial electronic mail messages the recipient wants to receive or does not want to receive from the sender, if the list or menu includes an option under which the recipient may choose not to receive any commercial electronic mail messages from the sender.

(C) TEMPORARY INABILITY TO RECEIVE MESSAGES OR PROCESS REQUESTS.—A return electronic mail address or other mechanism does not fail to satisfy the requirements of subparagraph (A) if it is unexpectedly and temporarily unable to receive messages or process requests due to a technical problem beyond the control of the sender if the problem is corrected within a reasonable time period.

(4) PROHIBITION OF TRANSMISSION OF COMMERCIAL ELECTRONIC MAIL AFTER OBJECTION.—

(A) IN GENERAL.—If a recipient makes a request using a mechanism provided pursuant to paragraph (3) not to receive some or any commercial electronic mail messages from such sender, then it is unlawful—

(i) for the sender to initiate the transmission to the recipient, more than 10 business days after the receipt of such request, of a commercial electronic mail message that falls within the scope of the request;

(ii) for any person acting on behalf of the sender to initiate the transmission to the recipient, more than 10 business days after the receipt of such request, of a commercial electronic mail message with actual knowledge, or knowledge fairly implied on the basis of objective circumstances, that such message falls within the scope of the request;

(iii) for any person acting on behalf of the sender to assist in initiating the transmission to the recipient, through the provision or selection of addresses to which the message will be sent, of a commercial electronic

mail message with actual knowledge, or knowledge fairly implied on the basis of objective circumstances, that such message would violate clause (i) or (ii); or

(iv) for the sender, or any other person who knows that the recipient has made such a request, to sell, lease, exchange, or otherwise transfer or release the electronic mail address of the recipient (including through any transaction or other transfer involving mailing lists bearing the electronic mail address of the recipient) for any purpose other than compliance with this Act or other provision of law.

(B) SUBSEQUENT AFFIRMATIVE CONSENT.—A prohibition in subparagraph (A) does not apply if there is affirmative consent by the recipient subsequent to the request under subparagraph (A).

(5) INCLUSION OF IDENTIFIER, OPT-OUT, AND PHYSICAL ADDRESS IN COMMERCIAL ELECTRONIC MAIL.—(A) It is unlawful for any person to initiate the transmission of any commercial electronic mail message to a protected computer unless the message provides—

(i) clear and conspicuous identification that the message is an advertisement or solicitation;

(ii) clear and conspicuous notice of the opportunity under paragraph (3) to decline to receive further commercial electronic mail messages from the sender; and

(iii) a valid physical postal address of the sender.

(B) Subparagraph (A)(i) does not apply to the transmission of a commercial electronic mail message if the recipient has given prior affirmative consent to receipt of the message.

(6) MATERIALLY.—For purposes of paragraph (1), the term “materially”, when used with respect to false or misleading header information, includes the alteration or concealment of header information in a manner that would impair the ability of an Internet access service processing the message on behalf of a recipient, a person alleging a violation of this section, or a law enforcement agency to identify, locate, or respond to a person who initiated the electronic mail message or to investigate the alleged violation, or the ability of a recipient of the message to respond to a person who initiated the electronic message.

(b) AGGRAVATED VIOLATIONS RELATING TO COMMERCIAL ELECTRONIC MAIL.—

(1) ADDRESS HARVESTING AND DICTIONARY ATTACKS.—

(A) IN GENERAL.—It is unlawful for any person to initiate the transmission, to a protected computer, of a commercial electronic mail message that is unlawful under subsection (a), or to assist in the origination of such message through the provision or selection of addresses to which the message will be transmitted, if such person had actual knowledge, or knowledge fairly implied on the basis of objective circumstances, that—

(i) the electronic mail address of the recipient was obtained using an automated means from an Internet website or proprietary online service operated by another person, and such website or online service included, at the time the address was obtained, a notice stating that the operator of such website or online

service will not give, sell, or otherwise transfer addresses maintained by such website or online service to any other party for the purposes of initiating, or enabling others to initiate, electronic mail messages; or

(ii) the electronic mail address of the recipient was obtained using an automated means that generates possible electronic mail addresses by combining names, letters, or numbers into numerous permutations.

(B) DISCLAIMER.—Nothing in this paragraph creates an ownership or proprietary interest in such electronic mail addresses.

(2) AUTOMATED CREATION OF MULTIPLE ELECTRONIC MAIL ACCOUNTS.—It is unlawful for any person to use scripts or other automated means to register for multiple electronic mail accounts or online user accounts from which to transmit to a protected computer, or enable another person to transmit to a protected computer, a commercial electronic mail message that is unlawful under subsection (a).

(3) RELAY OR RETRANSMISSION THROUGH UNAUTHORIZED ACCESS.—It is unlawful for any person knowingly to relay or retransmit a commercial electronic mail message that is unlawful under subsection (a) from a protected computer or computer network that such person has accessed without authorization.

(c) SUPPLEMENTARY RULEMAKING AUTHORITY.—The Commission shall by regulation, pursuant to section 13—

(1) modify the 10-business-day period under subsection (a)(4)(A) or subsection (a)(4)(B), or both, if the Commission determines that a different period would be more reasonable after taking into account—

(A) the purposes of subsection (a);

(B) the interests of recipients of commercial electronic mail; and

(C) the burdens imposed on senders of lawful commercial electronic mail; and

(2) specify additional activities or practices to which subsection (b) applies if the Commission determines that those activities or practices are contributing substantially to the proliferation of commercial electronic mail messages that are unlawful under subsection (a).

(d) REQUIREMENT TO PLACE WARNING LABELS ON COMMERCIAL ELECTRONIC MAIL CONTAINING SEXUALLY ORIENTED MATERIAL.—

(1) IN GENERAL.—No person may initiate in or affecting interstate commerce the transmission, to a protected computer, of any commercial electronic mail message that includes sexually oriented material and—

(A) fail to include in subject heading for the electronic mail message the marks or notices prescribed by the Commission under this subsection; or

(B) fail to provide that the matter in the message that is initially viewable to the recipient, when the message is opened by any recipient and absent any further actions by the recipient, includes only—

(i) to the extent required or authorized pursuant to paragraph (2), any such marks or notices;

(ii) the information required to be included in the message pursuant to subsection (a)(5); and

(iii) instructions on how to access, or a mechanism to access, the sexually oriented material.

(2) PRIOR AFFIRMATIVE CONSENT.—Paragraph (1) does not apply to the transmission of an electronic mail message if the recipient has given prior affirmative consent to receipt of the message.

Deadline.

(3) PRESCRIPTION OF MARKS AND NOTICES.—Not later than 120 days after the date of the enactment of this Act, the Commission in consultation with the Attorney General shall prescribe clearly identifiable marks or notices to be included in or associated with commercial electronic mail that contains sexually oriented material, in order to inform the recipient of that fact and to facilitate filtering of such electronic mail. The Commission shall publish in the Federal Register and provide notice to the public of the marks or notices prescribed under this paragraph.

Federal Register, publication.

(4) DEFINITION.—In this subsection, the term “sexually oriented material” means any material that depicts sexually explicit conduct (as that term is defined in section 2256 of title 18, United States Code), unless the depiction constitutes a small and insignificant part of the whole, the remainder of which is not primarily devoted to sexual matters.

(5) PENALTY.—Whoever knowingly violates paragraph (1) shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

15 USC 7705.

SEC. 6. BUSINESSES KNOWINGLY PROMOTED BY ELECTRONIC MAIL WITH FALSE OR MISLEADING TRANSMISSION INFORMATION.

(a) IN GENERAL.—It is unlawful for a person to promote, or allow the promotion of, that person’s trade or business, or goods, products, property, or services sold, offered for sale, leased or offered for lease, or otherwise made available through that trade or business, in a commercial electronic mail message the transmission of which is in violation of section 5(a)(1) if that person—

(1) knows, or should have known in the ordinary course of that person’s trade or business, that the goods, products, property, or services sold, offered for sale, leased or offered for lease, or otherwise made available through that trade or business were being promoted in such a message;

(2) received or expected to receive an economic benefit from such promotion; and

(3) took no reasonable action—

(A) to prevent the transmission; or

(B) to detect the transmission and report it to the Commission.

(b) LIMITED ENFORCEMENT AGAINST THIRD PARTIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), a person (hereinafter referred to as the “third party”) that provides goods, products, property, or services to another person that violates subsection (a) shall not be held liable for such violation.

(2) EXCEPTION.—Liability for a violation of subsection (a) shall be imputed to a third party that provides goods, products, property, or services to another person that violates subsection (a) if that third party—

(A) owns, or has a greater than 50 percent ownership or economic interest in, the trade or business of the person that violated subsection (a); or

(B)(i) has actual knowledge that goods, products, property, or services are promoted in a commercial electronic mail message the transmission of which is in violation of section 5(a)(1); and

(ii) receives, or expects to receive, an economic benefit from such promotion.

(c) EXCLUSIVE ENFORCEMENT BY FTC.—Subsections (f) and (g) of section 7 do not apply to violations of this section.

(d) SAVINGS PROVISION.—Except as provided in section 7(f)(8), nothing in this section may be construed to limit or prevent any action that may be taken under this Act with respect to any violation of any other section of this Act.

SEC. 7. ENFORCEMENT GENERALLY.

15 USC 7706.

(a) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—Except as provided in subsection (b), this Act shall be enforced by the Commission as if the violation of this Act were an unfair or deceptive act or practice proscribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) ENFORCEMENT BY CERTAIN OTHER AGENCIES.—Compliance with this Act shall be enforced—

(1) under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601 and 611), and bank holding companies, by the Board;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision;

(2) under the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the Board of the National Credit Union Administration with respect to any Federally insured credit union;

(3) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) by the Securities and Exchange Commission with respect to any broker or dealer;

(4) under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) by the Securities and Exchange Commission with respect to investment companies;

(5) under the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) by the Securities and Exchange Commission with respect to investment advisers registered under that Act;

(6) under State insurance law in the case of any person engaged in providing insurance, by the applicable State insurance authority of the State in which the person is domiciled, subject to section 104 of the Gramm-Bliley-Leach Act (15 U.S.C. 6701), except that in any State in which the State insurance authority elects not to exercise this power, the enforcement authority pursuant to this Act shall be exercised by the Commission in accordance with subsection (a);

(7) under part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(8) under the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act;

(9) under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association; and

(10) under the Communications Act of 1934 (47 U.S.C. 151 et seq.) by the Federal Communications Commission with respect to any person subject to the provisions of that Act.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of this Act is deemed to be a violation of a Federal Trade Commission trade regulation rule. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any entity that violates any provision of that subtitle is subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of that subtitle.

(e) AVAILABILITY OF CEASE-AND-DESIST ORDERS AND INJUNCTIVE RELIEF WITHOUT SHOWING OF KNOWLEDGE.—Notwithstanding any other provision of this Act, in any proceeding or action pursuant to subsection (a), (b), (c), or (d) of this section to enforce compliance, through an order to cease and desist or an injunction, with section 5(a)(1)(C), section 5(a)(2), clause (ii), (iii), or (iv) of section 5(a)(4)(A), section 5(b)(1)(A), or section 5(b)(3), neither the Commission nor the Federal Communications Commission shall be required to allege or prove the state of mind required by such section or subparagraph.

(f) ENFORCEMENT BY STATES.—

(1) CIVIL ACTION.—In any case in which the attorney general of a State, or an official or agency of a State, has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by any person who

violates paragraph (1) or (2) of section 5(a), who violates section 5(d), or who engages in a pattern or practice that violates paragraph (3), (4), or (5) of section 5(a), of this Act, the attorney general, official, or agency of the State, as *parens patriae*, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction—

(A) to enjoin further violation of section 5 of this Act by the defendant; or

(B) to obtain damages on behalf of residents of the State, in an amount equal to the greater of—

(i) the actual monetary loss suffered by such residents; or

(ii) the amount determined under paragraph (3).

(2) AVAILABILITY OF INJUNCTIVE RELIEF WITHOUT SHOWING OF KNOWLEDGE.—Notwithstanding any other provision of this Act, in a civil action under paragraph (1)(A) of this subsection, the attorney general, official, or agency of the State shall not be required to allege or prove the state of mind required by section 5(a)(1)(C), section 5(a)(2), clause (ii), (iii), or (iv) of section 5(a)(4)(A), section 5(b)(1)(A), or section 5(b)(3).

(3) STATUTORY DAMAGES.—

(A) IN GENERAL.—For purposes of paragraph (1)(B)(ii), the amount determined under this paragraph is the amount calculated by multiplying the number of violations (with each separately addressed unlawful message received by or addressed to such residents treated as a separate violation) by up to \$250.

(B) LIMITATION.—For any violation of section 5 (other than section 5(a)(1)), the amount determined under subparagraph (A) may not exceed \$2,000,000.

(C) AGGRAVATED DAMAGES.—The court may increase a damage award to an amount equal to not more than three times the amount otherwise available under this paragraph if—

(i) the court determines that the defendant committed the violation willfully and knowingly; or

(ii) the defendant's unlawful activity included one or more of the aggravating violations set forth in section 5(b).

(D) REDUCTION OF DAMAGES.—In assessing damages under subparagraph (A), the court may consider whether—

(i) the defendant has established and implemented, with due care, commercially reasonable practices and procedures designed to effectively prevent such violations; or

(ii) the violation occurred despite commercially reasonable efforts to maintain compliance the practices and procedures to which reference is made in clause (i).

(4) ATTORNEY FEES.—In the case of any successful action under paragraph (1), the court, in its discretion, may award the costs of the action and reasonable attorney fees to the State.

(5) RIGHTS OF FEDERAL REGULATORS.—The State shall serve prior written notice of any action under paragraph (1) upon

Notice.
Records.

the Federal Trade Commission or the appropriate Federal regulator determined under subsection (b) and provide the Commission or appropriate Federal regulator with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Federal Trade Commission or appropriate Federal regulator shall have the right—

- (A) to intervene in the action;
- (B) upon so intervening, to be heard on all matters arising therein;
- (C) to remove the action to the appropriate United States district court; and
- (D) to file petitions for appeal.

(6) CONSTRUCTION.—For purposes of bringing any civil action under paragraph (1), nothing in this Act shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

- (A) conduct investigations;
- (B) administer oaths or affirmations; or
- (C) compel the attendance of witnesses or the production of documentary and other evidence.

(7) VENUE; SERVICE OF PROCESS.—

(A) VENUE.—Any action brought under paragraph (1) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(B) SERVICE OF PROCESS.—In an action brought under paragraph (1), process may be served in any district in which the defendant—

- (i) is an inhabitant; or
- (ii) maintains a physical place of business.

(8) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission, or other appropriate Federal agency under subsection (b), has instituted a civil action or an administrative action for violation of this Act, no State attorney general, or official or agency of a State, may bring an action under this subsection during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this Act alleged in the complaint.

(9) REQUISITE SCIENTER FOR CERTAIN CIVIL ACTIONS.—Except as provided in section 5(a)(1)(C), section 5(a)(2), clause (ii), (iii), or (iv) of section 5(a)(4)(A), section 5(b)(1)(A), or section 5(b)(3), in a civil action brought by a State attorney general, or an official or agency of a State, to recover monetary damages for a violation of this Act, the court shall not grant the relief sought unless the attorney general, official, or agency establishes that the defendant acted with actual knowledge, or knowledge fairly implied on the basis of objective circumstances, of the act or omission that constitutes the violation.

(g) ACTION BY PROVIDER OF INTERNET ACCESS SERVICE.—

(1) ACTION AUTHORIZED.—A provider of Internet access service adversely affected by a violation of section 5(a)(1), 5(b), or 5(d), or a pattern or practice that violates paragraph (2), (3), (4), or (5) of section 5(a), may bring a civil action in

any district court of the United States with jurisdiction over the defendant—

- (A) to enjoin further violation by the defendant; or
- (B) to recover damages in an amount equal to the greater of—

- (i) actual monetary loss incurred by the provider of Internet access service as a result of such violation; or

- (ii) the amount determined under paragraph (3).

(2) SPECIAL DEFINITION OF “PROCURE”.—In any action brought under paragraph (1), this Act shall be applied as if the definition of the term “procure” in section 3(12) contained, after “behalf” the words “with actual knowledge, or by consciously avoiding knowing, whether such person is engaging, or will engage, in a pattern or practice that violates this Act”.

(3) STATUTORY DAMAGES.—

(A) IN GENERAL.—For purposes of paragraph (1)(B)(ii), the amount determined under this paragraph is the amount calculated by multiplying the number of violations (with each separately addressed unlawful message that is transmitted or attempted to be transmitted over the facilities of the provider of Internet access service, or that is transmitted or attempted to be transmitted to an electronic mail address obtained from the provider of Internet access service in violation of section 5(b)(1)(A)(i), treated as a separate violation) by—

- (i) up to \$100, in the case of a violation of section 5(a)(1); or

- (ii) up to \$25, in the case of any other violation of section 5.

(B) LIMITATION.—For any violation of section 5 (other than section 5(a)(1)), the amount determined under subparagraph (A) may not exceed \$1,000,000.

(C) AGGRAVATED DAMAGES.—The court may increase a damage award to an amount equal to not more than three times the amount otherwise available under this paragraph if—

- (i) the court determines that the defendant committed the violation willfully and knowingly; or

- (ii) the defendant’s unlawful activity included one or more of the aggravated violations set forth in section 5(b).

(D) REDUCTION OF DAMAGES.—In assessing damages under subparagraph (A), the court may consider whether—

- (i) the defendant has established and implemented, with due care, commercially reasonable practices and procedures designed to effectively prevent such violations; or

- (ii) the violation occurred despite commercially reasonable efforts to maintain compliance with the practices and procedures to which reference is made in clause (i).

(4) ATTORNEY FEES.—In any action brought pursuant to paragraph (1), the court may, in its discretion, require an undertaking for the payment of the costs of such action, and assess reasonable costs, including reasonable attorneys’ fees, against any party.

15 USC 7707.

SEC. 8. EFFECT ON OTHER LAWS.

(a) **FEDERAL LAW.**—(1) Nothing in this Act shall be construed to impair the enforcement of section 223 or 231 of the Communications Act of 1934 (47 U.S.C. 223 or 231, respectively), chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

(2) Nothing in this Act shall be construed to affect in any way the Commission's authority to bring enforcement actions under FTC Act for materially false or deceptive representations or unfair practices in commercial electronic mail messages.

(b) **STATE LAW.**—

(1) **IN GENERAL.**—This Act supersedes any statute, regulation, or rule of a State or political subdivision of a State that expressly regulates the use of electronic mail to send commercial messages, except to the extent that any such statute, regulation, or rule prohibits falsity or deception in any portion of a commercial electronic mail message or information attached thereto.

(2) **STATE LAW NOT SPECIFIC TO ELECTRONIC MAIL.**—This Act shall not be construed to preempt the applicability of—

(A) State laws that are not specific to electronic mail, including State trespass, contract, or tort law; or

(B) other State laws to the extent that those laws relate to acts of fraud or computer crime.

(c) **NO EFFECT ON POLICIES OF PROVIDERS OF INTERNET ACCESS SERVICE.**—Nothing in this Act shall be construed to have any effect on the lawfulness or unlawfulness, under any other provision of law, of the adoption, implementation, or enforcement by a provider of Internet access service of a policy of declining to transmit, route, relay, handle, or store certain types of electronic mail messages.

15 USC 7708.

SEC. 9. DO-NOT-E-MAIL REGISTRY.

Deadline.
Reports.

(a) **IN GENERAL.**—Not later than 6 months after the date of enactment of this Act, the Commission shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce a report that—

(1) sets forth a plan and timetable for establishing a nationwide marketing Do-Not-E-Mail registry;

(2) includes an explanation of any practical, technical, security, privacy, enforceability, or other concerns that the Commission has regarding such a registry; and

(3) includes an explanation of how the registry would be applied with respect to children with e-mail accounts.

(b) **AUTHORIZATION TO IMPLEMENT.**—The Commission may establish and implement the plan, but not earlier than 9 months after the date of enactment of this Act.

15 USC 7709.

SEC. 10. STUDY OF EFFECTS OF COMMERCIAL ELECTRONIC MAIL.

Deadline.
Reports.

(a) **IN GENERAL.**—Not later than 24 months after the date of the enactment of this Act, the Commission, in consultation with the Department of Justice and other appropriate agencies, shall submit a report to the Congress that provides a detailed analysis of the effectiveness and enforcement of the provisions of this Act and the need (if any) for the Congress to modify such provisions.

(b) **REQUIRED ANALYSIS.**—The Commission shall include in the report required by subsection (a)—

(1) an analysis of the extent to which technological and marketplace developments, including changes in the nature of the devices through which consumers access their electronic mail messages, may affect the practicality and effectiveness of the provisions of this Act;

(2) analysis and recommendations concerning how to address commercial electronic mail that originates in or is transmitted through or to facilities or computers in other nations, including initiatives or policy positions that the Federal Government could pursue through international negotiations, fora, organizations, or institutions; and

(3) analysis and recommendations concerning options for protecting consumers, including children, from the receipt and viewing of commercial electronic mail that is obscene or pornographic.

SEC. 11. IMPROVING ENFORCEMENT BY PROVIDING REWARDS FOR INFORMATION ABOUT VIOLATIONS; LABELING.

The Commission shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce—

(1) a report, within 9 months after the date of enactment of this Act, that sets forth a system for rewarding those who supply information about violations of this Act, including—

(A) procedures for the Commission to grant a reward of not less than 20 percent of the total civil penalty collected for a violation of this Act to the first person that—

(i) identifies the person in violation of this Act; and

(ii) supplies information that leads to the successful collection of a civil penalty by the Commission; and

(B) procedures to minimize the burden of submitting a complaint to the Commission concerning violations of this Act, including procedures to allow the electronic submission of complaints to the Commission; and

(2) a report, within 18 months after the date of enactment of this Act, that sets forth a plan for requiring commercial electronic mail to be identifiable from its subject line, by means of compliance with Internet Engineering Task Force Standards, the use of the characters “ADV” in the subject line, or other comparable identifier, or an explanation of any concerns the Commission has that cause the Commission to recommend against the plan.

SEC. 12. RESTRICTIONS ON OTHER TRANSMISSIONS.

Section 227(b)(1) of the Communications Act of 1934 (47 U.S.C. 227(b)(1)) is amended, in the matter preceding subparagraph (A), by inserting “, or any person outside the United States if the recipient is within the United States” after “United States”.

SEC. 13. REGULATIONS.

(a) **IN GENERAL.**—The Commission may issue regulations to implement the provisions of this Act (not including the amendments made by sections 4 and 12). Any such regulations shall be issued in accordance with section 553 of title 5, United States Code.

Reports.
Deadlines.
Procedures.
15 USC 7710.

15 USC 7711.

(b) **LIMITATION.**—Subsection (a) may not be construed to authorize the Commission to establish a requirement pursuant to section 5(a)(5)(A) to include any specific words, characters, marks, or labels in a commercial electronic mail message, or to include the identification required by section 5(a)(5)(A) in any particular part of such a mail message (such as the subject line or body).

15 USC 7712.

SEC. 14. APPLICATION TO WIRELESS.

(a) **EFFECT ON OTHER LAW.**—Nothing in this Act shall be interpreted to preclude or override the applicability of section 227 of the Communications Act of 1934 (47 U.S.C. 227) or the rules prescribed under section 3 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6102).

Deadline.

(b) **FCC RULEMAKING.**—The Federal Communications Commission, in consultation with the Federal Trade Commission, shall promulgate rules within 270 days to protect consumers from unwanted mobile service commercial messages. The Federal Communications Commission, in promulgating the rules, shall, to the extent consistent with subsection (c)—

(1) provide subscribers to commercial mobile services the ability to avoid receiving mobile service commercial messages unless the subscriber has provided express prior authorization to the sender, except as provided in paragraph (3);

(2) allow recipients of mobile service commercial messages to indicate electronically a desire not to receive future mobile service commercial messages from the sender;

(3) take into consideration, in determining whether to subject providers of commercial mobile services to paragraph (1), the relationship that exists between providers of such services and their subscribers, but if the Commission determines that such providers should not be subject to paragraph (1), the rules shall require such providers, in addition to complying with the other provisions of this Act, to allow subscribers to indicate a desire not to receive future mobile service commercial messages from the provider—

(A) at the time of subscribing to such service; and

(B) in any billing mechanism; and

(4) determine how a sender of mobile service commercial messages may comply with the provisions of this Act, considering the unique technical aspects, including the functional and character limitations, of devices that receive such messages.

(c) **OTHER FACTORS CONSIDERED.**—The Federal Communications Commission shall consider the ability of a sender of a commercial electronic mail message to reasonably determine that the message is a mobile service commercial message.

(d) **MOBILE SERVICE COMMERCIAL MESSAGE DEFINED.**—In this section, the term “mobile service commercial message” means a commercial electronic mail message that is transmitted directly to a wireless device that is utilized by a subscriber of commercial mobile service (as such term is defined in section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d))) in connection with such service.

15 USC 7713.

SEC. 15. SEPARABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected.

SEC. 16. EFFECTIVE DATE.

The provisions of this Act, other than section 9, shall take effect on January 1, 2004.

15 USC 7701
note.

Approved December 16, 2003.

LEGISLATIVE HISTORY—S. 877:

SENATE REPORTS: No. 108–102 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 22, considered and passed Senate.

Nov. 21, considered and passed House, amended.

Nov. 25, Senate concurred in House amendment with an amendment.

Dec. 8, House concurred in Senate amendment.



Public Law 108–188
108th Congress

Joint Resolution

Dec. 17, 2003
[H.J. Res. 63]

To approve the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and to appropriate funds to carry out the amended Compacts.

48 USC 1921
note.

Whereas the United States (in accordance with the Trusteeship Agreement for the Trust Territory of the Pacific Islands, the United Nations Charter, and the objectives of the international trusteeship system of the United Nations) fulfilled its obligations to promote the development of the people of the Trust Territory toward self-government or independence as appropriate to the particular circumstances of the Trust Territory and its peoples and the freely expressed wishes of the peoples concerned;

Whereas the United States, the Federated States of Micronesia, and the Republic of the Marshall Islands entered into the Compact of Free Association set forth in title II of Public Law 99–239, January 14, 1986, 99 Stat. 1770, to create and maintain a close and mutually beneficial relationship;

Whereas the United States, in accordance with section 231 of the Compact of Free Association entered into negotiations with the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands to provide continued United States assistance and to reaffirm its commitment to this close and beneficial relationship; and

Whereas these negotiations, in accordance with section 431 of the Compact, resulted in the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, which, together with their related agreements, were signed by the Government of the United States and the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands on May 14, and April 30, 2003, respectively: Now, therefore, be it

Compact of Free
Association
Amendments Act
of 2003.

*Resolved by the Senate and House of Representatives of the
United States of America in Congress assembled,*

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This joint resolution, together with the table of contents in subsection (b) of this section, may be cited as the “Compact of Free Association Amendments Act of 2003”. 48 USC 1901 note.

(b) **TABLE OF CONTENTS.**—The table of contents for this joint resolution is as follows:

Sec. 1. Short title and table of contents.

TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT; INTERPRETATION OF, AND U.S. POLICIES REGARDING, U.S.-FSM COMPACT AND U.S.-RMI COMPACT; SUPPLEMENTAL PROVISIONS

Sec. 101. Approval of U.S.-FSM Compact of Free Association and the U.S.-RMI Compact of Free Association; references to subsidiary agreements or separate agreements.

- (a) Federated States of Micronesia.
- (b) Republic of the Marshall Islands.
- (c) References to the Compact, the U.S.-FSM Compact and the U.S.-RMI Compact; References to Subsidiary Agreements or Separate Agreements.
- (d) Amendment, Change, or Termination in the U.S.-FSM Compact, the U.S.-RMI Compact and Certain Agreements.
- (e) Subsidiary Agreements Deemed Bilateral.
- (f) Entry Into Force of Future Amendments to Subsidiary Agreements.

Sec. 102. Agreements With Federated States of Micronesia.

- (a) Law Enforcement Assistance.
- (b) Agreement on Audits.

Sec. 103. Agreements With and Other Provisions Related to the Republic of the Marshall Islands.

- (a) Law Enforcement Assistance.
- (b) EJIT.
- (c) Section 177 Agreement.
- (d) Nuclear Test Effects.
- (e) Espousal Provisions.
- (f) DOE Radiological Health Care Program; USDA Agricultural and Food Programs.
- (g) Rongelap.
- (h) Four Atoll Health Care Program.
- (i) Enjebi Community Trust Fund.
- (j) Bikini Atoll Cleanup.
- (k) Agreement on Audits.
- (l) Kwajalein.

Sec. 104. Interpretation of and United States Policy Regarding U.S.-FSM Compact and U.S.-RMI Compact.

- (a) Human Rights.
- (b) Immigration and Passport Security.
- (c) Nonalienation of Lands.
- (d) Nuclear Waste Disposal.
- (e) Impact of the U.S.-FSM Compact and the U.S.-RMI Compact on the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands and American Samoa; Related Authorization and Continuing Appropriation.
- (f) Foreign Loans.
- (g) Sense of Congress Concerning Funding of Public Infrastructure.
- (h) Reports and Reviews.
- (i) Construction of Section 141(f).
- (j) Inflation Adjustment.
- (k) Participation by Secondary Schools in the Armed Services Vocational Aptitude Battery (ASVAB) Student Testing Program.

Sec. 105. Supplemental Provisions.

- (a) Domestic Program Requirements.
- (b) Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.
- (c) Continuing Trust Territory Authorization.
- (d) Survivability.
- (e) Noncompliance Sanctions; Actions Incompatible With United States Authority.
- (f) Continuing Programs and Laws.
- (g) College of Micronesia.
- (h) Trust Territory Debts to U.S. Federal Agencies.
- (i) Judicial Training.

- (j) Technical Assistance.
- (k) Prior Service Benefits Program.
- (l) Indefinite Land Use Payments.
- (m) Communicable Disease Control Program.
- (n) User Fees.
- (o) Treatment of Judgments of Courts of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- (p) Establishment of Trust Funds; Expedition of Process.
- Sec. 106. Construction Contract Assistance.
 - (a) Assistance to U.S. Firms.
 - (b) Authorization of Appropriations.
- Sec. 107. Prohibition.
- Sec. 108. Compensatory Adjustments.
 - (a) Additional Programs and Services.
 - (b) Further Amounts.
- Sec. 109. Authorization and Continuing Appropriation.
- Sec. 110. Payment of Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau Employed by the Government of the United States in the Continental United States.

TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

- Sec. 201. Compacts of Free Association, as Amended Between the Government of the United States of America and the Government of the Federated States of Micronesia and Between the Government of the United States of America and the Government of the Republic of the Marshall Islands.
 - (a) Compact of Free Association, as Amended, Between the Government of the United States of America and the Government of the Federated States of Micronesia.

TITLE ONE—GOVERNMENTAL RELATIONS

- Article I—Self-Government.
- Article II—Foreign Affairs.
- Article III—Communications.
- Article IV—Immigration.
- Article V—Representation.
- Article VI—Environmental Protection.
- Article VII—General Legal Provisions.

TITLE TWO—ECONOMIC RELATIONS

- Article I—Grant Assistance.
- Article II—Services and Program Assistance.
- Article III—Administrative Provisions.
- Article IV—Trade.
- Article V—Finance and Taxation.

TITLE THREE—SECURITY AND DEFENSE RELATIONS

- Article I—Authority and Responsibility.
- Article II—Defense Facilities and Operating Rights.
- Article III—Defense Treaties and International Security Agreements.
- Article IV—Service in Armed Forces of the United States.
- Article V—General Provisions.

TITLE FOUR—GENERAL PROVISIONS

- Article I—Approval and Effective Date.
- Article II—Conference and Dispute Resolution.
- Article III—Amendment.
- Article IV—Termination.
- Article V—Survivability.
- Article VI—Definition of Terms.
- Article VII—Concluding Provisions.

- (b) Compact of Free Association, as Amended, Between the Government of the United States of America and the Government of the Republic of the Marshall Islands.

TITLE ONE—GOVERNMENTAL RELATIONS

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Article III—Amendment.
Article IV—Termination.
Article V—Survivability.
Article VI—Definition of Terms.
Article VII—Concluding Provisions.

TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT; INTERPRETATION OF, AND U.S. POLICIES REGARDING, U.S.-FSM COMPACT AND U.S.-RMI COMPACT; SUPPLEMENTAL PROVISIONS

SEC. 101. APPROVAL OF U.S.-FSM COMPACT OF FREE ASSOCIATION AND THE U.S.-RMI COMPACT OF FREE ASSOCIATION; REFERENCES TO SUBSIDIARY AGREEMENTS OR SEPARATE AGREEMENTS.

48 USC 1921.

(a) **FEDERATED STATES OF MICRONESIA.**—The Compact of Free Association, as amended with respect to the Federated States of Micronesia and signed by the United States and the Government of the Federated States of Micronesia and set forth in Title II (section 201(a)) of this joint resolution, is hereby approved, and Congress hereby consents to the subsidiary agreements and amended subsidiary agreements listed in section 462 of the U.S.-FSM Compact. Subject to the provisions of this joint resolution, the President is authorized to agree, in accordance with section 411 of the U.S.-FSM Compact, to an effective date for and thereafter to implement such U.S.-FSM Compact.

(b) **REPUBLIC OF THE MARSHALL ISLANDS.**—The Compact of Free Association, as amended with respect to the Republic of the Marshall Islands and signed by the United States and the Government of the Republic of the Marshall Islands and set forth in Title II (section 201(b)) of this joint resolution, is hereby approved, and Congress hereby consents to the subsidiary agreements and amended subsidiary agreements listed in section 462 of the U.S.-

RMI Compact. Subject to the provisions of this joint resolution, the President is authorized to agree, in accordance with section 411 of the U.S.-RMI Compact, to an effective date for and thereafter to implement such U.S.-RMI Compact.

(c) REFERENCES TO THE COMPACT, THE U.S.-FSM COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES TO SUBSIDIARY AGREEMENTS OR SEPARATE AGREEMENTS.—

(1) Any reference in this joint resolution (except references in Title II) to “the Compact” shall be treated as a reference to the Compact of Free Association set forth in title II of Public Law 99-239, January 14, 1986, 99 Stat. 1770. Any reference in this joint resolution to the “U.S.-FSM Compact” shall be treated as a reference to the Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia and set forth in Title II (section 201(a)) of this joint resolution. Any reference in this joint resolution to the “U.S.-RMI Compact” shall be treated as a reference to the Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands and set forth in Title II (section 201(b)) of this joint resolution.

(2) Any reference to the term “subsidiary agreements” or “separate agreements” in this joint resolution shall be treated as a reference to agreements listed in section 462 of the U.S.-FSM Compact and the U.S.-RMI Compact, and any other agreements that the United States may from time to time enter into with either the Government of the Federated States of Micronesia or the Government of the Republic of the Marshall Islands, or with both such governments in accordance with the provisions of the U.S.-FSM Compact and the U.S.-RMI Compact.

(d) AMENDMENT, CHANGE, OR TERMINATION IN THE U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CERTAIN AGREEMENTS.—

(1) Any amendment, change, or termination by mutual agreement or by unilateral action of the Government of the United States of all or any part of the U.S.-FSM Compact or U.S.-RMI Compact shall not enter into force until after Congress has incorporated it in an Act of Congress.

Applicability.

(2) The provisions of paragraph (1) shall apply—

(A) to all actions of the Government of the United States under the U.S.-FSM Compact or U.S.-RMI Compact including, but not limited to, actions taken pursuant to sections 431, 441, or 442;

(B) to any amendment, change, or termination in the Agreement Between the Government of the United States and the Government of the Federated States of Micronesia Regarding Friendship, Cooperation and Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association referred to in section 462(a)(2) of the U.S.-FSM Compact and the Agreement Between the Government of the United States and the Government of the Marshall Islands Regarding Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association referred to in section 462(a)(5) of the U.S.-RMI Compact;

(C) to any amendment, change, or termination of the agreements concluded pursuant to Compact section 177, and section 215(a) of the U.S.-FSM Compact and section 216(a) of the U.S.-RMI Compact, the terms of which are incorporated by reference into the U.S.-FSM Compact and the U.S.-RMI Compact; and

(D) to the following subsidiary agreements, or portions thereof:

(i) Articles III, IV, and X of the agreement referred to in section 462(b)(6) of the U.S.-RMI Compact.

(ii) Article III and IV of the agreement referred to in section 462(b)(6) of the U.S.-FSM Compact.

(iii) Articles VI, XV, and XVII of the agreement referred to in section 462(b)(7) of the U.S.-FSM Compact and U.S.-RMI Compact.

(e) **SUBSIDIARY AGREEMENTS DEEMED BILATERAL.**—For purposes of implementation of the U.S.-FSM Compact and the U.S.-RMI Compact and this joint resolution, the Agreement Concluded Pursuant to Section 234 of the Compact of Free Association and referred to in section 462(a)(1) of the U.S.-FSM Compact and section 462(a)(4) of the U.S.-RMI Compact shall be deemed to be a bilateral agreement between the United States and each other party to such subsidiary agreement. The consent or concurrence of any other party shall not be required for the effectiveness of any actions taken by the United States in conjunction with either the Federated States of Micronesia or the Republic of the Marshall Islands which are intended to affect the implementation, modification, suspension, or termination of such subsidiary agreement (or any provision thereof) as regards the mutual responsibilities of the United States and the party in conjunction with whom the actions are taken.

(f) **ENTRY INTO FORCE OF FUTURE AMENDMENTS TO SUBSIDIARY AGREEMENTS.**—No agreement between the United States and the government of either the Federated States of Micronesia or the Republic of the Marshall Islands which would amend, change, or terminate any subsidiary agreement or portion thereof, other than those set forth in subsection (d) of this section shall enter into force until 90 days after the President has transmitted such agreement to the President of the Senate and the Speaker of the House of Representatives together with an explanation of the agreement and the reasons therefor. In the case of the agreement referred to in section 462(b)(3) of the U.S.-FSM Compact and the U.S.-RMI Compact, such transmittal shall include a specific statement by the Secretary of Labor as to the necessity of such amendment, change, or termination, and the impact thereof.

SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MICRONESIA. 48 USC 1921a.

(a) **LAW ENFORCEMENT ASSISTANCE.**—Pursuant to sections 222 and 224 of the U.S.-FSM Compact, the United States shall provide non-reimbursable technical and training assistance as appropriate, including training and equipment for postal inspection of illicit drugs and other contraband, to enable the Government of the Federated States of Micronesia to develop and adequately enforce laws of the Federated States of Micronesia and to cooperate with the United States in the enforcement of criminal laws of the United States. Funds appropriated pursuant to section 105(j) of this title may be used to reimburse State or local agencies providing such assistance.

(b) AGREEMENT ON AUDITS.—The Comptroller General (and his duly authorized representatives) shall have the authorities necessary to carry out his responsibilities under section 232 of the U.S.-FSM Compact and the agreement referred to in section 462(b)(4) of the U.S.-FSM Compact, including the following authorities:

(1) GENERAL AUTHORITY OF THE COMPTROLLER GENERAL TO AUDIT.—

(A) The Comptroller General of the United States (and his duly authorized representatives) shall have the authority to audit—

(i) all grants, program assistance, and other assistance provided to the Government of the Federated States of Micronesia under Articles I and II of Title Two of the U.S.-FSM Compact; and

(ii) any other assistance provided by the Government of the United States to the Government of the Federated States of Micronesia.

Such authority shall include authority for the Comptroller General to conduct or cause to be conducted any of the audits provided for in section 232 of the U.S.-FSM Compact. The authority provided in this paragraph shall continue for at least three years after the last such grant has been made or assistance has been provided.

(B) The Comptroller General (and his duly authorized representatives) shall also have authority to review any audit conducted by or on behalf of the Government of the United States. In this connection, the Comptroller General shall have access to such personnel and to such records, documents, working papers, automated data and files, and other information relevant to such review.

(2) COMPTROLLER GENERAL ACCESS TO RECORDS.—

(A) In carrying out paragraph (1), the Comptroller General (and his duly authorized representatives) shall have such access to the personnel and (without cost) to records, documents, working papers, automated data and files, and other information relevant to such audits. The Comptroller General may duplicate any such records, documents, working papers, automated data and files, or other information relevant to such audits.

(B) Such records, documents, working papers, automated data and files, and other information regarding each such grant or other assistance shall be maintained for at least five years after the date such grant or assistance was provided and in a manner that permits such grants, assistance, and payments to be accounted for distinct from any other funds of the Government of the Federated States of Micronesia.

(3) STATUS OF COMPTROLLER GENERAL REPRESENTATIVES.—

The Comptroller General and his duly authorized representatives shall be immune from civil and criminal process relating to words spoken or written and all acts performed by them in their official capacity and falling within their functions, except insofar as such immunity may be expressly waived by the Government of the United States. The Comptroller General and his duly authorized representatives shall not be liable to arrest or detention pending trial, except in the case of a

grave crime and pursuant to a decision by a competent judicial authority, and such persons shall enjoy immunity from seizure of personal property, immigration restrictions, and laws relating to alien registration, fingerprinting, and the registration of foreign agents. Such persons shall enjoy the same taxation exemptions as are set forth in Article 34 of the Vienna Convention on Diplomatic Relations. The privileges, exemptions and immunities accorded under this paragraph are not for the personal benefit of the individuals concerned but are to safeguard the independent exercise of their official functions. Without prejudice to those privileges, exemptions and immunities, it is the duty of all such persons to respect the laws and regulations of the Government of the Federated States of Micronesia.

(4) AUDITS DEFINED.—As used in this subsection, the term “audits” includes financial, program, and management audits, including determining—

(A) whether the Government of the Federated States of Micronesia has met the requirements set forth in the U.S.-FSM Compact, or any related agreement entered into under the U.S.-FSM Compact, regarding the purposes for which such grants and other assistance are to be used; and

(B) the propriety of the financial transactions of the Government of the Federated States of Micronesia pursuant to such grants or assistance.

(5) COOPERATION BY FEDERATED STATES OF MICRONESIA.—The Government of the Federated States of Micronesia will cooperate fully with the Comptroller General of the United States in the conduct of such audits as the Comptroller General determines necessary to enable the Comptroller General to fully discharge his responsibilities under this joint resolution.

SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RELATED TO THE REPUBLIC OF THE MARSHALL ISLANDS.

48 USC 1921b.

(a) LAW ENFORCEMENT ASSISTANCE.—Pursuant to sections 222 and 224 of the U.S.-RMI Compact, the United States shall provide non-reimbursable technical and training assistance as appropriate, including training and equipment for postal inspection of illicit drugs and other contraband, to enable the Government of the Marshall Islands to develop and adequately enforce laws of the Marshall Islands and to cooperate with the United States in the enforcement of criminal laws of the United States. Funds appropriated pursuant to section 105(j) of this title may be used to reimburse State or local agencies providing such assistance.

(b) EJIT.—

(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that the President of the United States shall negotiate with the Government of the Marshall Islands an agreement whereby, without prejudice as to any claims which have been or may be asserted by any party as to rightful title and ownership of any lands on Ejit, the Government of the Marshall Islands shall assure that lands on Ejit used as of January 1, 1985, by the people of Bikini, will continue to be available without charge for their use, until such time as Bikini is restored and inhabitable and the continued use of Ejit is no longer necessary, unless a Marshall Islands court of competent jurisdiction finally determines that

there are legal impediments to continued use of Ejit by the people of Bikini.

(2) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that if the impediments described in paragraph (1) do arise, the United States will cooperate with the Government of the Marshall Islands in assisting any person adversely affected by such judicial determination to remain on Ejit, or in locating suitable and acceptable alternative lands for such person's use.

(3) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that paragraph (1) shall not be applied in a manner which would prevent the Government of the Marshall Islands from acting in accordance with its constitutional processes to resolve title and ownership claims with respect to such lands or from taking substitute or additional measures to meet the needs of the people of Bikini with their democratically expressed consent and approval.

(c) SECTION 177 AGREEMENT.—

Notification.

(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in furtherance of the purposes of Article I of the Subsidiary Agreement for Implementation of Section 177 of the Compact, the payment of the amount specified therein shall be made by the United States under Article I of the Agreement between the Government of the United States and the Government of the Marshall Islands for the Implementation of section 177 of the Compact (hereafter in this subsection referred to as the "Section 177 Agreement") only after the Government of the Marshall Islands has notified the President of the United States as to which investment management firm has been selected by such Government to act as Fund Manager under Article I of the Section 177 Agreement.

(2) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in the event that the President determines that an investment management firm selected by the Government of the Marshall Islands does not meet the requirements specified in Article I of the Section 177 Agreement, the United States shall invoke the conference and dispute resolution procedures of Article II of Title Four of the Compact. Pending the resolution of such a dispute and until a qualified Fund Manager has been designated, the Government of the Marshall Islands shall place the funds paid by the United States pursuant to Article I of the Section 177 Agreement into an interest-bearing escrow account. Upon designation of a qualified Fund Manager, all funds in the escrow account shall be transferred to the control of such Fund Manager for management pursuant to the Section 177 Agreement.

Notification.

(3) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that if the Government of the Marshall Islands determines that some other investment firm should act as Fund Manager in place of the firm first (or subsequently) selected by such Government, the Government of the Marshall Islands shall so notify the President of the United States, identifying the firm selected by such Government to become Fund Manager, and the President shall proceed to evaluate the qualifications of such identified firm.

(4) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that at the end of 15 years after the effective date of the Compact, the firm then acting as Fund Manager shall transfer to the Government of the Marshall Islands, or to such account as such Government shall so notify the Fund Manager, all remaining funds and assets being managed by the Fund Manager under the Section 177 Agreement.

Notification.

(d) NUCLEAR TEST EFFECTS.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in approving the Compact, the Congress understands and intends that the peoples of Bikini, Enewetak, Rongelap, and Utrik, who were affected by the United States nuclear weapons testing program in the Marshall Islands, will receive the amounts of \$75,000,000 (Bikini); \$48,750,000 (Enewetak); \$37,500,000 (Rongelap); and \$22,500,000 (Utrik), respectively, which amounts shall be paid out of proceeds from the fund established under Article I, section 1 of the subsidiary agreement for the implementation of section 177 of the Compact. The amounts specified in this subsection shall be in addition to any amounts which may be awarded to claimants pursuant to Article IV of the subsidiary agreement for the implementation of Section 177 of the Compact.

(e) ESPOUSAL PROVISIONS.—

(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that it is the intention of the Congress of the United States that the provisions of section 177 of the Compact of Free Association and the Agreement between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the “Section 177 Agreement”) constitute a full and final settlement of all claims described in Articles X and XI of the Section 177 Agreement, and that any such claims be terminated and barred except insofar as provided for in the Section 177 Agreement.

(2) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in furtherance of the intention of Congress as stated in paragraph (1) of this subsection, the Section 177 Agreement is hereby ratified and approved. It is the explicit understanding and intent of Congress that the jurisdictional limitations set forth in Article XII of such Agreement are enacted solely and exclusively to accomplish the objective of Article X of such Agreement and only as a clarification of the effect of Article X, and are not to be construed or implemented separately from Article X.

(f) DOE RADIOLOGICAL HEALTH CARE PROGRAM; USDA AGRICULTURAL AND FOOD PROGRAMS.—

(1) MARSHALL ISLANDS PROGRAM.—Notwithstanding any other provision of law, upon the request of the Government of the Republic of the Marshall Islands, the President (either through an appropriate department or agency of the United States or by contract with a United States firm) shall continue to provide special medical care and logistical support thereto for the remaining members of the population of Rongelap and Utrik who were exposed to radiation resulting from the 1954 United States thermo-nuclear “Bravo” test, pursuant to Public Laws 95-134 and 96-205.

President.

President.

(2) AGRICULTURAL AND FOOD PROGRAMS.—

(A) IN GENERAL.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that notwithstanding any other provision of law, upon the request of the Government of the Marshall Islands, for the first fifteen years after the effective date of the Compact, the President (either through an appropriate department or agency of the United States or by contract with a United States firm or by a grant to the Government of the Republic of the Marshall Islands which may further contract only with a United States firm or a Republic of the Marshall Islands firm, the owners, officers and majority of the employees of which are citizens of the United States or the Republic of the Marshall Islands) shall provide technical and other assistance—

(i) without reimbursement, to continue the planting and agricultural maintenance program on Enewetak, as provided in subparagraph (C); and

(ii) without reimbursement, to continue the food programs of the Bikini and Enewetak people described in section 1(d) of Article II of the Subsidiary Agreement for the Implementation of Section 177 of the Compact and for continued waterborne transportation of agricultural products to Enewetak including operations and maintenance of the vessel used for such purposes.

President.

(B) POPULATION CHANGES.—The President shall ensure the assistance provided under these programs reflects the changes in the population since the inception of such programs.

(C) PLANTING AND AGRICULTURAL MAINTENANCE PROGRAM.—

(i) IN GENERAL.—The planting and agricultural maintenance program on Enewetak shall be funded at a level of not less than \$1,300,000 per year, as adjusted for inflation under section 218 of the U.S.-RMI Compact.

(ii) AUTHORIZATION AND CONTINUING APPROPRIATION.—There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, \$1,300,000, as adjusted for inflation under section 218 of the U.S.-RMI Compact, for grants to carry out the planting and agricultural maintenance program.

(3) PAYMENTS.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after the periods of time specified in paragraphs (1) and (2) of this subsection, consideration will be given to such additional funding for these programs as may be necessary.

(g) RONGELAP.—

(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that because Rongelap was

directly affected by fallout from a 1954 United States thermonuclear test and because the Rongelap people remain unconvinced that it is safe to continue to live on Rongelap Island, it is the intent of Congress to take such steps (if any) as may be necessary to overcome the effects of such fallout on the habitability of Rongelap Island, and to restore Rongelap Island, if necessary, so that it can be safely inhabited. Accordingly, it is the expectation of the Congress that the Government of the Marshall Islands shall use such portion of the funds specified in Article II, section 1(e) of the subsidiary agreement for the implementation of section 177 of the Compact as are necessary for the purpose of contracting with a qualified scientist or group of scientists to review the data collected by the Department of Energy relating to radiation levels and other conditions on Rongelap Island resulting from the thermonuclear test. It is the expectation of the Congress that the Government of the Marshall Islands, after consultation with the people of Rongelap, shall select the party to review such data, and shall contract for such review and for submission of a report to the President of the United States and the Congress as to the results thereof.

(2) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that the purpose of the review referred to in paragraph (1) of this subsection shall be to establish whether the data cited in support of the conclusions as to the habitability of Rongelap Island, as set forth in the Department of Energy report entitled: “The Meaning of Radiation for Those Atolls in the Northern Part of the Marshall Islands That Were Surveyed in 1978”, dated November 1982, are adequate and whether such conclusions are fully supported by the data. If the party reviewing the data concludes that such conclusions as to habitability are fully supported by adequate data, the report to the President of the United States and the Congress shall so state. If the party reviewing the data concludes that the data are inadequate to support such conclusions as to habitability or that such conclusions as to habitability are not fully supported by the data, the Government of the Marshall Islands shall contract with an appropriate scientist or group of scientists to undertake a complete survey of radiation and other effects of the nuclear testing program relating to the habitability of Rongelap Island. Such sums as are necessary for such survey and report concerning the results thereof and as to steps needed to restore the habitability of Rongelap Island are authorized to be made available to the Government of the Marshall Islands.

(3) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that it is the intent of Congress that such steps (if any) as are necessary to restore the habitability of Rongelap Island and return the Rongelap people to their homeland will be taken by the United States in consultation with the Government of the Marshall Islands and, in accordance with its authority under the Constitution of the Marshall Islands, the Rongelap local government council.

(4) There are hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for fiscal year 2005, \$1,780,000; for fiscal year 2006, \$1,760,000;

and for fiscal year 2007, \$1,760,000, as the final contributions of the United States to the Rongelap Resettlement Trust Fund as established pursuant to Public Law 102-154 (105 Stat. 1009), for the purposes of establishing a food importation program as a part of the overall resettlement program of Rongelap Island.

(h) FOUR ATOLL HEALTH CARE PROGRAM.—

(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that services provided by the United States Public Health Service or any other United States agency pursuant to section 1(a) of Article II of the Agreement for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the “Section 177 Agreement”) shall be only for services to the people of the Atolls of Bikini, Enewetak, Rongelap, and Utrik who were affected by the consequences of the United States nuclear testing program, pursuant to the program described in Public Law 95-134 (91 Stat. 1159) and Public Law 96-205 (94 Stat. 84) and their descendants (and any other persons identified as having been so affected if such identification occurs in the manner described in such public laws). Nothing in this subsection shall be construed as prejudicial to the views or policies of the Government of the Marshall Islands as to the persons affected by the consequences of the United States nuclear testing program.

(2) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that at the end of the first year after the effective date of the Compact and at the end of each year thereafter, the providing agency or agencies shall return to the Government of the Marshall Islands any unexpended funds to be returned to the Fund Manager (as described in Article I of the Section 177 Agreement) to be covered into the Fund to be available for future use.

(3) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that the Fund Manager shall retain the funds returned by the Government of the Marshall Islands pursuant to paragraph (2) of this subsection, shall invest and manage such funds, and at the end of 15 years after the effective date of the Compact, shall make from the total amount so retained and the proceeds thereof annual disbursements sufficient to continue to make payments for the provision of health services as specified in paragraph (1) of this subsection to such extent as may be provided in contracts between the Government of the Marshall Islands and appropriate United States providers of such health services.

(i) ENJEBI COMMUNITY TRUST FUND.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that notwithstanding any other provision of law, the Secretary of the Treasury shall establish on the books of the Treasury of the United States a fund having the status specified in Article V of the subsidiary agreement for the implementation of Section 177 of the Compact, to be known as the “Enjebi Community Trust Fund” (hereafter in this subsection referred to as the “Fund”), and shall credit to the Fund the amount of \$7,500,000. Such amount, which shall be ex gratia, shall be in addition to and not charged against any other funds provided for in the Compact and its subsidiary agreements, this joint resolution, or any other Act. Upon receipt by the President of the United States of the agreement described

in this subsection, the Secretary of the Treasury, upon request of the Government of the Marshall Islands, shall transfer the Fund to the Government of the Marshall Islands, provided that the Government of the Marshall Islands agrees as follows:

(1) ENJEBI TRUST AGREEMENT.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that the Government of the Marshall Islands and the Enewetak Local Government Council, in consultation with the people of Enjebi, shall provide for the creation of the Enjebi Community Trust Fund and the employment of the manager of the Enewetak Fund established pursuant to the Section 177 Agreement as trustee and manager of the Enjebi Community Trust Fund, or, should the manager of the Enewetak Fund not be acceptable to the people of Enjebi, another United States investment manager with substantial experience in the administration of trusts and with funds under management in excess of \$250,000,000.

(2) MONITOR CONDITIONS.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that upon the request of the Government of the Marshall Islands, the United States shall monitor the radiation and other conditions on Enjebi and within one year of receiving such a request shall report to the Government of the Marshall Islands when the people of Enjebi may resettle Enjebi under circumstances where the radioactive contamination at Enjebi, including contamination derived from consumption of locally grown food products, can be reduced or otherwise controlled to meet whole body Federal radiation protection standards for the general population, including mean annual dose and mean 30-year cumulative dose standards.

(3) RESETTLEMENT OF ENJEBI.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in the event that the United States determines that the people of Enjebi can within 25 years of January 14, 1986, resettle Enjebi under the conditions set forth in paragraph (2) of this subsection, then upon such determination there shall be available to the people of Enjebi from the Fund such amounts as are necessary for the people of Enjebi to do the following, in accordance with a plan developed by the Enewetak Local Government Council and the people of Enjebi, and concurred with by the Government of the Marshall Islands to assure consistency with the government's overall economic development plan:

(A) Establish a community on Enjebi Island for the use of the people of Enjebi.

(B) Replant Enjebi with appropriate food-bearing and other vegetation.

(4) RESETTLEMENT OF OTHER LOCATION.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that in the event that the United States determines that within 25 years of January 14, 1986, the people of Enjebi cannot resettle Enjebi without exceeding the radiation standards set forth in paragraph (2) of this subsection, then the fund manager shall be directed by the trust instrument to distribute the Fund to the people of Enjebi for their resettlement at some other location in accordance with a plan, developed by the Enewetak Local Government Council and the

people of Enjebi and concurred with by the Government of the Marshall Islands, to assure consistency with the government's overall economic development plan.

(5) INTEREST FROM FUND.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that prior to and during the distribution of the corpus of the Fund pursuant to paragraphs (3) and (4) of this subsection, the people of Enjebi may, if they so request, receive the interest earned by the Fund on no less frequent a basis than quarterly.

(6) DISCLAIMER OF LIABILITY.—In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that neither under the laws of the Marshall Islands nor under the laws of the United States, shall the Government of the United States be liable for any loss or damage to person or property in respect to the resettlement of Enjebi by the people of Enjebi, pursuant to the provision of this subsection or otherwise.

(j) BIKINI ATOLL CLEANUP.—

(1) DECLARATION OF POLICY.—In the joint resolution of January 14, 1986 (Public Law 99-239), the Congress determined and declared that it is the policy of the United States, to be supported by the full faith and credit of the United States, that because the United States, through its nuclear testing and other activities, rendered Bikini Atoll unsafe for habitation by the people of Bikini, the United States will fulfill its responsibility for restoring Bikini Atoll to habitability, as set forth in paragraph (2) and (3) of this subsection.

(2) CLEANUP FUNDS.—The joint resolution of January 14, 1986 (Public Law 99-239) authorized to be appropriated such sums as necessary to implement the settlement agreement of March 15, 1985, in *The People of Bikini, et al. against United States of America, et al.*, Civ. No. 84-0425 (D. Ha.).

(3) CONDITIONS OF FUNDING.—In the joint resolution of January 14, 1986 (Public Law 99-239) the Congress provided that the funds referred to in paragraph (2) were to be made available pursuant to Article VI, Section 1 of the Compact Section 177 Agreement upon completion of the events set forth in the settlement agreement referred to in paragraph (2) of this subsection.

(k) AGREEMENT ON AUDITS.—The Comptroller General (and his duly authorized representatives) shall have the authorities necessary to carry out his responsibilities under section 232 of the U.S.-RMI Compact and the agreement referred to in section 462(b)(4) of the U.S.-RMI Compact, including the following authorities:

(1) GENERAL AUTHORITY OF THE COMPTROLLER GENERAL TO AUDIT.—

(A) The Comptroller General of the United States (and his duly authorized representatives) shall have the authority to audit—

(i) all grants, program assistance, and other assistance provided to the Government of the Republic of the Marshall Islands under Articles I and II of Title Two of the U.S.-RMI Compact; and

(ii) any other assistance provided by the Government of the United States to the Government of the Republic of the Marshall Islands.

Such authority shall include authority for the Comptroller General to conduct or cause to be conducted any of the audits provided for in section 232 of the U.S.-RMI Compact. The authority provided in this paragraph shall continue for at least three years after the last such grant has been made or assistance has been provided.

(B) The Comptroller General (and his duly authorized representatives) shall also have authority to review any audit conducted by or on behalf of the Government of the United States. In this connection, the Comptroller General shall have access to such personnel and to such records, documents, working papers, automated data and files, and other information relevant to such review.

(2) COMPTROLLER GENERAL ACCESS TO RECORDS.—

(A) In carrying out paragraph (1), the Comptroller General (and his duly authorized representatives) shall have such access to the personnel and (without cost) to records, documents, working papers, automated data and files, and other information relevant to such audits. The Comptroller General may duplicate any such records, documents, working papers, automated data and files, or other information relevant to such audits.

(B) Such records, documents, working papers, automated data and files, and other information regarding each such grant or other assistance shall be maintained for at least five years after the date such grant or assistance was provided and in a manner that permits such grants, assistance and payments to be accounted for distinct from any other funds of the Government of the Republic of the Marshall Islands.

(3) STATUS OF COMPTROLLER GENERAL REPRESENTATIVES.—

The Comptroller General and his duly authorized representatives shall be immune from civil and criminal process relating to words spoken or written and all acts performed by them in their official capacity and falling within their functions, except insofar as such immunity may be expressly waived by the Government of the United States. The Comptroller General and his duly authorized representatives shall not be liable to arrest or detention pending trial, except in the case of a grave crime and pursuant to a decision by a competent judicial authority, and such persons shall enjoy immunity from seizure of personal property, immigration restrictions, and laws relating to alien registration, fingerprinting, and the registration of foreign agents. Such persons shall enjoy the same taxation exemptions as are set forth in Article 34 of the Vienna Convention on Diplomatic Relations. The privileges, exemptions and immunities accorded under this paragraph are not for the personal benefit of the individuals concerned but are to safeguard the independent exercise of their official functions. Without prejudice to those privileges, exemptions and immunities, it is the duty of all such persons to respect the laws and regulations of the Government of the Republic of the Marshall Islands.

(4) AUDITS DEFINED.—As used in this subsection, the term “audits” includes financial, program, and management audits, including determining—

(A) whether the Government of the Republic of the Marshall Islands has met the requirements set forth in

the U.S.-RMI Compact, or any related agreement entered into under the U.S.-RMI Compact, regarding the purposes for which such grants and other assistance are to be used; and

(B) the propriety of the financial transactions of the Government of the Republic of the Marshall Islands pursuant to such grants or assistance.

(5) COOPERATION BY THE REPUBLIC OF THE MARSHALL ISLANDS.—The Government of the Republic of the Marshall Islands will cooperate fully with the Comptroller General of the United States in the conduct of such audits as the Comptroller General determines necessary to enable the Comptroller General to fully discharge his responsibilities under this joint resolution.

(1) KWAJALEIN.—

(1) STATEMENT OF POLICY.—It is the policy of the United States that payment of funds by the Government of the Marshall Islands to the landowners of Kwajalein Atoll in accordance with the land use agreement dated October 19, 1982, or as amended or superseded, and any related allocation agreements, is required in order to ensure that the Government of the United States will be able to fulfill its obligation and responsibilities under Title Three of the U.S.-RMI Compact and the subsidiary agreements concluded pursuant to the U.S.-RMI Compact.

(2) FAILURE TO PAY.—

(A) IN GENERAL.—If the Government of the Marshall Islands fails to make payments in accordance with paragraph (1), the Government of the United States shall initiate procedures under section 313 of the U.S.-RMI Compact and consult with the Government of the Marshall Islands with respect to the basis for the nonpayment of funds.

(B) RESOLUTION.—The United States shall expeditiously resolve the matter of any nonpayment of funds required under paragraph (1) pursuant to section 313 of the U.S.-RMI Compact and the authority and responsibility of the Government of the United States for security and defense matters in or relating to the Marshall Islands. This paragraph shall be enforced, as may be necessary, in accordance with section 105(e).

(3) DISPOSITION OF INCREASED PAYMENTS PENDING NEW LAND USE AGREEMENT.—Until such time as the Government of the Marshall Islands and the landowners of Kwajalein Atoll have concluded an agreement amending or superseding the land use agreement reflecting the terms of and consistent with the Military Use Operating Rights Agreement dated October 19, 1982, any amounts paid by the United States to the Government of the Marshall Islands in excess of the amounts required to be paid pursuant to the land use agreement dated October 19, 1982, shall be paid into, and held in, an interest bearing escrow account in a United States financial institution by the Government of the Republic of the Marshall Islands. At such time, the funds and interest held in escrow shall be paid to the landowners of Kwajalein in accordance with the new land use agreement. If no such agreement is concluded by the date which is five years after the date of enactment of

this resolution, then such funds and interest shall, unless otherwise mutually agreed between the Government of the United States of America and the Government of the Republic of the Marshall Islands, be returned to the U.S. Treasury.

(4) NOTIFICATIONS AND REPORT.—

(A) The Government of the Republic of the Marshall Islands shall notify the Government of the United States of America when an agreement amending or superseding the land use agreement dated October 19, 1982, is concluded.

(B) If no agreement amending or superseding the land use agreement dated October 19, 1982 is concluded by the date five years after the date of enactment of this resolution, then the President shall report to Congress on the intentions of the United States with respect to the use of Kwajalein Atoll after 2016, on any plans to relocate activities carried out on Kwajalein Atoll, and on the disposition of the funds and interest held in escrow under paragraph (3).

President.

(5) ASSISTANCE.—The President is authorized to make loans and grants to the Government of the Marshall Islands to address the special needs of the community at Ebeye, Kwajalein Atoll, and other Marshallese communities within the Kwajalein Atoll, pursuant to development plans adopted in accordance with applicable laws of the Marshall Islands. The loans and grants shall be subject to such other terms and conditions as the President, in the discretion of the President, may determine are appropriate.

President.

SEC. 104. INTERPRETATION OF AND UNITED STATES POLICY REGARDING U.S.-FSM COMPACT AND U.S.-RMI COMPACT.

48 USC 1921c.

(a) HUMAN RIGHTS.—In approving the U.S.-FSM Compact and the U.S.-RMI Compact, Congress notes the conclusion in the Statement of Intent of the Report of The Future Political Status Commission of the Congress of Micronesia in July, 1969, that “our recommendation of a free associated state is indissolubly linked to our desire for such a democratic, representative, constitutional government” and notes that such desire and intention are reaffirmed and embodied in the Constitutions of the Federated States of Micronesia and the Republic of the Marshall Islands. Congress also notes and specifically endorses the preamble to the U.S.-FSM Compact and the U.S.-RMI Compact, which affirms that the governments of the parties to the U.S.-FSM Compact and the U.S.-RMI Compact are founded upon respect for human rights and fundamental freedoms for all. The Secretary of State shall include in the annual reports on the status of internationally recognized human rights in foreign countries, which are submitted to Congress pursuant to sections 116 and 502B of the Foreign Assistance Act of 1961, “22 U.S.C. 2151n, 2304” a full and complete report regarding the status of internationally recognized human rights in the Federated States of Micronesia and the Republic of the Marshall Islands.

(b) IMMIGRATION AND PASSPORT SECURITY.—

(1) NATURALIZED CITIZENS.—The rights of a bona fide naturalized citizen of the Federated States of Micronesia or the Republic of the Marshall Islands to enter the United States, to lawfully engage therein in occupations, and to establish

residence therein as a nonimmigrant, to the extent such rights are provided under section 141 of the U.S.-FSM Compact and U.S.-RMI Compact, shall not be deemed to extend to any such naturalized citizen with respect to whom circumstances associated with the acquisition of the status of a naturalized citizen are such as to allow a reasonable inference, on the part of appropriate officials of the United States and subject to United States procedural requirements, that such naturalized status was acquired primarily in order to obtain such rights.

(2) PASSPORTS.—It is the sense of Congress that up to \$250,000 of the grant assistance provided to the Federated States of Micronesia pursuant to section 211(a)(4) of the U.S.-FSM Compact, and up to \$250,000 of the grant assistance provided to the Republic of the Marshall Islands pursuant to section 211(a)(4) of the U.S.-RMI Compact (or a greater amount of the section 211(a)(4) grant, if mutually agreed between the Government of the United States and the government of the Federated States of Micronesia or the government of the Republic of the Marshall Islands), be used for the purpose of increasing the machine-readability and security of passports issued by such jurisdictions. It is further the sense of Congress that such funds be obligated by September 30, 2004 and in the amount and manner specified by the Secretary of State in consultation with the Secretary of Homeland Security and, respectively, with the government of the Federated States of Micronesia and the government of the Republic of the Marshall Islands. The United States Government is authorized to require that passports used for the purpose of seeking admission under section 141 of the U.S.-FSM Compact and the U.S.-RMI Compact contain the security enhancements funded by such assistance.

(3) INFORMATION-SHARING.—It is the sense of Congress that the governments of the Federated States of Micronesia and the Republic of the Marshall Islands develop, prior to October 1, 2004, the capability to provide reliable and timely information as may reasonably be required by the Government of the United States in enforcing criminal and security-related grounds of inadmissibility and deportability under the Immigration and Nationality Act, as amended, and shall provide such information to the Government of the United States.

(4) TRANSITION; CONSTRUCTION OF SECTIONS 141(a)(3) AND 141(a)(4) OF THE U.S.-FSM COMPACT AND U.S.-RMI COMPACT.—The words “the effective date of this Compact, as amended” in sections 141(a)(3) and 141(a)(4) of the U.S.-FSM Compact and the U.S.-RMI Compact shall be construed to read, “on the day prior to the enactment by the United States Congress of the Compact of Free Association Amendments Act of 2003.”.

(c) NONALIENATION OF LANDS.—Congress endorses and encourages the maintenance of the policies of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands to regulate, in accordance with their Constitutions and laws, the alienation of permanent interests in real property so as to restrict the acquisition of such interests to persons of Federated States of Micronesia citizenship and the Republic of the Marshall Islands citizenship, respectively.

(d) NUCLEAR WASTE DISPOSAL.—In approving the U.S.-FSM Compact and the U.S.-RMI Compact, Congress understands that

the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands will not permit any other government or any nongovernmental party to conduct, in the Republic of the Marshall Islands or in the Federated States of Micronesia, any of the activities specified in subsection (a) of section 314 of the U.S.-FSM Compact and the U.S.-RMI Compact.

(e) IMPACT OF THE U.S.-FSM COMPACT AND THE U.S.-RMI COMPACT ON THE STATE OF HAWAII, GUAM, THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS AND AMERICAN SAMOA; RELATED AUTHORIZATION AND CONTINUING APPROPRIATION.—

(1) STATEMENT OF CONGRESSIONAL INTENT.—In reauthorizing the U.S.-FSM Compact and the U.S.-RMI Compact, it is not the intent of Congress to cause any adverse consequences for an affected jurisdiction.

(2) DEFINITIONS.—For the purposes of this title—

(A) the term “affected jurisdiction” means American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the State of Hawaii; and

(B) the term “qualified nonimmigrant” means a person, or their children under the age of 18, admitted or resident pursuant to section 141 of the U.S.-RMI or U.S.-FSM Compact, or section 141 of the Palau Compact who, as of a date referenced in the most recently published enumeration is a resident of an affected jurisdiction. As used in this subsection, the term “resident” shall be a person who has a “residence,” as that term is defined in section 101(a)(33) of the Immigration and Nationality Act, as amended.

(3) AUTHORIZATION AND CONTINUING APPROPRIATION.—

There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, \$30,000,000 for grants to affected jurisdictions to aid in defraying costs incurred by affected jurisdictions as a result of increased demands placed on health, educational, social, or public safety services or infrastructure related to such services due to the residence in affected jurisdictions of qualified nonimmigrants from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau. The grants shall be—

Grants.

(A) awarded and administered by the Department of the Interior, Office of Insular Affairs, or any successor thereto, in accordance with regulations, policies and procedures applicable to grants so awarded and administered; and

(B) used only for health, educational, social, or public safety services, or infrastructure related to such services, specifically affected by qualified nonimmigrants.

(4) ENUMERATION.—The Secretary of the Interior shall conduct periodic enumerations of qualified nonimmigrants in each affected jurisdiction. The enumerations—

(A) shall be conducted at such intervals as the Secretary of the Interior shall determine, but no less frequently than every five years, beginning in fiscal year 2003;

(B) shall be supervised by the United States Bureau of the Census or such other organization as the Secretary of the Interior may select; and

(C) after fiscal year 2003, shall be funded by the Secretary of the Interior by deducting such sums as are necessary, but not to exceed \$300,000 as adjusted for inflation pursuant to section 217 of the U.S.-FSM Compact with fiscal year 2003 as the base year, per enumeration, from funds appropriated pursuant to the authorization contained in paragraph (3) of this subsection.

(5) ALLOCATION.—The Secretary of the Interior shall allocate to the government of each affected jurisdiction, on the basis of the results of the most recent enumeration, grants in an aggregate amount equal to the total amount of funds appropriated under paragraph (3) of this subsection, as reduced by any deductions authorized by subparagraph (C) of paragraph (4) of this subsection, multiplied by a ratio derived by dividing the number of qualified nonimmigrants in such affected jurisdiction by the total number of qualified nonimmigrants in all affected jurisdictions.

(6) AUTHORIZATION FOR HEALTH CARE REIMBURSEMENT.—There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to reimburse health care institutions in the affected jurisdictions for costs resulting from the migration of citizens of the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau to the affected jurisdictions as a result of the implementation of the Compact of Free Association, approved by Public Law 99-239, or the approval of the U.S.-FSM Compact and the U.S.-RMI Compact by this resolution.

(7) USE OF DOD MEDICAL FACILITIES AND NATIONAL HEALTH SERVICE CORPS.—

(A) DOD MEDICAL FACILITIES.—The Secretary of Defense shall make available, on a space available and reimbursable basis, the medical facilities of the Department of Defense for use by citizens of the Federated States of Micronesia and the Republic of the Marshall Islands who are properly referred to the facilities by government authorities responsible for provision of medical services in the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau and the affected jurisdictions.

(B) NATIONAL HEALTH SERVICE CORPS.—The Secretary of Health and Human Services shall continue to make the services of the National Health Service Corps available to the residents of the Federated States of Micronesia and the Republic of the Marshall Islands to the same extent and for so long as such services are authorized to be provided to persons residing in any other areas within or outside the United States.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph such sums as are necessary for each fiscal year.

(8) REPORTING REQUIREMENT.—Not later than one year after the date of enactment of this joint resolution, and at one year intervals thereafter, the Governors of Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa may provide to the Secretary of the Interior by February 1 of each year their comments with respect to the impacts of the Compacts on their respective jurisdiction.

Deadline.

The Secretary of the Interior, upon receipt of any such comments, shall report to the Congress not later than May 1 of each year to include the following:

(A) The Governor's comments on the impacts of the Compacts as well as the Administration's analysis of such impact.

(B) The Administration views on any recommendations for corrective action to eliminate those consequences as proposed by such Governors.

(C) With regard to immigration, statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report.

(D) With regard to trade, an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia, and the Republic of the Marshall Islands.

(9) RECONCILIATION OF UNREIMBURSED IMPACT EXPENSES.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the President, to address previously accrued and unreimbursed impact expenses, may at the request of the Governor of Guam or the Governor of the Commonwealth of the Northern Mariana Islands, reduce, release, or waive all or part of any amounts owed by the Government of Guam or the Government of the Commonwealth of the Northern Mariana Islands (or either government's autonomous agencies or instrumentalities), respectively, to any department, agency, independent agency, office, or instrumentality of the United States.

(B) TERMS AND CONDITIONS.—

(i) SUBSTANTIATION OF IMPACT COSTS.—Not later than 120 days after the date of the enactment of this resolution, the Governor of Guam and the Governor of the Commonwealth of the Northern Mariana Islands shall each submit to the Secretary of the Interior a report, prepared in consultation with an independent accounting firm, substantiating unreimbursed impact expenses claimed for the period from January 14, 1986, through September 30, 2003. Upon request of the Secretary of the Interior, the Governor of Guam and the Governor of the Commonwealth of the Northern Mariana Islands shall submit to the Secretary of the Interior copies of all documents upon which the report submitted by that Governor under this clause was based.

Deadline.
Reports.

(ii) CONGRESSIONAL NOTIFICATION.—The President shall notify Congress of his intent to exercise the authority granted in subparagraph (A).

President.

(iii) CONGRESSIONAL REVIEW AND COMMENT.—Any reduction, release, or waiver under this Act shall not take effect until 60 days after the President notifies Congress of his intent to approve a request of the Governor of Guam or the Governor of the Commonwealth of the Northern Mariana Islands. In exercising his authority under this section and in determining

Effective date.

whether to give final approval to a request, the President shall take into consideration comments he may receive after Congressional review.

(iv) EXPIRATION.—The authority granted in subparagraph (A) shall expire on February 28, 2005.

(10) AUTHORIZATION OF APPROPRIATIONS FOR GRANTS.—

There are hereby authorized to the Secretary of the Interior for each of fiscal years 2004 through 2023 such sums as may be necessary for grants to the governments of Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa, as a result of increased demands placed on educational, social, or public safety services or infrastructure related to service due to the presence in Guam, Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa of qualified nonimmigrants from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(f) FOREIGN LOANS.—Congress hereby reaffirms the United States position that the United States Government is not responsible for foreign loans or debt obtained by the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands.

(g) SENSE OF CONGRESS CONCERNING FUNDING OF PUBLIC INFRASTRUCTURE.—It is the sense of Congress that not less than 30 percent of the United States annual grant assistance provided under section 211 of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and not less than 30 percent of the total amount of section 211 funds allocated to each of the States of the Federated States of Micronesia, shall be invested in infrastructure improvements and maintenance in accordance with section 211(a)(6). It is further the sense of Congress that not less than 30 percent of the United States annual grant assistance provided under section 211 of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, shall be invested in infrastructure improvements and maintenance in accordance with section 211(d).

(h) REPORTS AND REVIEWS.—

(1) REPORT BY THE PRESIDENT.—Not later than the end of the first full calendar year following enactment of this resolution, and not later than December 31 of each year thereafter, the President shall report to Congress regarding the Federated States of Micronesia and the Republic of the Marshall Islands, including but not limited to—

(A) general social, political, and economic conditions, including estimates of economic growth, per capita income, and migration rates;

(B) the use and effectiveness of United States financial, program, and technical assistance;

(C) the status of economic policy reforms including but not limited to progress toward establishing self-sufficient tax rates;

(D) the status of the efforts to increase investment including: the rate of infrastructure investment of U.S. financial assistance under the U.S.-FSM Compact and the

Deadline.

U.S.-RMI Compact; non-U.S. contributions to the trust funds, and the level of private investment; and

(E) recommendations on ways to increase the effectiveness of United States assistance and to meet overall economic performance objectives, including, if appropriate, recommendations to Congress to adjust the inflation rate or to adjust the contributions to the Trust Funds based on non-U.S. contributions.

(2) REVIEW.—During the year of the fifth, tenth, and fifteenth anniversaries of the date of enactment of this resolution, the Government of the United States shall review the terms of the respective Compacts and consider the overall nature and development of the U.S.-FSM and U.S.-RMI relationships including the topics set forth in subparagraphs (A) through (E) of paragraph (1). In conducting the reviews, the Government of the United States shall consider the operating requirements of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands and their progress in meeting the development objectives set forth in their respective development plans. The President shall include in the annual reports to Congress for the years following the reviews the comments of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands on the topics described in this paragraph, the President's response to the comments, the findings resulting from the reviews, and any recommendations for actions to respond to such findings.

President.

(3) BY THE COMPTROLLER GENERAL.—Not later than the date that is three years after the date of enactment of this joint resolution, and every 5 years thereafter, the Comptroller General of the United States shall submit to Congress a report on the Federated States of Micronesia and the Republic of the Marshall Islands including the topics set forth in paragraphs (1) (A) through (E) above, and on the effectiveness of administrative oversight by the United States.

Deadline.

(i) CONSTRUCTION OF SECTION 141(f).—Section 141(f)(2) of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia and of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, shall be construed as though, after “may by regulations prescribe”, there were included the following: “, except that any such regulations that would have a significant effect on the admission, stay and employment privileges provided under this section shall not become effective until 90 days after the date of transmission of the regulations to the Committee on Energy and Natural Resources and the Committee on the Judiciary of the Senate and the Committee on Resources, the Committee on International Relations, and the Committee on the Judiciary of the House of Representatives”.

Effective date.

(j) INFLATION ADJUSTMENT.—As of Fiscal Year 2015, if the United States Gross Domestic Product Implicit Price Deflator average for Fiscal Years 2009 through 2013 is greater than United States Gross Domestic Product Implicit Price Deflator average for Fiscal Years 2004 through 2008 (as reported in the Survey of Current Business or subsequent publication and compiled by the

Department of Interior), then section 217 of the U.S.-FSM Compact, paragraph 5 of Article II of the U.S.-FSM Fiscal Procedures Agreement, section 218 of the U.S.-RMI Compact, and paragraph 5 of Article II of the U.S.-RMI Fiscal Procedures Agreement shall be construed as if “the full” appeared in place of “two-thirds of the” each place those words appear. If an inflation adjustment is made under this subsection, the base year for calculating the inflation adjustment shall be fiscal year 2014.

(k) PARTICIPATION BY SECONDARY SCHOOLS IN THE ARMED SERVICES VOCATIONAL APTITUDE BATTERY (ASVAB) STUDENT TESTING PROGRAM.—In furtherance of the provisions of Title Three, Article IV, Section 341 of the U.S.-FSM and the U.S.-RMI Compacts, the purpose of which is to establish the privilege to volunteer for service in the U.S. Armed Forces, it is the sense of Congress that, to facilitate eligibility of FSM and RMI secondary school students to qualify for such service, the Department of Defense may extend the Armed Services Vocational Aptitude Battery (ASVAB) Student Testing Program (STP) and the ASVAB Career Exploration Program to selected secondary Schools in the FSM and the RMI to the extent such programs are available to Department of Defense Dependent Schools located in foreign jurisdictions.

48 USC 1921d.

SEC. 105. SUPPLEMENTAL PROVISIONS.

(a) DOMESTIC PROGRAM REQUIREMENTS.—Except as may otherwise be provided in this joint resolution, all United States Federal programs and services extended to or operated in the Federated States of Micronesia or the Republic of the Marshall Islands are and shall remain subject to all applicable criteria, standards, reporting requirements, auditing procedures, and other rules and regulations applicable to such programs when operating in the United States (including its territories and commonwealths).

(b) RELATIONS WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS.—

(1) Appropriations made pursuant to Article I of Title Two and subsection (a)(2) of section 221 of article II of Title Two of the U.S.-FSM Compact and the U.S.-RMI Compact shall be made to the Secretary of the Interior, who shall have the authority necessary to fulfill his responsibilities for monitoring and managing the funds so appropriated consistent with the U.S.-FSM Compact and the U.S.-RMI Compact, including the agreements referred to in section 462(b)(4) of the U.S.-FSM Compact and U.S.-RMI Compact (relating to Fiscal Procedures) and the agreements referred to in section 462(b)(5) of the U.S.-FSM Compact and the U.S.-RMI Compact (regarding the Trust Fund).

(2) Appropriations made pursuant to subsections (a)(1) and (a)(3) through (6) of section 221 of Article II of Title Two of the U.S.-FSM Compact and subsection (a)(1) and (a)(3) through (5) of the U.S.-RMI Compact shall be made directly to the agencies named in those subsections.

(3) Appropriations for services and programs referred to in subsection (b) of section 221 of Article II of Title Two of the U.S.-FSM Compact or U.S.-RMI Compact and appropriations for services and programs referred to in sections 105(f) and 108(a) of this joint resolution shall be made to the relevant agencies in accordance with the terms of the appropriations for such services and programs.

(4) Federal agencies providing programs and services to the Federated States of Micronesia and the Republic of the Marshall Islands shall coordinate with the Secretaries of the Interior and State regarding provision of such programs and services. The Secretaries of the Interior and State shall consult with appropriate officials of the Asian Development Bank and with the Secretary of the Treasury regarding overall economic conditions in the Federated States of Micronesia and the Republic of the Marshall Islands and regarding the activities of other donors of assistance to the Federated States of Micronesia and the Republic of the Marshall Islands.

(5) United States Government employees in either the Federated States of Micronesia or the Republic of the Marshall Islands are subject to the authority of the United States Chief of Mission, including as elaborated in section 207 of the Foreign Service Act and the President's Letter of Instruction to the United States Chief of Mission and any order or directive of the President in effect from time to time.

(6) INTERAGENCY GROUP ON FREELY ASSOCIATED STATES' AFFAIRS.—

Establishment.

(A) IN GENERAL.—The President is hereby authorized to appoint an Interagency Group on Freely Associated States' Affairs to provide policy guidance and recommendations on implementation of the U.S.-FSM Compact and the U.S.-RMI Compact to Federal departments and agencies.

President.

(B) SECRETARIES.—It is the sense of Congress that the Secretary of State and the Secretary of the Interior shall be represented on the Interagency Group.

(7) UNITED STATES APPOINTEES TO JOINT COMMITTEES.—

(A) JOINT ECONOMIC MANAGEMENT COMMITTEE.—

(i) IN GENERAL.—The three United States appointees (United States chair plus two members) to the Joint Economic Management Committee provided for in section 213 of the U.S.-FSM Compact and Article III of the U.S.-FSM Fiscal Procedures Agreement referred to in section 462(b)(4) of the U.S.-FSM Compact shall be United States Government officers or employees.

(ii) DEPARTMENTS.—It is the sense of Congress that 2 of the 3 appointees should be designated from the Department of State and the Department of the Interior, and that U.S. officials of the Asian Development Bank shall be consulted in order to properly coordinate U.S. and Asian Development Bank financial, program, and technical assistance.

(iii) ADDITIONAL SCOPE.—Section 213 of the U.S.-FSM Compact shall be construed to read as though the phrase, "the implementation of economic policy reforms to encourage investment and to achieve self-sufficient tax rates," were inserted after "with particular focus on those parts of the plan dealing with the sectors identified in subsection (a) of section 211".

(B) JOINT ECONOMIC MANAGEMENT AND FINANCIAL ACCOUNTABILITY COMMITTEE.—

(i) IN GENERAL.—The three United States appointees (United States chair plus two members)

to the Joint Economic Management and Financial Accountability Committee provided for in section 214 of the U.S.-RMI Compact and Article III of the U.S.-RMI Fiscal Procedures Agreement referred to in section 462(b)(4) of the U.S.-RMI Compact shall be United States Government officers or employees.

(ii) DEPARTMENTS.—It is the sense of Congress that 2 of the 3 appointees should be designated from the Department of State and the Department of the Interior, and that U.S. officials of the Asian Development Bank shall be consulted in order to properly coordinate U.S. and Asian Development Bank financial, program, and technical assistance.

(iii) ADDITIONAL SCOPE.—Section 214 of the U.S.-RMI Compact shall be construed to read as though the phrase, “the implementation of economic policy reforms to encourage investment and to achieve self-sufficient tax rates,” were inserted after “with particular focus on those parts of the framework dealing with the sectors and areas identified in subsection (a) of section 211”.

(8) OVERSIGHT AND COORDINATION.—It is the sense of Congress that the Secretary of State and the Secretary of the Interior shall ensure that there are personnel resources committed in the appropriate numbers and locations to ensure effective oversight of United States assistance, and effective coordination of assistance among United States agencies and with other international donors such as the Asian Development Bank.

(9) The United States voting members (United States chair plus two or more members) of the Trust Fund Committee appointed by the Government of the United States pursuant to Article 7 of the Trust Fund Agreement implementing section 215 of the U.S.-FSM Compact and referred to in section 462(b)(5) of the U.S.-FSM Compact and any alternates designated by the Government of the United States shall be United States Government officers or employees. The United States voting members (United States chair plus two or more members) of the Trust Fund Committee appointed by the Government of the United States pursuant to Article 7 of the Trust Fund Agreement implementing section 216 of the U.S.-RMI Compact and referred to in section 462(b)(5) of the U.S.-RMI Compact and any alternates designated by the Government of the United States shall be United States Government officers or employees. It is the sense of Congress that the appointees should be designated from the Department of State, the Department of the Interior, and the Department of the Treasury.

(10) The Trust Fund Committee provided for in Article 7 of the U.S.-FSM Trust Fund Agreement implementing section 215 of the U.S.-FSM Compact shall be a nonprofit corporation incorporated under the laws of the District of Columbia. To the extent that any law, rule, regulation or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Trust Fund Committee is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Trust Fund Committee pursuant to this joint resolution, such law, rule, regulation,

or ordinance shall be deemed to be preempted by this joint resolution. The Trust Fund Committee provided for in Article 7 of the U.S.-RMI Trust Fund Agreement implementing section 216 of the U.S.-RMI Compact shall be a non-profit corporation incorporated under the laws of the District of Columbia. To the extent that any law, rule, regulation or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Trust Fund Committee is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Trust Fund Committee pursuant to this joint resolution, such law, rule, regulation, or ordinance shall be deemed to be preempted by this joint resolution.

(c) CONTINUING TRUST TERRITORY AUTHORIZATION.—The authorization provided by the Act of June 30, 1954, as amended (68 Stat. 330) shall remain available after the effective date of the Compact with respect to the Federated States of Micronesia and the Republic of the Marshall Islands for the following purposes:

(1) Prior to October 1, 1986, for any purpose authorized by the Compact or the joint resolution of January 14, 1986 (Public Law 99-239).

(2) Transition purposes, including but not limited to, completion of projects and fulfillment of commitments or obligations; termination of the Trust Territory Government and termination of the High Court; health and education as a result of exceptional circumstances; ex gratia contributions for the populations of Bikini, Enewetak, Rongelap, and Utrik; and technical assistance and training in financial management, program administration, and maintenance of infrastructure.

(d) SURVIVABILITY.—In furtherance of the provisions of Title Four, Article V, sections 452 and 453 of the U.S.-FSM Compact and the U.S.-RMI Compact, any provisions of the U.S.-FSM Compact or the U.S.-RMI Compact which remain effective after the termination of the U.S.-FSM Compact or U.S.-RMI Compact by the act of any party thereto and which are affected in any manner by provisions of this title shall remain subject to such provisions.

(e) NONCOMPLIANCE SANCTIONS; ACTIONS INCOMPATIBLE WITH UNITED STATES AUTHORITY.—Congress expresses its understanding that the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands will not act in a manner incompatible with the authority and responsibility of the United States for security and defense matters in or related to the Federated States of Micronesia or the Republic of the Marshall Islands pursuant to the U.S.-FSM Compact or the U.S.-RMI Compact, including the agreements referred to in sections 462(a)(2) of the U.S.-FSM Compact and 462(a)(5) of the U.S.-RMI Compact. Congress further expresses its intention that any such act on the part of either such Government will be viewed by the United States as a material breach of the U.S.-FSM Compact or U.S.-RMI Compact. The Government of the United States reserves the right in the event of such a material breach of the U.S.-FSM Compact by the Government of the Federated States of Micronesia or the U.S.-RMI Compact by the Government of the Republic of the Marshall Islands to take action, including (but not limited to) the suspension in whole or in part of the obligations of the Government of the United States to that Government.

(f) CONTINUING PROGRAMS AND LAWS.—

(1) FEDERATED STATES OF MICRONESIA AND REPUBLIC OF THE MARSHALL ISLANDS.—In addition to the programs and services set forth in section 221 of the Compact, and pursuant to section 222 of the Compact, the programs and services of the following agencies shall be made available to the Federated States of Micronesia and to the Republic of the Marshall Islands:

(A) CONTINUATION OF THE PROGRAMS AND SERVICES OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY.—Except as provided in clauses (ii) and (iii), the programs and services of the Department of Homeland Security, Federal Emergency Management Agency shall continue to be available to the Federated States of Micronesia and the Republic of the Marshall Islands to the same extent as such programs and services were available in fiscal year 2003.

(i) Paragraph (a)(6) of section 221 of the U.S.-FSM Compact and paragraph (a)(5) of the U.S.-RMI Compact shall each be construed as though the paragraph reads as follows: “the Department of Homeland Security, United States Federal Emergency Management Agency.”.

(ii) Subsection (d) of section 211 of the U.S.-FSM Compact and subsection (e) of section 211 of the U.S.-RMI Compact shall each be construed as though the subsection reads as follows: “Not more than \$200,000 (as adjusted for inflation pursuant to section 217 of the U.S.-FSM Compact and section 218 of the U.S.-RMI Compact) shall be made available by the Secretary of the Interior to the Department of Homeland Security, Federal Emergency Management Agency to facilitate the activities of the Federal Emergency Management Agency in accordance with and to the extent provided in the Federal Programs and Services Agreement.”.

(iii) The Secretary of State, in consultation with the Department of Homeland Security and the Federal Emergency Management Agency, shall immediately undertake negotiations with the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands regarding disaster assistance and shall report to the appropriate committees of Congress no later than June 30, 2004, on the outcome of such negotiations, including recommendations for changes to law regarding disaster assistance under the U.S.-FSM Compact and the U.S.-RMI Compact, and including subsidiary agreements as needed to implement such changes to law. If an agreement is not concluded, and legislation enacted which reflects such agreement, before the date which is five years after the date of enactment of this Joint Resolution, the following provisions shall apply:

“Paragraph (a)(6) of section 221 of the U.S.-FSM Compact and paragraph (a)(5) of section 221 of the U.S.-RMI Compact shall each be construed and applied as if each provision reads as follows:

Reports.
Deadline.

Applicability.

“The U.S. Agency for International Development shall be responsible for the provision of emergency and disaster relief assistance in accordance with its statutory authorities, regulations and policies. The Republic of the Marshall Islands and the Federated States of Micronesia may additionally request that the President make an emergency or major disaster declaration. If the President declares an emergency or major disaster, the Department of Homeland Security (DHS), the Federal Emergency Management Agency (FEMA) and the U.S. Agency for International Development shall jointly (a) assess the damage caused by the emergency or disaster and (b) prepare a reconstruction plan including an estimate of the total amount of Federal resources that are needed for reconstruction. Pursuant to an interagency agreement, FEMA shall transfer funds from the Disaster Relief Fund in the amount of the estimate, together with an amount to be determined for administrative expenses, to the U.S. Agency for International Development, which shall carry out reconstruction activities in the Republic of the Marshall Islands and the Federated States of Micronesia in accordance with the reconstruction plan. For purposes of Disaster Relief Fund appropriations, the funding of the activities to be carried out pursuant to this paragraph shall be deemed to be necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

“DHS may provide to the Republic of the Marshall Islands and the Federated States of Micronesia preparedness grants to the extent that such assistance is available to the States of the United States. Funding for this assistance may be made available from appropriations made to DHS for preparedness activities.”.

(B) TREATMENT OF ADDITIONAL PROGRAMS.—

(i) CONSULTATION.—The United States appointees to the committees established pursuant to section 213 of the U.S.-FSM Compact and section 214 of the U.S.-RMI Compact shall consult with the Secretary of Education regarding the objectives, use, and monitoring of United States financial, program, and technical assistance made available for educational purposes.

(ii) CONTINUING PROGRAMS.—The Government of the United States—

(I) shall continue to make available to the Federated States of Micronesia and the Republic of the Marshall Islands for fiscal years 2004 through 2023, the services to individuals eligible for such services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) to the extent that such services continue to be available to individuals in the United States; and

(II) shall continue to make available to eligible institutions in the Federated States of Micronesia and the Republic of the Marshall Islands, and to students enrolled in such institutions, and in

institutions in the United States and its territories, for fiscal years 2004 through 2023, grants under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.) to the extent that such grants continue to be available to institutions and students in the United States.

(iii) SUPPLEMENTAL EDUCATION GRANTS.—In lieu of eligibility for appropriations under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), other than subtitle C of that Act (29 U.S.C. 2881 et seq.) (Job Corps), title II of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.; commonly known as the Adult Education and Family Literacy Act), title I of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2321 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), and subpart 3 of part A, and part C, of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070b et seq., 42 U.S.C. 2751 et seq.), there are authorized to be appropriated to the Secretary of Education to supplement the education grants under section 211(a)(1) of the U.S.-FSM Compact and section 211(a)(1) of the U.S.-RMI Compact, respectively, the following amounts:

(I) \$12,230,000 for the Federated States of Micronesia for fiscal year 2005 and an equivalent amount, as adjusted for inflation under section 217 of the U.S.-FSM Compact, for each of fiscal years 2005 through 2023; and

(II) \$6,100,000 for the Republic of the Marshall Islands for fiscal year 2005 and an equivalent amount, as adjusted for inflation under section 218 of the U.S.-RMI Compact, for each of fiscal years 2005 through 2023,

except that citizens of the Federated States of Micronesia and the Republic of the Marshall Islands who attend an institution of higher education in the United States or its territories, the Federated States of Micronesia, or the Republic of the Marshall Islands on the date of enactment of this joint resolution may continue to receive assistance under such subpart 3 of part A or part C, for not more than 4 academic years after such date to enable such citizens to complete their program of study.

(iv) FISCAL PROCEDURES.—Appropriations made pursuant to clause (iii) shall be used and monitored in accordance with an agreement between the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, and the Secretary of the Interior, and in accordance with the respective Fiscal Procedures Agreements referred to in section 462(b)(4) of the U.S.-FSM Compact and section 462(b)(4) of the U.S.-RMI Compact. The agreement between the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services,

Deadline.

and the Secretary of the Interior shall provide for the transfer, not later than 60 days after the appropriations made pursuant to clause (iii) become available to the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services, from the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services, to the Secretary of the Interior for disbursement.

(v) **FORMULA EDUCATION GRANTS.**—For fiscal years 2005 through 2023, except as provided in clause (ii) and the exception provided under clause (iii), the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall not receive any grant under any formula-grant program administered by the Secretary of Education or the Secretary of Labor, nor any grant provided through the Head Start Act (42 U.S.C. 9831 et seq.) administered by the Secretary of Health and Human Services.

(vi) **TRANSITION.**—For fiscal year 2004, the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall continue to be eligible for appropriations and to receive grants under the provisions of law specified in clauses (ii) and (iii).

(vii) **TECHNICAL ASSISTANCE.**—The Federated States of Micronesia and the Republic of the Marshall Islands may request technical assistance from the Secretary of Education, the Secretary of Health and Human Services, or the Secretary of Labor the terms of which, including reimbursement, shall be negotiated with the participation of the appropriate cabinet officer for inclusion in the Federal Programs and Services Agreement.

(viii) **CONTINUED ELIGIBILITY FOR COMPETITIVE GRANTS.**—The Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall continue to be eligible for competitive grants administered by the Secretary of Education, the Secretary of Health and Human Services, and the Secretary of Labor to the extent that such grants continue to be available to State and local governments in the United States.

(ix) **APPLICABILITY.**—The Republic of Palau shall remain eligible for appropriations and to receive grants under the provisions of law specified in clauses (ii) and (iii) until the end of fiscal year 2007, to the extent the Republic of Palau was so eligible under such provisions in fiscal year 2003.

(C) The Legal Services Corporation.

(D) The Public Health Service.

(E) The Rural Housing Service (formerly, the Farmers Home Administration) in the Marshall Islands and each of the four States of the Federated States of Micronesia: *Provided*, That in lieu of continuation of the program in the Federated States of Micronesia, the President may agree to transfer to the Government of the Federated States of Micronesia without cost, the portfolio of the Rural Housing Service applicable to the Federated States of

Micronesia and provide such technical assistance in management of the portfolio as may be requested by the Federated States of Micronesia.

(2) TORT CLAIMS.—The provisions of section 178 of the U.S.-FSM Compact and the U.S.-RMI Compact regarding settlement and payment of tort claims shall apply to employees of any Federal agency of the Government of the United States (and to any other person employed on behalf of any Federal agency of the Government of the United States on the basis of a contractual, cooperative, or similar agreement) which provides any service or carries out any other function pursuant to or in furtherance of any provisions of the U.S.-FSM Compact or the U.S.-RMI Compact or this joint resolution, except for provisions of Title Three of the Compact and of the subsidiary agreements related to such Title, in such area to which such Agreement formerly applied.

(3) PCB CLEANUP.—The programs and services of the Environmental Protection Agency regarding PCBs shall, to the extent applicable, as appropriate, and in accordance with applicable law, be construed to be made available to such islands for the cleanup of PCBs imported prior to 1987. The Secretary of the Interior and the Secretary of Defense shall cooperate and assist in any such cleanup activities.

(g) COLLEGE OF MICRONESIA.—Until otherwise provided by Act of Congress, or until termination of the U.S.-FSM Compact and the U.S.-RMI Compact, the College of Micronesia shall retain its status as a land-grant institution and its eligibility for all benefits and programs available to such land-grant institutions.

(h) TRUST TERRITORY DEBTS TO U.S. FEDERAL AGENCIES.—Neither the Government of the Federated States of Micronesia nor the Government of the Marshall Islands shall be required to pay to any department, agency, independent agency, office, or instrumentality of the United States any amounts owed to such department, agency, independent agency, office, or instrumentality by the Government of the Trust Territory of the Pacific Islands as of the effective date of the Compact. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

(i) JUDICIAL TRAINING.—

(1) IN GENERAL.—In addition to amounts provided under section 211(a)(4) of the U.S.-FSM Compact and the U.S.-RMI Compact, the Secretary of the Interior shall annually provide \$300,000 for the training of judges and officials of the judiciary in the Federated States of Micronesia and the Republic of the Marshall Islands in cooperation with the Pacific Islands Committee of the Ninth Circuit Judicial Council and in accordance with and to the extent provided in the Federal Programs and Services Agreement and the Fiscal Procedure Agreement, as appropriate.

(2) AUTHORIZATION AND CONTINUING APPROPRIATION.—There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, \$300,000, as adjusted for inflation under section 218 of the U.S.-FSM Compact and the U.S.-RMI Compact, to carry out the purposes of this section.

(j) **TECHNICAL ASSISTANCE.**—Technical assistance may be provided pursuant to section 224 of the U.S.-FSM Compact or the U.S.-RMI Compact by Federal agencies and institutions of the Government of the United States to the extent such assistance may be provided to States, territories, or units of local government. Such assistance by the Forest Service, the Natural Resources Conservation Service, the Fish and Wildlife Service, the National Marine Fisheries Service, the United States Coast Guard, and the Advisory Council on Historic Preservation, the Department of the Interior, and other agencies providing assistance under the National Historic Preservation Act (80 Stat. 915; 16 U.S.C. 470–470t), shall be on a nonreimbursable basis. During the period the U.S.-FSM Compact and the U.S.-RMI Compact are in effect, the grant programs under the National Historic Preservation Act shall continue to apply to the Federated States of Micronesia and the Republic of the Marshall Islands in the same manner and to the same extent as prior to the approval of the Compact. Any funds provided pursuant to sections 102(a), 103(a), 103(b), 103(f), 103(g), 103(h), 103(j), 105(c), 105(g), 105(h), 105(i), 105(j), 105(k), 105(l), and 105(m) of this joint resolution shall be in addition to and not charged against any amounts to be paid to either the Federated States of Micronesia or the Republic of the Marshall Islands pursuant to the U.S.-FSM Compact, the U.S.-RMI Compact, or their related subsidiary agreements.

(k) **PRIOR SERVICE BENEFITS PROGRAM.**—Notwithstanding any other provision of law, persons who on January 1, 1985, were eligible to receive payment under the Prior Service Benefits Program established within the Social Security System of the Trust Territory of the Pacific Islands because of their services performed for the United States Navy or the Government of the Trust Territory of the Pacific Islands prior to July 1, 1968, shall continue to receive such payments on and after the effective date of the Compact.

(l) **INDEFINITE LAND USE PAYMENTS.**—There are authorized to be appropriated such sums as may be necessary to complete repayment by the United States of any debts owed for the use of various lands in the Federated States of Micronesia and the Marshall Islands prior to January 1, 1985.

(m) **COMMUNICABLE DISEASE CONTROL PROGRAM.**—There are authorized to be appropriated for grants to the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands, and the governments of the affected jurisdictions, such sums as may be necessary for purposes of establishing or continuing programs for the control and prevention of communicable diseases, including (but not limited to) cholera, tuberculosis, and Hansen's Disease. The Secretary of the Interior shall assist the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands and the governments of the affected jurisdictions in designing and implementing such a program.

(n) **USER FEES.**—Any person in the Federated States of Micronesia or the Republic of the Marshall Islands shall be liable for user fees, if any, for services provided in the Federated States of Micronesia or the Republic of the Marshall Islands by the Government of the United States to the same extent as any person in the United States would be liable for fees, if any, for such services in the United States.

(o) TREATMENT OF JUDGMENTS OF COURTS OF THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE REPUBLIC OF PALAU.—No judgment, whenever issued, of a court of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, against the United States, its departments and agencies, or officials of the United States or any other individuals acting on behalf of the United States within the scope of their official duty, shall be honored by the United States, or be subject to recognition or enforcement in a court in the United States, unless the judgment is consistent with the interpretation by the United States of international agreements relevant to the judgment. In determining the consistency of a judgment with an international agreement, due regard shall be given to assurances made by the Executive Branch to Congress of the United States regarding the proper interpretation of the international agreement.

(p) ESTABLISHMENT OF TRUST FUNDS; EXPEDITION OF PROCESS.—

(1) IN GENERAL.—The Trust Fund Agreement executed pursuant to the U.S.-FSM Compact and the Trust Fund Agreement executed pursuant to the U.S.-RMI Compact each provides for the establishment of a trust fund.

(2) METHOD OF ESTABLISHMENT.—The trust fund may be established by—

(A) creating a new legal entity to constitute the trust fund; or

(B) assuming control of an existing legal entity including, without limitation, a trust fund or other legal entity that was established by or at the direction of the Government of the United States, the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands, or otherwise for the purpose of facilitating or expediting the establishment of the trust fund pursuant to the applicable Trust Fund Agreement.

(3) OBLIGATIONS.—For the purpose of expediting the commencement of operations of a trust fund under either Trust Fund Agreement, the trust fund may, but shall not be obligated to, assume any obligations of an existing legal entity and take assignment of any contract or other agreement to which the existing legal entity is party.

(4) ASSISTANCE.—Without limiting the authority that the United States Government may otherwise have under applicable law, the United States Government may, but shall not be obligated to, provide financial, technical, or other assistance directly or indirectly to the Government of the Federated States of Micronesia or the Government of the Republic of the Marshall Islands for the purpose of establishing and operating a trust fund or other legal entity that will solicit bids from, and enter into contracts with, parties willing to serve in such capacities as trustee, depository, money manager, or investment advisor, with the intention that the contracts will ultimately be assumed by and assigned to a trust fund established pursuant to a Trust Fund Agreement.

SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.

48 USC 1921e.

(a) **ASSISTANCE TO U.S. FIRMS.**—In order to assist the Governments of the Federated States of Micronesia and of the Republic of the Marshall Islands through private sector firms which may be awarded contracts for construction or major repair of capital infrastructure within the Federated States of Micronesia or the Republic of the Marshall Islands, the United States shall consult with the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands with respect to any such contracts, and the United States shall enter into agreements with such firms whereby such firms will, consistent with applicable requirements of such Governments—

(1) to the maximum extent possible, employ citizens of the Federated States of Micronesia and the Republic of the Marshall Islands;

(2) to the extent that necessary skills are not possessed by citizens of the Federated States of Micronesia and the Republic of the Marshall Islands, provide on the job training, with particular emphasis on the development of skills relating to operation of machinery and routine and preventative maintenance of machinery and other facilities; and

(3) provide specific training or other assistance in order to enable the Government to engage in long-term maintenance of infrastructure.

Assistance by such firms pursuant to this section may not exceed 20 percent of the amount of the contract and shall be made available only to such firms which meet the definition of United States firm under the nationality rule for suppliers of services of the Agency for International Development (hereafter in this section referred to as “United States firms”). There are authorized to be appropriated such sums as may be necessary for the purposes of this subsection.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to cover any additional costs incurred by the Government of the Federated States of Micronesia or the Republic of the Marshall Islands if such Governments, pursuant to an agreement entered into with the United States, apply a preference on the award of contracts to United States firms, provided that the amount of such preference does not exceed 10 percent of the amount of the lowest qualified bid from a non-United States firm for such contract.

SEC. 107. PROHIBITION.Applicability.
48 USC 1921f.

All laws governing conflicts of interest and post-employment of Federal employees shall apply to the implementation of this Act.

SEC. 108. COMPENSATORY ADJUSTMENTS.

48 USC 1921g.

(a) **ADDITIONAL PROGRAMS AND SERVICES.**—In addition to the programs and services set forth in section 221 of the U.S.-FSM Compact and the U.S.-RMI Compact, and pursuant to section 222 of the U.S.-FSM Compact and the U.S.-RMI Compact, the services and programs of the following United States agencies shall be made available to the Federated States of Micronesia and the Republic of the Marshall Islands: the Small Business Administration, Economic Development Administration, the Rural Utilities

Services (formerly Rural Electrification Administration); the programs and services of the Department of Labor under subtitle C of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2881 et seq.; relating to Job Corps); and the programs and services of the Department of Commerce relating to tourism and to marine resource development.

(b) FURTHER AMOUNTS.—

(1) The joint resolution of January 14, 1986 (Public Law 99-239) provided that the governments of the Federated States of Micronesia and the Marshall Islands may submit to Congress reports concerning the overall financial and economic impacts on such areas resulting from the effect of title IV of that joint resolution upon Title Two of the Compact. There were authorized to be appropriated for fiscal years beginning after September 30, 1990, such amounts as necessary, but not to exceed \$40,000,000 for the Federated States of Micronesia and \$20,000,000 for the Marshall Islands, as provided in appropriation acts, to further compensate the governments of such islands (in addition to the compensation provided in subsections (a) and (b) of section 111 of the joint resolution of January 14, 1986 (Public Law 99-239)) for adverse impacts, if any, on the finances and economies of such areas resulting from the effect of title IV of that joint resolution upon Title Two of the Compact. The joint resolution of January 14, 1986 (Public Law 99-239) further provided that at the end of the initial fifteen-year term of the Compact, should any portion of the total amount of funds authorized in section 111 of that resolution not have been appropriated, such amount not yet appropriated may be appropriated, without regard to divisions between amounts authorized in section 111 for the Federated States of Micronesia and for the Marshall Islands, based on either or both such government's showing of such adverse impact, if any, as provided in that subsection.

(2) The governments of the Federated States of Micronesia and the Republic of the Marshall Islands may each submit no more than one report or request for further compensation under section 111 of the joint resolution of January 14, 1986 (Public Law 99-239) and any such report or request must be submitted by September 30, 2009. Only adverse economic effects occurring during the initial 15-year term of the Compact may be considered for compensation under section 111 of the joint resolution of January 14, 1986 (Public Law 99-239).

48 USC 1921h.

SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIATION.

(a) There are authorized and appropriated to the Department of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, such sums as are necessary to carry out the purposes of sections 105(f)(1) and 105(i) of this Act, sections 211, 212(b), 215, and 217 of the U.S.-FSM Compact, and sections 211, 212, 213(b), 216, and 218 of the U.S.-RMI Compact, in this and subsequent years.

(b) There are authorized to be appropriated to the Departments, agencies, and instrumentalities named in paragraphs (1) and (3) through (6) of section 221(a) of the U.S.-FSM Compact and paragraphs (1) and (3) through (5) of section 221(a) of the U.S.-RMI Compact, such sums as are necessary to carry out the purposes

of sections 221(a) of the U.S.-FSM Compact and the U.S.-RMI Compact, to remain available until expended.

SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE REPUBLIC OF PALAU EMPLOYED BY THE GOVERNMENT OF THE UNITED STATES IN THE CONTINENTAL UNITED STATES. 5 USC 3101 note.

Section 605 of Public Law 107–67 (the Treasury and General Government Appropriations Act, 2002) is amended by striking “or the Republic of the Philippines,” in the last sentence and inserting the following: “the Republic of the Philippines, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau,”. 5 USC 3101 note.

TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA AND BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE MARSHALL ISLANDS.

(a) COMPACT OF FREE ASSOCIATION, AS AMENDED, BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA.—The Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia is as follows: 48 USC 1921 note.

PREAMBLE

**THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE FEDERATED STATES OF
MICRONESIA**

Affirming that their Governments and their relationship as Governments are founded upon respect for human rights and fundamental freedoms for all, and that the people of the Federated States of Micronesia have the right to enjoy self-government; and

Affirming the common interests of the United States of America and the Federated States of Micronesia in creating and maintaining their close and mutually beneficial relationship through the free and voluntary association of their respective Governments; and

Affirming the interest of the Government of the United States in promoting the economic advancement and budgetary self-reliance of the Federated States of Micronesia; and

Recognizing that their relationship until the entry into force on November 3, 1986 of the Compact was based upon the International Trusteeship System of the United Nations Charter, and in particular Article 76 of the Charter; and that pursuant to Article 76 of the Charter, the people of the Federated States of Micronesia

have progressively developed their institutions of self-government, and that in the exercise of their sovereign right to self-determination they, through their freely-expressed wishes, have adopted a Constitution appropriate to their particular circumstances; and

Recognizing that the Compact reflected their common desire to terminate the Trusteeship and establish a government-to-government relationship which was in accordance with the new political status based on the freely expressed wishes of the people of the Federated States of Micronesia and appropriate to their particular circumstances; and

Recognizing that the people of the Federated States of Micronesia have and retain their sovereignty and their sovereign right to self-determination and the inherent right to adopt and amend their own Constitution and form of government and that the approval of the entry of the Government of the Federated States of Micronesia into the Compact by the people of the Federated States of Micronesia constituted an exercise of their sovereign right to self-determination; and

Recognizing the common desire of the people of the United States and the people of the Federated States of Micronesia to maintain their close government-to-government relationship, the United States and the Federated States of Micronesia:

NOW, THEREFORE, MUTUALLY AGREE to continue and strengthen their relationship of free association by amending the Compact, which continues to provide a full measure of self-government for the people of the Federated States of Micronesia; and

FURTHER AGREE that the relationship of free association derives from and is as set forth in this Compact, as amended, by the Governments of the United States and the Federated States of Micronesia; and that, during such relationship of free association, the respective rights and responsibilities of the Government of the United States and the Government of the Federated States of Micronesia in regard to this relationship of free association derive from and are as set forth in this Compact, as amended.

TITLE ONE

GOVERNMENTAL RELATIONS

Article I

Self-Government

Section 111

The people of the Federated States of Micronesia, acting through the Government established under their Constitution, are self-governing.

Article II

Foreign Affairs

Section 121

(a) The Government of the Federated States of Micronesia has the capacity to conduct foreign affairs and shall do so in its own name and right, except as otherwise provided in this Compact, as amended.

(b) The foreign affairs capacity of the Government of the Federated States of Micronesia includes:

(1) the conduct of foreign affairs relating to law of the sea and marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the sea, seabed or subsoil to the full extent recognized under international law;

(2) the conduct of its commercial, diplomatic, consular, economic, trade, banking, postal, civil aviation, communications, and cultural relations, including negotiations for the receipt of developmental loans and grants and the conclusion of arrangements with other governments and international and intergovernmental organizations, including any matters specially benefiting its individual citizens.

(c) The Government of the United States recognizes that the Government of the Federated States of Micronesia has the capacity to enter into, in its own name and right, treaties and other international agreements with governments and regional and international organizations.

(d) In the conduct of its foreign affairs, the Government of the Federated States of Micronesia confirms that it shall act in accordance with principles of international law and shall settle its international disputes by peaceful means.

Section 122

The Government of the United States shall support applications by the Government of the Federated States of Micronesia for membership or other participation in regional or international organizations as may be mutually agreed.

Section 123

(a) In recognition of the authority and responsibility of the Government of the United States under Title Three, the Government of the Federated States of Micronesia shall consult, in the conduct of its foreign affairs, with the Government of the United States.

(b) In recognition of the foreign affairs capacity of the Government of the Federated States of Micronesia, the Government of the United States, in the conduct of its foreign affairs, shall consult with the Government of the Federated States of Micronesia on matters that the Government of the United States regards as relating to or affecting the Government of the Federated States of Micronesia.

Section 124

The Government of the United States may assist or act on behalf of the Government of the Federated States of Micronesia in the area of foreign affairs as may be requested and mutually agreed from time to time. The Government of the United States shall not be responsible to third parties for the actions of the Government of the Federated States of Micronesia undertaken with the assistance or through the agency of the Government of the United States pursuant to this section unless expressly agreed.

Section 125

The Government of the United States shall not be responsible for nor obligated by any actions taken by the Government of the Federated States of Micronesia in the area of foreign affairs, except as may from time to time be expressly agreed.

Section 126

At the request of the Government of the Federated States of Micronesia and subject to the consent of the receiving state, the Government of the United States shall extend consular assistance on the same basis as for citizens of the United States to citizens of the Federated States of Micronesia for travel outside the Federated States of Micronesia, the United States and its territories and possessions.

Section 127

Except as otherwise provided in this Compact, as amended, or its related agreements, all obligations, responsibilities, rights and benefits of the Government of the United States as Administering Authority which resulted from the application pursuant to the Trusteeship Agreement of any treaty or other international agreement to the Trust Territory of the Pacific Islands on November 2, 1986, are, as of that date, no longer assumed and enjoyed by the Government of the United States.

Article III

Communications

Section 131

(a) The Government of the Federated States of Micronesia has full authority and responsibility to regulate its domestic and foreign communications, and the Government of the United States shall provide communications assistance as mutually agreed.

(b) On May 24, 1993, the Government of the Federated States of Micronesia elected to undertake all functions previously performed by the Government of the United States with respect to domestic and foreign communications, except for those functions set forth in a separate agreement entered into pursuant to this section of the Compact, as amended.

Section 132

The Government of the Federated States of Micronesia shall permit the Government of the United States to operate telecommunications services in the Federated States of Micronesia to the extent necessary to fulfill the obligations of the Government of the United States under this Compact, as amended, in accordance with the terms of separate agreements entered into pursuant to this section of the Compact, as amended.

Article IV

Immigration

Section 141

(a) In furtherance of the special and unique relationship that exists between the United States and the Federated States of Micronesia, under the Compact, as amended, any person in the following categories may be admitted to, lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions (the “United States”) without regard to paragraph (5) or (7)(B)(i)(II) of section 212(a) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1182(a)(5) or (7)(B)(i)(II):

(1) a person who, on November 2, 1986, was a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on January 1,

1979, and has become and remains a citizen of the Federated States of Micronesia;

(2) a person who acquires the citizenship of the Federated States of Micronesia at birth, on or after the effective date of the Constitution of the Federated States of Micronesia;

(3) an immediate relative of a person referred to in paragraphs (1) or (2) of this section, provided that such immediate relative is a naturalized citizen of the Federated States of Micronesia who has been an actual resident there for not less than five years after attaining such naturalization and who holds a certificate of actual residence, and further provided, that, in the case of a spouse, such spouse has been married to the person referred to in paragraph (1) or (2) of this section for at least five years, and further provided, that the Government of the United States is satisfied that such naturalized citizen meets the requirement of subsection (b) of section 104 of Public Law 99-239 as it was in effect on the day prior to the effective date of this Compact, as amended;

(4) a naturalized citizen of the Federated States of Micronesia who was an actual resident there for not less than five years after attaining such naturalization and who satisfied these requirements as of April 30, 2003, who continues to be an actual resident and holds a certificate of actual residence, and whose name is included in a list furnished by the Government of the Federated States of Micronesia to the Government of the United States no later than the effective date of the Compact, as amended, in form and content acceptable to the Government of the United States, provided, that the Government of the United States is satisfied that such naturalized citizen meets the requirement of subsection (b) of section 104 of Public Law 99-239 as it was in effect on the day prior to the effective date of this Compact, as amended; or

(5) an immediate relative of a citizen of the Federated States of Micronesia, regardless of the immediate relative's country of citizenship or period of residence in the Federated States of Micronesia, if the citizen of the Federated States of Micronesia is serving on active duty in any branch of the United States Armed Forces, or in the active reserves.

(b) Notwithstanding subsection (a) of this section, a person who is coming to the United States pursuant to an adoption outside the United States, or for the purpose of adoption in the United States, is ineligible for admission under the Compact and the Compact, as amended. This subsection shall apply to any person who is or was an applicant for admission to the United States on or after March 1, 2003, including any applicant for admission in removal proceedings (including appellate proceedings) on or after March 1, 2003, regardless of the date such proceedings were commenced. This subsection shall have no effect on the ability of the Government of the United States or any United States State or local government to commence or otherwise take any action against any person or entity who has violated any law relating to the adoption of any person.

(c) Notwithstanding subsection (a) of this section, no person who has been or is granted citizenship in the Federated States of Micronesia, or has been or is issued a Federated States of Micronesia passport pursuant to any investment, passport sale, or similar program has been or shall be eligible for admission

Applicability.

to the United States under the Compact or the Compact, as amended.

(d) A person admitted to the United States under the Compact, or the Compact, as amended, shall be considered to have the permission of the Government of the United States to accept employment in the United States. An unexpired Federated States of Micronesia passport with unexpired documentation issued by the Government of the United States evidencing admission under the Compact or the Compact, as amended, shall be considered to be documentation establishing identity and employment authorization under section 274A(b)(1)(B) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The Government of the United States will take reasonable and appropriate steps to implement and publicize this provision, and the Government of the Federated States of Micronesia will also take reasonable and appropriate steps to publicize this provision.

(e) For purposes of the Compact and the Compact, as amended:

(1) the term “residence” with respect to a person means the person’s principal, actual dwelling place in fact, without regard to intent, as provided in section 101(a)(33) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1101(a)(33), and variations of the term “residence,” including “resident” and “reside,” shall be similarly construed;

(2) the term “actual residence” means physical presence in the Federated States of Micronesia during eighty-five percent of the five-year period of residency required by section 141(a)(3) and (4);

(3) the term “certificate of actual residence” means a certificate issued to a naturalized citizen by the Government of the Federated States of Micronesia stating that the citizen has complied with the actual residence requirement of section 141(a)(3) or (4);

(4) the term “nonimmigrant” means an alien who is not an “immigrant” as defined in section 101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

(5) the term “immediate relative” means a spouse, or unmarried son or unmarried daughter less than 21 years of age.

Applicability.

(f) The Immigration and Nationality Act, as amended, shall apply to any person admitted or seeking admission to the United States (other than a United States possession or territory where such Act does not apply) under the Compact or the Compact, as amended, and nothing in the Compact or the Compact, as amended, shall be construed to limit, preclude, or modify the applicability of, with respect to such person:

(1) any ground of inadmissibility or deportability under such Act (except sections 212(a)(5) and 212(a)(7)(B)(i)(II) of such Act, as provided in subsection (a) of this section), and any defense thereto, provided that, section 237(a)(5) of such Act shall be construed and applied as if it reads as follows: “any alien who has been admitted under the Compact, or the Compact, as amended, who cannot show that he or she has sufficient means of support in the United States, is deportable”;

(2) the authority of the Government of the United States under section 214(a)(1) of such Act to provide that admission as a nonimmigrant shall be for such time and under such

conditions as the Government of the United States may by regulations prescribe;

(3) except for the treatment of certain documentation for purposes of section 274A(b)(1)(B) of such Act as provided by subsection (d) of this section of the Compact, as amended, any requirement under section 274A, including but not limited to section 274A(b)(1)(E);

(4) section 643 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Public Law 104–208, and actions taken pursuant to section 643; and

(5) the authority of the Government of the United States otherwise to administer and enforce the Immigration and Nationality Act, as amended, or other United States law.

(g) Any authority possessed by the Government of the United States under this section of the Compact or the Compact, as amended, may also be exercised by the Government of a territory or possession of the United States where the Immigration and Nationality Act, as amended, does not apply, to the extent such exercise of authority is lawful under a statute or regulation of such territory or possession that is authorized by the laws of the United States.

(h) Subsection (a) of this section does not confer on a citizen of the Federated States of Micronesia the right to establish the residence necessary for naturalization under the Immigration and Nationality Act, as amended, or to petition for benefits for alien relatives under that Act. Subsection (a) of this section, however, shall not prevent a citizen of the Federated States of Micronesia from otherwise acquiring such rights or lawful permanent resident alien status in the United States.

Section 142

(a) Any citizen or national of the United States may be admitted, to lawfully engage in occupations, and reside in the Federated States of Micronesia, subject to the rights of the Government of the Federated States of Micronesia to deny entry to or deport any such citizen or national as an undesirable alien. Any determination of inadmissibility or deportability shall be based on reasonable statutory grounds and shall be subject to appropriate administrative and judicial review within the Federated States of Micronesia. If a citizen or national of the United States is a spouse of a citizen of the Federated States of Micronesia, the Government of the Federated States of Micronesia shall allow the United States citizen spouse to establish residence. Should the Federated States of Micronesia citizen spouse predecease the United States citizen spouse during the marriage, the Government of the Federated States of Micronesia shall allow the United States citizen spouse to continue to reside in the Federated States of Micronesia.

(b) In enacting any laws or imposing any requirements with respect to citizens and nationals of the United States entering the Federated States of Micronesia under subsection (a) of this section, including any grounds of inadmissibility or deportability, the Government of the Federated States of Micronesia shall accord to such citizens and nationals of the United States treatment no less favorable than that accorded to citizens of other countries.

(c) Consistent with subsection (a) of this section, with respect to citizens and nationals of the United States seeking to engage in employment or invest in the Federated States of Micronesia, the Government of the Federated States of Micronesia shall adopt

immigration-related procedures no less favorable than those adopted by the Government of the United States with respect to citizens of the Federated States of Micronesia seeking employment in the United States.

Section 143

Any person who relinquishes, or otherwise loses, his United States nationality or citizenship, or his Federated States of Micronesia citizenship, shall be ineligible to receive the privileges set forth in sections 141 and 142. Any such person may apply for admission to the United States or the Federated States of Micronesia, as the case may be, in accordance with any other applicable laws of the United States or the Federated States of Micronesia relating to immigration of aliens from other countries. The laws of the Federated States of Micronesia or the United States, as the case may be, shall dictate the terms and conditions of any such person's stay.

Article V

Representation

Section 151

Relations between the Government of the United States and the Government of the Federated States of Micronesia shall be conducted in accordance with the Vienna Convention on Diplomatic Relations. In addition to diplomatic missions and representation, the Governments may establish and maintain other offices and designate other representatives on terms and in locations as may be mutually agreed.

Section 152

(a) Any citizen or national of the United States who, without authority of the United States, acts as the agent of the Government of the Federated States of Micronesia with regard to matters specified in the provisions of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), that apply with respect to an agent of a foreign principal shall be subject to the requirements of such Act. Failure to comply with such requirements shall subject such citizen or national to the same penalties and provisions of law as apply in the case of the failure of such an agent of a foreign principal to comply with such requirements. For purposes of the Foreign Agents Registration Act of 1938, the Federated States of Micronesia shall be considered to be a foreign country.

Certification.

(b) Subsection (a) of this section shall not apply to a citizen or national of the United States employed by the Government of the Federated States of Micronesia with respect to whom the Government of the Federated States of Micronesia from time to time certifies to the Government of the United States that such citizen or national is an employee of the Federated States of Micronesia whose principal duties are other than those matters specified in the Foreign Agents Registration Act of 1938, as amended, that apply with respect to an agent of a foreign principal. The agency or officer of the United States receiving such certifications shall cause them to be filed with the Attorney General, who shall maintain a publicly available list of the persons so certified.

Article VI

Environmental Protection

Section 161

The Governments of the United States and the Federated States of Micronesia declare that it is their policy to promote efforts to prevent or eliminate damage to the environment and biosphere and to enrich understanding of the natural resources of the Federated States of Micronesia. In order to carry out this policy, the Government of the United States and the Government of the Federated States of Micronesia agree to the following mutual and reciprocal undertakings.

(a) The Government of the United States:

(1) shall continue to apply the environmental controls in effect on November 2, 1986 to those of its continuing activities subject to section 161(a)(2), unless and until those controls are modified under sections 161(a)(3) and 161(a)(4);

(2) shall apply the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et seq., to its activities under the Compact, as amended, and its related agreements as if the Federated States of Micronesia were the United States;

(3) shall comply also, in the conduct of any activity requiring the preparation of an Environmental Impact Statement under section 161(a)(2), with standards substantively similar to those required by the following laws of the United States, taking into account the particular environment of the Federated States of Micronesia: the Endangered Species Act of 1973, as amended, 87 Stat. 884, 16 U.S.C. 1531 et seq.; the Clean Air Act, as amended, 77 Stat. 392, 42 U.S.C. Supp. 7401 et seq.; the Clean Water Act (Federal Water Pollution Control Act), as amended, 86 Stat. 896, 33 U.S.C. 1251 et seq.; Title I of the Marine Protection, Research and Sanctuaries Act of 1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 et seq.; the Solid Waste Disposal Act, as amended, 42 U.S.C. 6901 et seq.; and such other environmental protection laws of the United States and of the Federated States of Micronesia, as may be mutually agreed from time to time with the Government of the Federated States of Micronesia; and

(4) shall develop, prior to conducting any activity requiring the preparation of an Environmental Impact Statement under section 161(a)(2), written standards and procedures, as agreed with the Government of the Federated States of Micronesia, to implement the substantive provisions of the laws made applicable to U.S. Government activities in the Federated States of Micronesia, pursuant to section 161(a)(3).

Procedures.

(b) The Government of the Federated States of Micronesia shall continue to develop and implement standards and procedures to protect its environment. As a reciprocal obligation to the undertakings of the Government of the United States under this Article, the Federated States of Micronesia, taking into account its particular environment, shall continue to develop and implement standards for environmental protection substantively similar to those required of the Government of the United States by section 161(a)(3) prior to its conducting activities in the Federated States of Micronesia, substantively equivalent to activities conducted there by the

Procedures.

Government of the United States and, as a further reciprocal obligation, shall enforce those standards.

(c) Section 161(a), including any standard or procedure applicable thereunder, and section 161(b) may be modified or superseded in whole or in part by agreement of the Government of the United States and the Government of the Federated States of Micronesia.

Applicability.

(d) In the event that an Environmental Impact Statement is no longer required under the laws of the United States for major Federal actions significantly affecting the quality of the human environment, the regulatory regime established under sections 161(a)(3) and 161(a)(4) shall continue to apply to such activities of the Government of the United States until amended by mutual agreement.

(e) The President of the United States may exempt any of the activities of the Government of the United States under this Compact, as amended, and its related agreements from any environmental standard or procedure which may be applicable under sections 161(a)(3) and 161(a)(4) if the President determines it to be in the paramount interest of the Government of the United States to do so, consistent with Title Three of this Compact, as amended, and the obligations of the Government of the United States under international law. Prior to any decision pursuant to this subsection, the views of the Government of the Federated States of Micronesia shall be sought and considered to the extent practicable. If the President grants such an exemption, to the extent practicable, a report with his reasons for granting such exemption shall be given promptly to the Government of the Federated States of Micronesia.

Applicability.

(f) The laws of the United States referred to in section 161(a)(3) shall apply to the activities of the Government of the United States under this Compact, as amended, and its related agreements only to the extent provided for in this section.

Section 162

The Government of the Federated States of Micronesia may bring an action for judicial review of any administrative agency action or any activity of the Government of the United States pursuant to section 161(a) for enforcement of the obligations of the Government of the United States arising thereunder. The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction over such action or activity, and over actions brought under section 172(b) which relate to the activities of the Government of the United States and its officers and employees, governed by section 161, provided that:

(a) Such actions may only be civil actions for any appropriate civil relief other than punitive damages against the Government of the United States or, where required by law, its officers in their official capacity; no criminal actions may arise under this section.

(b) Actions brought pursuant to this section may be initiated only by the Government of the Federated States of Micronesia.

(c) Administrative agency actions arising under section 161 shall be reviewed pursuant to the standard of judicial review set forth in 5 U.S.C. 706.

(d) The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction to issue all necessary processes, and the Government of the United States agrees to submit itself to the jurisdiction of the court; decisions of the United States District Court shall be reviewable in the United States Court of Appeals for the Ninth Circuit or the United States Court of Appeals for the District of Columbia, respectively, or in the United States Supreme Court as provided by the laws of the United States.

(e) The judicial remedy provided for in this section shall be the exclusive remedy for the judicial review or enforcement of the obligations of the Government of the United States under this Article and actions brought under section 172(b) which relate to the activities of the Government of the United States and its officers and employees governed by section 161.

(f) In actions pursuant to this section, the Government of the Federated States of Micronesia shall be treated as if it were a United States citizen.

Section 163

(a) For the purpose of gathering data necessary to study the environmental effects of activities of the Government of the United States subject to the requirements of this Article, the Government of the Federated States of Micronesia shall be granted access to facilities operated by the Government of the United States in the Federated States of Micronesia, to the extent necessary for this purpose, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the United States under Title Three.

(b) The Government of the United States, in turn, shall be granted access to the Federated States of Micronesia for the purpose of gathering data necessary to discharge its obligations under this Article, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the Federated States of Micronesia under Title One, and to the extent necessary for this purpose shall be granted access to documents and other information to the same extent similar access is provided the Government of the Federated States of Micronesia under the Freedom of Information Act, 5 U.S.C. 552.

(c) The Government of the Federated States of Micronesia shall not impede efforts by the Government of the United States to comply with applicable standards and procedures.

Article VII

General Legal Provisions

Section 171

Except as provided in this Compact, as amended, or its related agreements, the application of the laws of the United States to the Trust Territory of the Pacific Islands by virtue of the Trusteeship Agreement ceased with respect to the Federated States of Micronesia on November 3, 1986, the date the Compact went into effect.

Section 172

(a) Every citizen of the Federated States of Micronesia who is not a resident of the United States shall enjoy the rights and remedies under the laws of the United States enjoyed by any non-resident alien.

(b) The Government of the Federated States of Micronesia and every citizen of the Federated States of Micronesia shall be considered to be a “person” within the meaning of the Freedom of Information Act, 5 U.S.C. 552, and of the judicial review provisions of the Administrative Procedure Act, 5 U.S.C. 701–706, except that only the Government of the Federated States of Micronesia may seek judicial review under the Administrative Procedure Act or judicial enforcement under the Freedom of Information Act when such judicial review or enforcement relates to the activities of the Government of the United States governed by sections 161 and 162.

Section 173

The Governments of the United States and the Federated States of Micronesia agree to adopt and enforce such measures, consistent with this Compact, as amended, and its related agreements, as may be necessary to protect the personnel, property, installations, services, programs and official archives and documents maintained by the Government of the United States in the Federated States of Micronesia pursuant to this Compact, as amended, and its related agreements and by the Government of the Federated States of Micronesia in the United States pursuant to this Compact, as amended, and its related agreements.

Section 174

Except as otherwise provided in this Compact, as amended, and its related agreements:

(a) The Government of the Federated States of Micronesia, and its agencies and officials, shall be immune from the jurisdiction of the court of the United States, and the Government of the United States, and its agencies and officials, shall be immune from the jurisdiction of the courts of the Federated States of Micronesia.

(b) The Government of the United States accepts responsibility for and shall pay:

(1) any unpaid money judgment rendered by the High Court of the Trust Territory of the Pacific Islands against the Government of the United States with regard to any cause of action arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to November 3, 1986;

(2) any claim settled by the claimant and the Government of the Trust Territory of the Pacific Islands but not paid as of the November 3, 1986; and

(3) settlement of any administrative claim or of any action before a court of the Trust Territory of the Pacific Islands or the Government of the United States, arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States.

(c) Any claim not referred to in section 174(b) and arising from an act or omission of the Government of the Trust Territory of the Pacific Islands or the Government of the United

States prior to the effective date of the Compact shall be adjudicated in the same manner as a claim adjudicated according to section 174(d). In any claim against the Government of the Trust Territory of the Pacific Islands, the Government of the United States shall stand in the place of the Government of the Trust Territory of the Pacific Islands. A judgment on any claim referred to in section 174(b) or this subsection, not otherwise satisfied by the Government of the United States, may be presented for certification to the United States Court of Appeals for the Federal Circuit, or its successor courts, which shall have jurisdiction therefore, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States. The United States Court of Appeals for the Federal Circuit shall certify such judgment, and order payment thereof, unless it finds, after a hearing, that such judgment is manifestly erroneous as to law or fact, or manifestly excessive. In either of such cases the United States Court of Appeals for the Federal Circuit shall have jurisdiction to modify such judgment.

(d) The Government of the Federated States of Micronesia shall not be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall not be immune from the jurisdiction of the courts of the Federated States of Micronesia in any civil case in which an exception to foreign state immunity is set forth in the Foreign Sovereign Immunities Act (28 U.S.C. 1602 et seq.) or its successor statutes.

Section 175

(a) A separate agreement, which shall come into effect simultaneously with this Compact, as amended, and shall have the force of law, shall govern mutual assistance and cooperation in law enforcement matters, including the pursuit, capture, imprisonment and extradition of fugitives from justice and the transfer of prisoners, as well as other law enforcement matters. In the United States, the laws of the United States governing international extradition, including 18 U.S.C. 3184, 3186 and 3188-95, shall be applicable to the extradition of fugitives under the separate agreement, and the laws of the United States governing the transfer of prisoners, including 18 U.S.C. 4100-15, shall be applicable to the transfer of prisoners under the separate agreement; and

Applicability.

(b) A separate agreement, which shall come into effect simultaneously with this Compact, as amended, and shall have the force of law, shall govern requirements relating to labor recruitment practices, including registration, reporting, suspension or revocation of authorization to recruit persons for employment in the United States, and enforcement for violations of such requirements.

Section 176

The Government of the Federated States of Micronesia confirms that final judgments in civil cases rendered by any court of the Trust Territory of the Pacific Islands shall continue in full force and effect, subject to the constitutional power of the courts of the Federated States of Micronesia to grant relief from judgments in appropriate cases.

Section 177

Section 177 of the Compact entered into force with respect to the Federated States of Micronesia on November 3, 1986 as follows:

“(a) The Government of the United States accepts the responsibility for compensation owing to citizens of the Marshall Islands, or the Federated States of Micronesia, or Palau for loss or damage to property and person of the citizens of the Marshall Islands, or the Federated States of Micronesia, resulting from the nuclear testing program which the Government of the United States conducted in the Northern Marshall Islands between June 30, 1946, and August 18, 1958.

“(b) The Government of the United States and the Government of the Marshall Islands shall set forth in a separate agreement provisions for the just and adequate settlement of all such claims which have arisen in regard to the Marshall Islands and its citizens and which have not as yet been compensated or which in the future may arise, for the continued administration by the Government of the United States of direct radiation related medical surveillance and treatment programs and radiological monitoring activities and for such additional programs and activities as may be mutually agreed, and for the assumption by the Government of the Marshall Islands of responsibility for enforcement of limitations on the utilization of affected areas developed in cooperation with the Government of the United States and for the assistance by the Government of the United States in the exercise of such responsibility as may be mutually agreed. This separate agreement shall come into effect simultaneously with this Compact and shall remain in effect in accordance with its own terms.

“(c) The Government of the United States shall provide to the Government of the Marshall Islands, on a grant basis, the amount of \$150 million to be paid and distributed in accordance with the separate agreement referred to in this Section, and shall provide the services and programs set forth in this separate agreement, the language of which is incorporated into this Compact.”.

The Compact, as amended, makes no changes to, and has no effect upon, Section 177 of the Compact, nor does the Compact, as amended, change or affect the separate agreement referred to in Section 177 of the Compact including Articles IX and X of that separate agreement, and measures taken by the parties thereunder.

Section 178

(a) The Federal agencies of the Government of the United States that provide the services and related programs in the Federated States of Micronesia pursuant to Title Two are authorized to settle and pay tort claims arising in the Federated States of Micronesia from the activities of such agencies or from the acts or omissions of the employees of such agencies. Except as provided in section 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall apply exclusively to such administrative settlements and payments.

(b) Claims under section 178(a) that cannot be settled under section 178(a) shall be disposed of exclusively in accordance with Article II of Title Four. Arbitration awards rendered pursuant to this subsection shall be paid out of funds under 31 U.S.C. 1304.

(c) The Government of the United States and the Government of the Federated States of Micronesia shall, in the separate agreement referred to in section 231, provide for:

(1) the administrative settlement of claims referred to in section 178(a), including designation of local agents in each State of the Federated States of Micronesia; such agents to be empowered to accept, investigate and settle such claims, in a timely manner, as provided in such separate agreements; and

(2) arbitration, referred to in section 178(b), in a timely manner, at a site convenient to the claimant, in the event a claim is not otherwise settled pursuant to section 178(a).

(d) The provisions of section 174(d) shall not apply to claims covered by this section.

(e) Except as otherwise explicitly provided by law of the United States, neither the Government of the United States, its instrumentalities, nor any person acting on behalf of the Government of the United States, shall be named a party in any action based on, or arising out of, the activity or activities of a recipient of any grant or other assistance provided by the Government of the United States (or the activity or activities of the recipient's agency or any other person or entity acting on behalf of the recipient).

Section 179

(a) The courts of the Federated States of Micronesia shall not exercise criminal jurisdiction over the Government of the United States, or its instrumentalities.

(b) The courts of the Federated States of Micronesia shall not exercise criminal jurisdiction over any person if the Government of the United States provides notification to the Government of the Federated States of Micronesia that such person was acting on behalf of the Government of the United States, for actions taken in furtherance of section 221 or 224 of this amended Compact, or any other provision of law authorizing financial, program, or service assistance to the Federated States of Micronesia.

TITLE TWO

ECONOMIC RELATIONS

Article I

Grant Assistance

Section 211 - Sector Grants

(a) In order to assist the Government of the Federated States of Micronesia in its efforts to promote the economic advancement, budgetary self-reliance, and economic self-sufficiency of its people, and in recognition of the special relationship that exists between the Federated States of Micronesia and the United States, the Government of the United States shall provide assistance on a sector grant basis for a period of twenty years in the amounts set forth in section 216, commencing on the effective date of this Compact, as amended. Such grants shall be used for assistance in the sectors of education, health care, private sector development, the environment, public sector capacity building, and public infrastructure, or for other sectors as mutually agreed, with priorities in the education and health care sectors. For each year such sector grant assistance is made available, the proposed division of this amount among these sectors shall be certified to the Government of the United States by the Government of the Federated States

of Micronesia and shall be subject to the concurrence of the Government of the United States. In such case, the Government of the United States shall disburse the agreed upon amounts and monitor the use of such sector grants in accordance with the provisions of this Article and the Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact, as Amended, of Free Association Between the Government of the United States of America and the Government of the Federated States of Micronesia (“Fiscal Procedures Agreement”) which shall come into effect simultaneously with this Compact, as amended. The provision of any United States assistance under the Compact, as amended, the Fiscal Procedures Agreement, the Trust Fund Agreement, or any other subsidiary agreement to the Compact, as amended, shall constitute “a particular distribution . . . required by the terms or special nature of the assistance” for purposes of Article XII, section 1(b) of the Constitution of the Federated States of Micronesia.

(1) EDUCATION.—United States grant assistance shall be made available in accordance with the plan described in subsection (c) of this section to support and improve the educational system of the Federated States of Micronesia and develop the human, financial, and material resources necessary for the Government of the Federated States of Micronesia to perform these services. Emphasis should be placed on advancing a quality basic education system.

(2) HEALTH.—United States grant assistance shall be made available in accordance with the plan described in subsection (c) of this section to support and improve the delivery of preventive, curative and environmental care and develop the human, financial, and material resources necessary for the Government of the Federated States of Micronesia to perform these services.

(3) PRIVATE SECTOR DEVELOPMENT.—United States grant assistance shall be made available in accordance with the plan described in subsection (c) of this section to support the efforts of the Government of the Federated States of Micronesia to attract foreign investment and increase indigenous business activity by vitalizing the commercial environment, ensuring fair and equitable application of the law, promoting adherence to core labor standards, and maintaining progress toward privatization of state-owned and partially state-owned enterprises, and engaging in other reforms.

(4) CAPACITY BUILDING IN THE PUBLIC SECTOR.—United States grant assistance shall be made available in accordance with the plan described in subsection (c) of this section to support the efforts of the Government of the Federated States of Micronesia to build effective, accountable and transparent national, state, and local government and other public sector institutions and systems.

(5) ENVIRONMENT.—United States grant assistance shall be made available in accordance with the plan described in subsection (c) of this section to increase environmental protection; conserve and achieve sustainable use of natural resources; and engage in environmental infrastructure planning, design construction and operation.

(6) PUBLIC INFRASTRUCTURE.—

(i) U.S. annual grant assistance shall be made available in accordance with a list of specific projects included in

the plan described in subsection (c) of this section to assist the Government of the Federated States of Micronesia in its efforts to provide adequate public infrastructure.

(ii) **INFRASTRUCTURE AND MAINTENANCE FUND.**—Five percent of the annual public infrastructure grant made available under paragraph (i) of this subsection shall be set aside, with an equal contribution from the Government of the Federated States of Micronesia, as a contribution to an Infrastructure Maintenance Fund (IMF). Administration of the Infrastructure Maintenance Fund shall be governed by the Fiscal Procedures Agreement.

(b) **HUMANITARIAN ASSISTANCE.**—Federated States of Micronesia Program. In recognition of the special development needs of the Federated States of Micronesia, the Government of the United States shall make available to the Government of the Federated States of Micronesia, on its request and to be deducted from the grant amount made available under subsection (a) of this section, a Humanitarian Assistance - Federated States of Micronesia (“HAFSM”) Program with emphasis on health, education, and infrastructure (including transportation), projects. The terms and conditions of the HAFSM shall be set forth in the Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Government of the Federated States of Micronesia Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association, as Amended which shall come into effect simultaneously with the amendments to this Compact.

(c) **DEVELOPMENT PLAN.**—The Government of the Federated States of Micronesia shall prepare and maintain an official overall development plan. The plan shall be strategic in nature, shall be continuously reviewed and updated through the annual budget process, and shall make projections on a multi-year rolling basis. Each of the sectors named in subsection (a) of this section, or other sectors as mutually agreed, shall be accorded specific treatment in the plan. Insofar as grants funds are involved, the plan shall be subject to the concurrence of the Government of the United States.

(d) **DISASTER ASSISTANCE EMERGENCY FUND.**—An amount of two hundred thousand dollars (\$200,000) shall be provided annually, with an equal contribution from the Government of the Federated States of Micronesia, as a contribution to a “Disaster Assistance Emergency Fund (DAEF).” Any funds from the DAEF may be used only for assistance and rehabilitation resulting from disasters and emergencies. The funds will be accessed upon declaration by the Government of the Federated States of Micronesia, with the concurrence of the United States Chief of Mission to the Federated States of Micronesia. The Administration of the DAEF shall be governed by the Fiscal Procedures Agreement.

Section 212 - Accountability

(a) Regulations and policies normally applicable to United States financial assistance to its state and local governments, as reflected in the Fiscal Procedures Agreement, shall apply to each sector grant described in section 211, and to grants administered under section 221 below, except as modified in the separate agreements referred to in section 231 of this Compact, as amended, or by United States law. The Government of the United States, after annual consultations with the Federated States of Micronesia, may attach reasonable terms and conditions, including annual

Applicability.

performance indicators that are necessary to ensure effective use of United States assistance and reasonable progress toward achieving program objectives. The Government of the United States may seek appropriate remedies for noncompliance with the terms and conditions attached to the assistance, or for failure to comply with section 234, including withholding assistance.

(b) The Government of the United States shall, for each fiscal year of the twenty years during which assistance is to be provided on a sector grant basis under section 211, grant the Government of the Federated States of Micronesia an amount equal to the lesser of (i) one half of the reasonable, properly documented cost incurred during each fiscal year to conduct the annual audit required under Article VIII (2) of the Fiscal Procedures Agreement or (ii) \$500,000. Such amount will not be adjusted for inflation under section 217 or otherwise.

Establishment.

Section 213 - Joint Economic Management Committee

The Governments of the United States and the Federated States of Micronesia shall establish a Joint Economic Management Committee, composed of a U.S. chair, two other members from the Government of the United States and two members from the Government of the Federated States of Micronesia. The Joint Economic Management Committee shall meet at least once each year to review the audits and reports required under this Title, evaluate the progress made by the Federated States of Micronesia in meeting the objectives identified in its plan described in subsection (c) of section 211, with particular focus on those parts of the plan dealing with the sectors identified in subsection (a) of section 211, identify problems encountered, and recommend ways to increase the effectiveness of U.S. assistance made available under this Title. The establishment and operations of the Joint Economic Management Committee shall be governed by the Fiscal Procedures Agreement.

Section 214 - Annual Report

The Government of the Federated States of Micronesia shall report annually to the President of the United States on the use of United States sector grant assistance and other assistance and progress in meeting mutually agreed program and economic goals. The Joint Economic Management Committee shall review and comment on the report and make appropriate recommendations based thereon.

Section 215 - Trust Fund

(a) The United States shall contribute annually for twenty years from the effective date of this Compact, as amended, in the amounts set forth in section 216 into a Trust Fund established in accordance with the Agreement Between the Government of the United States of America and the Government of the Federated States of Micronesia Implementing Section 215 and Section 216 of the Compact, as Amended, Regarding a Trust Fund ("Trust Fund Agreement"). Upon termination of the annual financial assistance under section 211, the proceeds of the fund shall thereafter be used for the purposes described in section 211 or as otherwise mutually agreed.

(b) The United States contribution into the Trust Fund described in subsection(a) of this section is conditioned on the Government of the Federated States of Micronesia contributing to the Trust Fund at least \$30 million, prior to September 30, 2004. Any funds received by the Federated States of Micronesia

under section 111 (d) of Public Law 99–239 (January 14, 1986), or successor provisions, would be contributed to the Trust Fund as a Federated States of Micronesia contribution.

(c) The terms regarding the investment and management of funds and use of the income of the Trust Fund shall be set forth in the separate Trust Fund Agreement described in subsection (a) of this section. Funds derived from United States investment shall not be subject to Federal or state taxes in the United States or the Federated States of Micronesia. The Trust Fund Agreement shall also provide for annual reports to the Government of the United States and to the Government of the Federated States of Micronesia. The Trust Fund Agreement shall provide for appropriate distributions of trust fund proceeds to the Federated States of Micronesia and for appropriate remedies for the failure of the Federated States of Micronesia to use income of the Trust Fund for the annual grant purposes set forth in section 211. These remedies may include the return to the United States of the present market value of its contributions to the Trust Fund and the present market value of any undistributed income on the contributions of the United States. If this Compact, as amended, is terminated, the provisions of sections 451 through 453 of this Compact, as amended, shall govern treatment of any U.S. contributions to the Trust Fund or accrued interest thereon.

Reports.

Section 216 - Sector Grant Funding and Trust Fund Contributions

The funds described in sections 211, 212(b) and 215 shall be made available as follows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 212(b) (amount up to)	Trust Fund Section 215	Total
2004	76.2	.5	16	92.7
2005	76.2	.5	16	92.7
2006	76.2	.5	16	92.7
2007	75.4	.5	16.8	92.7
2008	74.6	.5	17.6	92.7
2009	73.8	.5	18.4	92.7
2010	73	.5	19.2	92.7
2011	72.2	.5	20	92.7
2012	71.4	.5	20.8	92.7
2013	70.6	.5	21.6	92.7
2014	69.8	.5	22.4	92.7
2015	69	.5	23.2	92.7
2016	68.2	.5	24	92.7
2017	67.4	.5	24.8	92.7
2018	66.6	.5	25.6	92.7
2019	65.8	.5	26.4	92.7
2020	65	.5	27.2	92.7
2021	64.2	.5	28	92.7
2022	63.4	.5	28.8	92.7
2023	62.6	.5	29.6	92.7

Section 217 - Inflation Adjustment

Except for the amounts provided for audits under section 212(b), the amounts stated in this Title shall be adjusted for each United States Fiscal Year by the percent that equals two-thirds of the percent change in the United States Gross Domestic Product Implicit Price Deflator, or 5 percent, whichever is less in any one year, using the beginning of Fiscal Year 2004 as a base.

Section 218 - Carry-Over of Unused Funds

If in any year the funds made available by the Government of the United States for that year pursuant to this Article are not completely obligated by the Government of the Federated States of Micronesia, the unobligated balances shall remain available in addition to the funds to be provided in subsequent years.

Article II

Services and Program Assistance

Section 221

(a) SERVICES.—The Government of the United States shall make available to the Federated States of Micronesia, in accordance with and to the extent provided in the Federal Programs and Services Agreement referred to in section 231, the services and related programs of:

- (1) the United States Weather Service;
- (2) the United States Postal Service;
- (3) the United States Federal Aviation Administration;
- (4) the United States Department of Transportation;
- (5) the Federal Deposit Insurance Corporation (for the benefit only of the Bank of the Federated States of Micronesia); and
- (6) the Department of Homeland Security, and the United States Agency for International Development, Office of Foreign Disaster Assistance.

Upon the effective date of this Compact, as amended, the United States Departments and Agencies named or having responsibility to provide these services and related programs shall have the authority to implement the relevant provisions of the Federal Programs and Services Agreement referred to in section 231.

(b) PROGRAMS.—

(1) With the exception of the services and programs covered by subsection (a) of this section, and unless the Congress of the United States provides otherwise, the Government of the United States shall make available to the Federated States of Micronesia the services and programs that were available to the Federated States of Micronesia on the effective date of this Compact, as amended, to the extent that such services and programs continue to be available to State and local governments of the United States. As set forth in the Fiscal Procedures Agreement, funds provided under subsection (a) of section 211 will be considered to be local revenues of the Government of the Federated States of Micronesia when used as the local share required to obtain Federal programs and services.

(2) Unless provided otherwise by U.S. law, the services and programs described in paragraph (1) of this subsection shall be extended in accordance with the terms of the Federal Programs and Services Agreement referred to in section 231.

(c) The Government of the United States shall have and exercise such authority as is necessary to carry out its responsibilities under this Title and the separate agreements referred to in amended section 231, including the authority to monitor and administer all service and program assistance provided by the United States to the Federated States of Micronesia. The Federal Programs and Services Agreement referred to in amended section 231 shall also

set forth the extent to which services and programs shall be provided to the Federated States of Micronesia.

(d) Except as provided elsewhere in this Compact, as amended, under any separate agreement entered into under this Compact, as amended, or otherwise under U.S. law, all Federal domestic programs extended to or operating in the Federated States of Micronesia shall be subject to all applicable criteria, standards, reporting requirements, auditing procedures, and other rules and regulations applicable to such programs and services when operating in the United States.

(e) The Government of the United States shall make available to the Federated States of Micronesia alternate energy development projects, studies, and conservation measures to the extent provided for the Freely Associated States in the laws of the United States.

Section 222

The Government of the United States and the Government of the Federated States of Micronesia may agree from time to time to extend to the Federated States of Micronesia additional United States grant assistance, services and programs, as provided under the laws of the United States. Unless inconsistent with such laws, or otherwise specifically precluded by the Government of the United States at the time such additional grant assistance, services, or programs are extended, the Federal Programs and Services Agreement referred to section 231 shall apply to any such assistance, services or programs.

Applicability.

Section 223

The Government of the Federated States of Micronesia shall make available to the Government of the United States at no cost such land as may be necessary for the operations of the services and programs provided pursuant to this Article, and such facilities as are provided by the Government of the Federated States of Micronesia at no cost to the Government of the United States as of the effective date of this Compact, as amended, or as may be mutually agreed thereafter.

Section 224

The Government of the Federated States of Micronesia may request, from time to time, technical assistance from the Federal agencies and institutions of the Government of the United States, which are authorized to grant such technical assistance in accordance with its laws. If technical assistance is granted pursuant to such a request, the Government of the United States shall provide the technical assistance in a manner which gives priority consideration to the Federated States of Micronesia over other recipients not a part of the United States, its territories or possessions, and equivalent consideration to the Federated States of Micronesia with respect to other states in Free Association with the United States. Such assistance shall be made available on a reimbursable or non-reimbursable basis to the extent provided by United States law.

Article III

Administrative Provisions

Section 231

The specific nature, extent and contractual arrangements of the services and programs provided for in section 221 of this Compact, as amended, as well as the legal status of agencies of the Government of the United States, their civilian employees and contractors, and the dependents of such personnel while present in the Federated States of Micronesia, and other arrangements in connection with the assistance, services, or programs furnished by the Government of the United States, are set forth in a Federal Programs and Services Agreement which shall come into effect simultaneously with this Compact, as amended.

Section 232

The Government of the United States, in consultation with the Government of the Federated States of Micronesia, shall determine and implement procedures for the periodic audit of all grants and other assistance made under Article I of this Title and of all funds expended for the services and programs provided under Article II of this Title. Further, in accordance with the Fiscal Procedures Agreement described in subsection (a) of section 211, the Comptroller General of the United States shall have such powers and authorities as described in sections 102 (c) and 110 (c) of Public Law 99-239, 99 Stat. 1777-78, and 99 Stat. 1799 (January 14, 1986).

Section 233

Approval of this Compact, as amended, by the Government of the United States, in accordance with its constitutional processes, shall constitute a pledge by the United States that the sums and amounts specified as sector grants in section 211 of this Compact, as amended, shall be appropriated and paid to the Federated States of Micronesia for such period as those provisions of this Compact, as amended, remain in force, subject to the terms and conditions of this Title and related subsidiary agreements.

Section 234

The Government of the Federated States of Micronesia pledges to cooperate with, permit, and assist if reasonably requested, designated and authorized representatives of the Government of the United States charged with investigating whether Compact funds, or any other assistance authorized under this Compact, as amended, have, or are being, used for purposes other than those set forth in this Compact, as amended, or its subsidiary agreements. In carrying out this investigative authority, such United States Government representatives may request that the Government of the Federated States of Micronesia subpoena documents and records and compel testimony in accordance with the laws and Constitution of the Federated States of Micronesia. Such assistance by the Government of the Federated States of Micronesia to the Government of the United States shall not be unreasonably withheld. The obligation of the Government of the Federated States of Micronesia to fulfill its pledge herein is a condition to its receiving payment of such funds or other assistance authorized under this Compact, as amended. The Government of the United States shall pay any reasonable costs for extraordinary services executed by the Government of the Federated States of Micronesia in carrying out the provisions of this section.

Article IV

Trade

Section 241

The Federated States of Micronesia is not included in the customs territory of the United States.

Section 242

The President shall proclaim the following tariff treatment for articles imported from the Federated States of Micronesia which shall apply during the period of effectiveness of this title:

President.
Applicability.

(a) Unless otherwise excluded, articles imported from the Federated States of Micronesia, subject to the limitations imposed under section 503(b) of title V of the Trade Act of 1974 (19 U.S.C. 2463(b)), shall be exempt from duty.

(b) Only tuna in airtight containers provided for in heading 1604.14.22 of the Harmonized Tariff Schedule of the United States that is imported from the Federated States of Micronesia and the Republic of the Marshall Islands during any calendar year not to exceed 10 percent of apparent United States consumption of tuna in airtight containers during the immediately preceding calendar year, as reported by the National Marine Fisheries Service, shall be exempt from duty; but the quantity of tuna given duty-free treatment under this paragraph for any calendar year shall be counted against the aggregated quantity of tuna in airtight containers that is dutiable under rate column numbered 1 of such heading 1604.14.22 for that calendar year.

(c) The duty-free treatment provided under subsection (a) shall not apply to—

(1) watches, clocks, and timing apparatus provided for in Chapter 91, excluding heading 9113, of the Harmonized Tariff Schedule of the United States;

(2) buttons (whether finished or not finished) provided for in items 9606.21.40 and 9606.29.20 of such Schedule;

(3) textile and apparel articles which are subject to textile agreements; and

(4) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel which were not eligible articles for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.) on April 1, 1984.

(d) If the cost or value of materials produced in the customs territory of the United States is included with respect to an eligible article which is a product of the Federated States of Micronesia, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied for duty assessment purposes toward determining the percentage referred to in section 503(a)(2) of title V of the Trade Act of 1974.

Section 243

Articles imported from the Federated States of Micronesia which are not exempt from duty under subsections (a), (b), (c), and (d) of section 242 shall be subject to the rates of duty set forth in column numbered 1-general of the Harmonized Tariff Schedule of the United States (HTSUS).

Section 244

(a) All products of the United States imported into the Federated States of Micronesia shall receive treatment no less favorable than that accorded like products of any foreign country with respect to customs duties or charges of a similar nature and with respect to laws and regulations relating to importation, exportation, taxation, sale, distribution, storage or use.

(b) The provisions of subsection (a) shall not apply to advantages accorded by the Federated States of Micronesia by virtue of their full membership in the Pacific Island Countries Trade Agreement (PICTA), done on August 18, 2001, to those governments listed in Article 26 of PICTA, as of the date the Compact, as amended, is signed.

(c) Prior to entering into consultations on, or concluding, a free trade agreement with governments not listed in Article 26 of PICTA, the Federated States of Micronesia shall consult with the United States regarding whether or how subsection (a) of section 244 shall be applied.

Article V

Finance and Taxation

Section 251

The currency of the United States is the official circulating legal tender of the Federated States of Micronesia. Should the Government of the Federated States of Micronesia act to institute another currency, the terms of an appropriate currency transitional period shall be as agreed with the Government of the United States.

Section 252

The Government of the Federated States of Micronesia may, with respect to United States persons, tax income derived from sources within its respective jurisdiction, property situated therein, including transfers of such property by gift or at death, and products consumed therein, in such manner as the Government of the Federated States of Micronesia deems appropriate. The determination of the source of any income, or the situs of any property, shall for purposes of this Compact be made according to the United States Internal Revenue Code.

Section 253

A citizen of the Federated States of Micronesia, domiciled therein, shall be exempt from estate, gift, and generation-skipping transfer taxes imposed by the Government of the United States, provided that such citizen of the Federated States of Micronesia is neither a citizen nor a resident of the United States.

Section 254

(a) In determining any income tax imposed by the Government of the Federated States of Micronesia, the Government of the Federated States of Micronesia shall have authority to impose tax upon income derived by a resident of the Federated States of Micronesia from sources without the Federated States of Micronesia, in the same manner and to the same extent as the Government of the Federated States of Micronesia imposes tax upon income derived from within its own jurisdiction. If the Government of the Federated States of Micronesia exercises such authority as provided in this subsection, any individual resident of the Federated States of Micronesia who is subject to tax by the Government

of the United States on income which is also taxed by the Government of the Federated States of Micronesia shall be relieved of liability to the Government of the United States for the tax which, but for this subsection, would otherwise be imposed by the Government of the United States on such income. However, the relief from liability to the United States Government referred to in the preceding sentence means only relief in the form of the foreign tax credit (or deduction in lieu thereof) available with respect to the income taxes of a possession of the United States, and relief in the form of the exclusion under section 911 of the Internal Revenue Code of 1986. For purposes of this section, the term “resident of the Federated States of Micronesia” shall be deemed to include any person who was physically present in the Federated States of Micronesia for a period of 183 or more days during any taxable year.

(b) If the Government of the Federated States of Micronesia subjects income to taxation substantially similar to that imposed by the Trust Territory Code in effect on January 1, 1980, such Government shall be deemed to have exercised the authority described in section 254(a).

Section 255

For purposes of section 274(h)(3)(A) of the United States Internal Revenue Code of 1986, the term “North American Area” shall include the Federated States of Micronesia.

TITLE THREE

SECURITY AND DEFENSE RELATIONS

Article I

Authority and Responsibility

Section 311

(a) The Government of the United States has full authority and responsibility for security and defense matters in or relating to the Federated States of Micronesia.

(b) This authority and responsibility includes:

(1) the obligation to defend the Federated States of Micronesia and its people from attack or threats thereof as the United States and its citizens are defended;

(2) the option to foreclose access to or use of the Federated States of Micronesia by military personnel or for the military purposes of any third country; and

(3) the option to establish and use military areas and facilities in the Federated States of Micronesia, subject to the terms of the separate agreements referred to in sections 321 and 323.

(c) The Government of the United States confirms that it shall act in accordance with the principles of international law and the Charter of the United Nations in the exercise of this authority and responsibility.

Section 312

Subject to the terms of any agreements negotiated in accordance with sections 321 and 323, the Government of the United States may conduct within the lands, waters and airspace of the Federated States of Micronesia the activities and operations necessary for the exercise of its authority and responsibility under this Title.

Section 313

(a) The Government of the Federated States of Micronesia shall refrain from actions that the Government of the United States determines, after appropriate consultation with that Government, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Federated States of Micronesia.

(b) The consultations referred to in this section shall be conducted expeditiously at senior levels of the two Governments, and the subsequent determination by the Government of the United States referred to in this section shall be made only at senior interagency levels of the Government of the United States.

(c) The Government of the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of State personally and the United States Secretary of Defense personally regarding any determination made in accordance with this section.

Section 314

(a) Unless otherwise agreed, the Government of the United States shall not, in the Federated States of Micronesia:

(1) test by detonation or dispose of any nuclear weapon, nor test, dispose of, or discharge any toxic chemical or biological weapon; or

(2) test, dispose of, or discharge any other radioactive, toxic chemical or biological materials in an amount or manner which would be hazardous to public health or safety.

(b) Unless otherwise agreed, other than for transit or overflight purposes or during time of a national emergency declared by the President of the United States, a state of war declared by the Congress of the United States or as necessary to defend against an actual or impending armed attack on the United States, the Federated States of Micronesia or the Republic of the Marshall Islands, the Government of the United States shall not store in the Federated States of Micronesia or the Republic of the Marshall Islands any toxic chemical weapon, nor any radioactive materials nor any toxic chemical materials intended for weapons use.

(c) Radioactive, toxic chemical, or biological materials not intended for weapons use shall not be affected by section 314(b).

(d) No material or substance referred to in this section shall be stored in the Federated States of Micronesia except in an amount and manner which would not be hazardous to public health or safety. In determining what shall be an amount or manner which would be hazardous to public health or safety under this section, the Government of the United States shall comply with any applicable mutual agreement, international guidelines accepted by the Government of the United States, and the laws of the United States and their implementing regulations.

(e) Any exercise of the exemption authority set forth in section 161(e) shall have no effect on the obligations of the Government of the United States under this section or on the application of this subsection.

(f) The provisions of this section shall apply in the areas in which the Government of the Federated States of Micronesia exercises jurisdiction over the living resources of the seabed, subsoil or water column adjacent to its coasts.

Section 315

The Government of the United States may invite members of the armed forces of other countries to use military areas and facilities in the Federated States of Micronesia, in conjunction with and under the control of United States Armed Forces. Use by units of the armed forces of other countries of such military areas and facilities, other than for transit and overflight purposes, shall be subject to consultation with and, in the case of major units, approval of the Government of the Federated States of Micronesia.

Section 316

The authority and responsibility of the Government of the United States under this Title may not be transferred or otherwise assigned.

Article II

Defense Facilities and Operating Rights

Section 321

(a) Specific arrangements for the establishment and use by the Government of the United States of military areas and facilities in the Federated States of Micronesia are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.

(b) If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within the Federated States of Micronesia in addition to those for which specific arrangements are concluded pursuant to section 321(a), it may request the Government of the Federated States of Micronesia to satisfy those requirements through leases or other arrangements. The Government of the Federated States of Micronesia shall sympathetically consider any such request and shall establish suitable procedures to discuss it with and provide a prompt response to the Government of the United States.

Procedures.

(c) The Government of the United States recognizes and respects the scarcity and special importance of land in the Federated States of Micronesia. In making any requests pursuant to section 321(b), the Government of the United States shall follow the policy of requesting the minimum area necessary to accomplish the required security and defense purpose, of requesting only the minimum interest in real property necessary to support such purpose, and of requesting first to satisfy its requirement through public real property, where available, rather than through private real property.

Section 322

The Government of the United States shall provide and maintain fixed and floating aids to navigation in the Federated States of Micronesia at least to the extent necessary for the exercise of its authority and responsibility under this Title.

Section 323

The military operating rights of the Government of the United States and the legal status and contractual arrangements of the United States Armed Forces, their members, and associated civilians, while present in the Federated States of Micronesia are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.

Article III

Defense Treaties and International Security Agreements

Section 331

Subject to the terms of this Compact, as amended, and its related agreements, the Government of the United States, exclusively, has assumed and enjoys, as to the Federated States of Micronesia, all obligations, responsibilities, rights and benefits of:

(a) Any defense treaty or other international security agreement applied by the Government of the United States as Administering Authority of the Trust Territory of the Pacific Islands as of November 2, 1986.

(b) Any defense treaty or other international security agreement to which the Government of the United States is or may become a party which it determines to be applicable in the Federated States of Micronesia. Such a determination by the Government of the United States shall be preceded by appropriate consultation with the Government of the Federated States of Micronesia.

Article IV

Service in Armed Forces of the United States

Section 341

Any person entitled to the privileges set forth in Section 141 (with the exception of any person described in section 141(a)(5) who is not a citizen of the Federated States of Micronesia) shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service of the United States as long as such person has resided in the United States for a period of less than one year, provided that no time shall count towards this one year while a person admitted to the United States under the Compact, or the Compact, as amended, is engaged in full-time study in the United States. Any person described in section 141(a)(5) who is not a citizen of the Federated States of Micronesia shall be subject to United States laws relating to selective service.

Section 342

The Government of the United States shall have enrolled, at any one time, at least one qualified student from the Federated States of Micronesia, as may be nominated by the Government of the Federated States of Micronesia, in each of:

(a) The United States Coast Guard Academy pursuant to 14 U.S.C. 195.

(b) The United States Merchant Marine Academy pursuant to 46 U.S.C. 1295(b)(6), provided that the provisions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enrollment of students pursuant to section 342(b) of this Compact, as amended.

Article V

General Provisions

Section 351

(a) The Government of the United States and the Government of the Federated States of Micronesia shall continue to maintain

a Joint Committee empowered to consider disputes arising under the implementation of this Title and its related agreements.

(b) The membership of the Joint Committee shall comprise selected senior officials of the two Governments. The senior United States military commander in the Pacific area shall be the senior United States member of the Joint Committee. For the meetings of the Joint Committee, each of the two Governments may designate additional or alternate representatives as appropriate for the subject matter under consideration.

(c) Unless otherwise mutually agreed, the Joint Committee shall meet annually at a time and place to be designated, after appropriate consultation, by the Government of the United States. The Joint Committee also shall meet promptly upon request of either of its members. The Joint Committee shall follow such procedures, including the establishment of functional subcommittees, as the members may from time to time agree. Upon notification by the Government of the United States, the Joint Committee of the United States and the Federated States of Micronesia shall meet promptly in a combined session with the Joint Committee established and maintained by the Government of the United States and the Republic of the Marshall Islands to consider matters within the jurisdiction of the two Joint Committees.

(d) Unresolved issues in the Joint Committee shall be referred to the Governments for resolution, and the Government of the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of Defense personally regarding any unresolved issue which threatens its continued association with the Government of the United States.

Section 352

In the exercise of its authority and responsibility under Title Three, the Government of the United States shall accord due respect to the authority and responsibility of the Government of the Federated States of Micronesia under Titles One, Two and Four and to the responsibility of the Government of the Federated States of Micronesia to assure the well-being of its people.

Section 353

(a) The Government of the United States shall not include the Government of the Federated States of Micronesia as a named party to a formal declaration of war, without that Government's consent.

(b) Absent such consent, this Compact, as amended, is without prejudice, on the ground of belligerence or the existence of a state of war, to any claims for damages which are advanced by the citizens, nationals or Government of the Federated States of Micronesia, which arise out of armed conflict subsequent to November 3, 1986, and which are:

(1) petitions to the Government of the United States for redress; or

(2) claims in any manner against the government, citizens, nationals or entities of any third country.

(c) Petitions under section 353(b)(1) shall be treated as if they were made by citizens of the United States.

Section 354

(a) The Government of the United States and the Government of the Federated States of Micronesia are jointly committed to continue their security and defense relations, as set forth in this

Applicability.

Title. Accordingly, it is the intention of the two countries that the provisions of this Title shall remain binding as long as this Compact, as amended, remains in effect, and thereafter as mutually agreed, unless earlier terminated by mutual agreement pursuant to section 441, or amended pursuant to Article III of Title Four. If at any time the Government of the United States, or the Government of the Federated States of Micronesia, acting unilaterally, terminates this Title, such unilateral termination shall be considered to be termination of the entire Compact, in which case the provisions of section 442 and 452 (in the case of termination by the Government of the United States) or sections 443 and 453 (in the case of termination by the Government of the Federated States of Micronesia), with the exception of paragraph (3) of subsection (a) of section 452 or paragraph (3) of subsection (a) of section 453, as the case may be, shall apply.

(b) The Government of the United States recognizes, in view of the special relationship between the Government of the United States and the Government of the Federated States of Micronesia, and in view of the existence of the separate agreement regarding mutual security concluded with the Government of the Federated States of Micronesia pursuant to sections 321 and 323, that, even if this Title should terminate, any attack on the Federated States of Micronesia during the period in which such separate agreement is in effect, would constitute a threat to the peace and security of the entire region and a danger to the United States. In the event of such an attack, the Government of the United States would take action to meet the danger to the United States and to the Federated States of Micronesia in accordance with its constitutional processes.

(c) As reflected in Article 21(1)(b) of the Trust Fund Agreement, the Government of the United States and the Government of the Federated States of Micronesia further recognize, in view of the special relationship between their countries, that even if this Title should terminate, the Government of the Federated States of Micronesia shall refrain from actions which the Government of the United States determines, after appropriate consultation with that Government, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Federated States of Micronesia or the Republic of the Marshall Islands.

TITLE FOUR

GENERAL PROVISIONS

Article I

Approval and Effective Date

Section 411

Pursuant to section 432 of the Compact and subject to subsection (e) of section 461 of the Compact, as amended, the Compact, as amended, shall come into effect upon mutual agreement between the Government of the United States and the Government of the Federated States of Micronesia subsequent to completion of the following:

(a) Approval by the Government of the Federated States of Micronesia in accordance with its constitutional processes.

(b) Approval by the Government of the United States in accordance with its constitutional processes.

Article II

Conference and Dispute Resolution

Section 421

The Government of the United States shall confer promptly at the request of the Government of the Federated States of Micronesia and that Government shall confer promptly at the request of the Government of the United States on matters relating to the provisions of this Compact, as amended, or of its related agreements.

Section 422

In the event the Government of the United States or the Government of the Federated States of Micronesia, after conferring pursuant to section 421, determines that there is a dispute and gives written notice thereof, the two Governments shall make a good faith effort to resolve the dispute between themselves.

Section 423

If a dispute between the Government of the United States and the Government of the Federated States of Micronesia cannot be resolved within 90 days of written notification in the manner provided in section 422, either party to the dispute may refer it to arbitration in accordance with section 424.

Section 424

Should a dispute be referred to arbitration as provided for in section 423, an Arbitration Board shall be established for the purpose of hearing the dispute and rendering a decision which shall be binding upon the two parties to the dispute unless the two parties mutually agree that the decision shall be advisory. Arbitration shall occur according to the following terms:

(a) An Arbitration Board shall consist of a Chairman and two other members, each of whom shall be a citizen of a party to the dispute. Each of the two Governments which is a party to the dispute shall appoint one member to the Arbitration Board. If either party to the dispute does not fulfill the appointment requirements of this section within 30 days of referral of the dispute to arbitration pursuant to section 423, its member on the Arbitration Board shall be selected from its own standing list by the other party to the dispute. Each Government shall maintain a standing list of 10 candidates. The parties to the dispute shall jointly appoint a Chairman within 15 days after selection of the other members of the Arbitration Board. Failing agreement on a Chairman, the Chairman shall be chosen by lot from the standing lists of the parties to the dispute within 5 days after such failure.

Deadlines.

(b) Unless otherwise provided in this Compact, as amended, or its related agreements, the Arbitration Board shall have jurisdiction to hear and render its final determination on all disputes arising exclusively under Articles I, II, III, IV and V of Title One, Title Two, Title Four, and their related agreements.

(c) Each member of the Arbitration Board shall have one vote. Each decision of the Arbitration Board shall be reached by majority vote.

Applicability.	(d) In determining any legal issue, the Arbitration Board may have reference to international law and, in such reference, shall apply as guidelines the provisions set forth in Article 38 of the Statute of the International Court of Justice.
Rules.	(e) The Arbitration Board shall adopt such rules for its proceedings as it may deem appropriate and necessary, but such rules shall not contravene the provisions of this Compact, as amended. Unless the parties provide otherwise by mutual agreement, the Arbitration Board shall endeavor to render its decision within 30 days after the conclusion of arguments. The Arbitration Board shall make findings of fact and conclusions of law and its members may issue dissenting or individual opinions. Except as may be otherwise decided by the Arbitration Board, one-half of all costs of the arbitration shall be borne by the Government of the United States and the remainder shall be borne by the Government of the Federated States of Micronesia.
Deadline.	

Article III

Amendment

Section 431

The provisions of this Compact, as amended, may be further amended by mutual agreement of the Government of the United States and the Government of the Federated States of Micronesia, in accordance with their respective constitutional processes.

Article IV

Termination

Section 441

This Compact, as amended, may be terminated by mutual agreement of the Government of the Federated States of Micronesia and the Government of the United States, in accordance with their respective constitutional processes. Such mutual termination of this Compact, as amended, shall be without prejudice to the continued application of section 451 of this Compact, as amended, and the provisions of the Compact, as amended, set forth therein.

Section 442

Subject to section 452, this Compact, as amended, may be terminated by the Government of the United States in accordance with its constitutional processes. Such termination shall be effective on the date specified in the notice of termination by the Government of the United States but not earlier than six months following delivery of such notice. The time specified in the notice of termination may be extended. Such termination of this Compact, as amended, shall be without prejudice to the continued application of section 452 of this Compact, as amended, and the provisions of the Compact, as amended, set forth therein.

Section 443

This Compact, as amended, shall be terminated by the Government of the Federated States of Micronesia, pursuant to its constitutional processes, subject to section 453 if the people represented by that Government vote in a plebiscite to terminate the Compact, as amended, or by another process permitted by the FSM constitution and mutually agreed between the Governments of the United

States and the Federated States of Micronesia. The Government of the Federated States of Micronesia shall notify the Government of the United States of its intention to call such a plebiscite, or to pursue another mutually agreed and constitutional process, which plebiscite or process shall take place not earlier than three months after delivery of such notice. The plebiscite or other process shall be administered by the Government of the Federated States of Micronesia in accordance with its constitutional and legislative processes. If a majority of the valid ballots cast in the plebiscite or other process favors termination, the Government of the Federated States of Micronesia shall, upon certification of the results of the plebiscite or other process, give notice of termination to the Government of the United States, such termination to be effective on the date specified in such notice but not earlier than three months following the date of delivery of such notice. The time specified in the notice of termination may be extended.

Notification.

Article V

Survivability

Section 451

(a) Should termination occur pursuant to section 441, economic and other assistance by the Government of the United States shall continue only if and as mutually agreed by the Governments of the United States and the Federated States of Micronesia, and in accordance with the parties' respective constitutional processes.

(b) In view of the special relationship of the United States and the Federated States of Micronesia, as reflected in subsections (b) and (c) of section 354 of this Compact, as amended, and the separate agreement entered into consistent with those subsections, if termination occurs pursuant to section 441 prior to the twentieth anniversary of the effective date of this Compact, as amended, the United States shall continue to make contributions to the Trust Fund described in section 215 of this Compact, as amended.

(c) In view of the special relationship of the United States and the Federated States of Micronesia described in subsection (b) of this section, if termination occurs pursuant to section 441 following the twentieth anniversary of the effective date of this Compact, as amended, the Federated States of Micronesia shall be entitled to receive proceeds from the Trust Fund described in section 215 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement governing the distribution of such proceeds.

Section 452

(a) Should termination occur pursuant to section 442 prior to the twentieth anniversary of the effective date of this Compact, as amended, the following provisions of this Compact, as amended, shall remain in full force and effect until the twentieth anniversary of the effective date of this Compact, as amended, and thereafter as mutually agreed:

- (1) Article VI and sections 172, 173, 176 and 177 of Title One;
- (2) Sections 232 and 234 of Title Two;
- (3) Title Three; and
- (4) Articles II, III, V and VI of Title Four.

(b) Should termination occur pursuant to section 442 before the twentieth anniversary of the effective date of the Compact, as amended:

(1) Except as provided in paragraph (2) of this subsection and subsection (c) of this section, economic and other assistance by the United States shall continue only if and as mutually agreed by the Governments of the United States and the Federated States of Micronesia.

(2) In view of the special relationship of the United States and the Federated States of Micronesia, as reflected in subsections (b) and (c) of section 354 of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, the United States shall continue to make contributions to the Trust Fund described in section 215 of this Compact, as amended, in the manner described in the Trust Fund Agreement.

(c) In view of the special relationship of the United States and the Federated States of Micronesia, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 442 following the twentieth anniversary of the effective date of this Compact, as amended, the Federated States of Micronesia shall continue to be eligible to receive proceeds from the Trust Fund described in section 215 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement.

Section 453

(a) Should termination occur pursuant to section 443 prior to the twentieth anniversary of the effective date of this Compact, as amended, the following provisions of this Compact, as amended, shall remain in full force and effect until the twentieth anniversary of the effective date of this Compact, as amended, and thereafter as mutually agreed:

(1) Article VI and sections 172, 173, 176 and 177 of Title One;

(2) Sections 232 and 234 of Title Two;

(3) Title Three; and

(4) Articles II, III, V and VI of Title Four.

(b) Upon receipt of notice of termination pursuant to section 443, the Government of the United States and the Government of the Federated States of Micronesia shall promptly consult with regard to their future relationship. Except as provided in subsection (c) and (d) of this section, these consultations shall determine the level of economic and other assistance, if any, which the Government of the United States shall provide to the Government of the Federated States of Micronesia for the period ending on the twentieth anniversary of the effective date of this Compact, as amended, and for any period thereafter, if mutually agreed.

(c) In view of the special relationship of the United States and the Federated States of Micronesia, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 443 prior to the twentieth anniversary of the effective date of this Compact, as amended, the United States shall continue to make contributions to the Trust Fund described in section 215 of this Compact, as amended, in the manner described in the Trust Fund Agreement.

(d) In view of the special relationship of the United States and the Federated States of Micronesia, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 443 following the twentieth anniversary of the effective date of this Compact, as amended, the Federated States of Micronesia shall continue to be eligible to receive proceeds from the Trust Fund described in section 215 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement.

Section 454

Notwithstanding any other provision of this Compact, as amended:

(a) The Government of the United States reaffirms its continuing interest in promoting the economic advancement and budgetary self-reliance of the people of the Federated States of Micronesia.

(b) The separate agreements referred to in Article II of Title Three shall remain in effect in accordance with their terms.

Article VI

Definition of Terms

Section 461

For the purpose of this Compact, as amended, only, and without prejudice to the views of the Government of the United States or the Government of the Federated States of Micronesia as to the nature and extent of the jurisdiction of either of them under international law, the following terms shall have the following meanings:

(a) “Trust Territory of the Pacific Islands” means the area established in the Trusteeship Agreement consisting of the former administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and Truk as described in Title One, Trust Territory Code, section 1, in force on January 1, 1979. This term does not include the area of Palau or the Northern Mariana Islands.

(b) “Trusteeship Agreement” means the agreement setting forth the terms of trusteeship for the Trust Territory of the Pacific Islands, approved by the Security Council of the United Nations April 2, 1947, and by the United States July 18, 1947, entered into force July 18, 1947, 61 Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.

(c) “The Federated States of Micronesia” and “the Republic of the Marshall Islands” are used in a geographic sense and include the land and water areas to the outer limits of the territorial sea and the air space above such areas as now or hereafter recognized by the Government of the United States.

(d) “Compact” means the Compact of Free Association Between the United States and the Federated States of Micronesia and the Marshall Islands, that was approved by the United States Congress in section 201 of Public Law 99–239 (Jan. 14, 1986) and went into effect with respect to the Federated States of Micronesia on November 3, 1986.

Effective date.
President.

(e) “Compact, as amended” means the Compact of Free Association Between the United States and the Federated States of Micronesia, as amended. The effective date of the Compact, as amended, shall be on a date to be determined by the President of the United States, and agreed to by the Government of the Federated States of Micronesia, following formal approval of the Compact, as amended, in accordance with section 411 of this Compact, as amended.

(f) “Government of the Federated States of Micronesia” means the Government established and organized by the Constitution of the Federated States of Micronesia including all the political subdivisions and entities comprising that Government.

(g) “Government of the Republic of the Marshall Islands” means the Government established and organized by the Constitution of the Republic of the Marshall Islands including all the political subdivisions and entities comprising that Government.

(h) The following terms shall be defined consistent with the 1998 Edition of the Radio Regulations of the International Telecommunications Union as follows:

(1) “Radiocommunication” means telecommunication by means of radio waves.

(2) “Station” means one or more transmitters or receivers or a combination of transmitters and receivers, including the accessory equipment, necessary at one location for carrying on a radiocommunication service, or the radio astronomy service.

(3) “Broadcasting Service” means a radiocommunication service in which the transmissions are intended for direct reception by the general public. This service may include sound transmissions, television transmissions or other types of transmission.

(4) “Broadcasting Station” means a station in the broadcasting service.

(5) “Assignment (of a radio frequency or radio frequency channel)” means an authorization given by an administration for a radio station to use a radio frequency or radio frequency channel under specified conditions.

(6) “Telecommunication” means any transmission, emission or reception of signs, signals, writings, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems.

(i) “Military Areas and Facilities” means those areas and facilities in the Federated States of Micronesia reserved or acquired by the Government of the Federated States of Micronesia for use by the Government of the United States, as set forth in the separate agreements referred to in section 321.

(j) “Tariff Schedules of the United States” means the Tariff Schedules of the United States as amended from time to time and as promulgated pursuant to United States law and includes the Tariff Schedules of the United States Annotated (TSUSA), as amended.

(k) “Vienna Convention on Diplomatic Relations” means the Vienna Convention on Diplomatic Relations, done April 18, 1961, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95.

Section 462

(a) The Government of the United States and the Government of the Federated States of Micronesia previously have concluded agreements pursuant to the Compact, which shall remain in effect and shall survive in accordance with their terms, as follows:

(1) Agreement Concluded Pursuant to Section 234 of the Compact;

(2) Agreement Between the Government of the United States and the Government of the Federated States of Micronesia Regarding Friendship, Cooperation and Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association; and

(3) Agreement Between the Government of the United States of America and the Federated States of Micronesia Regarding Aspects of the Marine Sovereignty and Jurisdiction of the Federated States of Micronesia.

(b) The Government of the United States and the Government of the Federated States of Micronesia shall conclude prior to the date of submission of this Compact, as amended, to the legislatures of the two countries, the following related agreements which shall come into effect on the effective date of this Compact, as amended, and shall survive in accordance with their terms, as follows:

(1) Federal Programs and Services Agreement Between the Government of the United States of America and the Government of the Federated States of Micronesia Concluded Pursuant to Article III of Title One, Article II of Title Two (including Section 222), and Section 231 of the Compact of Free Association, as amended which includes:

(i) Postal Services and Related Programs;

(ii) Weather Services and Related Programs;

(iii) Civil Aviation Safety Service and Related Programs;

(iv) Civil Aviation Economic Services and Related Programs;

(v) United States Disaster Preparedness and Response Services and Related Programs;

(vi) Federal Deposit Insurance Corporation Services and Related Programs; and

(vii) Telecommunications Services and Related Programs.

(2) Agreement Between the Government of the United States of America and the Government of the Federated States of Micronesia on Extradition, Mutual Assistance in Law Enforcement Matters and Penal Sanctions Concluded Pursuant to Section 175(a) of the Compact of Free Association, as amended;

(3) Agreement Between the Government of the United States of America and the Government of the Federated States of Micronesia on Labor Recruitment Concluded Pursuant to Section 175(b) of the Compact of Free Association, as amended;

(4) Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact of Free Association, as Amended, of Free Association Between the Government of the United States of America and Government of the Federated States of Micronesia;

(5) Agreement Between the Government of the United States of America and the Government of the Federated States

of Micronesia Implementing Section 215 and Section 216 of the Compact, as Amended, Regarding a Trust Fund;

(6) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Federated States of Micronesia Concluded Pursuant to Sections 211(b), 321 and 323 of the Compact of Free Association, as Amended; and the

(7) Status of Forces Agreement Between the Government of the United States of America and the Government of the Federated States of Micronesia Concluded Pursuant to Section 323 of the Compact of Free Association, as Amended.

Section 463

(a) Except as set forth in subsection (b) of this section, any reference in this Compact, as amended, to a provision of the United States Code or the Statutes at Large of the United States constitutes the incorporation of the language of such provision into this Compact, as amended, as such provision was in force on the effective date of this Compact, as amended.

(b) Any reference in Articles IV and Article VI of Title One and Sections 174, 175, 178 and 342 to a provision of the United States Code or the Statutes at Large of the United States or to the Privacy Act, the Freedom of Information Act, the Administrative Procedure Act or the Immigration and Nationality Act constitutes the incorporation of the language of such provision into this Compact, as amended, as such provision was in force on the effective date of this Compact, as amended, or as it may be amended thereafter on a non-discriminatory basis according to the constitutional processes of the United States.

Article VII

Concluding Provisions

Section 471

Both the Government of the United States and the Government of the Federated States of Micronesia shall take all necessary steps, of a general or particular character, to ensure, no later than the entry into force date of this Compact, as amended, the conformity of its laws, regulations and administrative procedures with the provisions of this Compact, as amended, or in the case of subsection (d) of section 141, as soon as reasonably possible thereafter.

Section 472

This Compact, as amended, may be accepted, by signature or otherwise, by the Government of the United States and the Government of the Federated States of Micronesia.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Compact of Free Association, as amended, which shall enter into force upon the exchange of diplomatic notes by which the Government of the United States of America and the Government of the Federated States of Micronesia inform each other about the fulfillment of their respective requirements for entry into force.

DONE at Pohnpei, Federated States of Micronesia, in duplicate, this fourteenth (14) day of May, 2003, each text being equally authentic.

**Signed (May 14, 2003)
For the Government of the
United States of America:**

**Ambassador Larry M. Dinger
U.S. Ambassador to the
Federated States of Micronesia**

**Signed (May 14, 2003)
For the Government of the
Federated States of Micronesia:**

**His Excellency Jesse B. Marehalau
Ambassador Extraordinary and
Plenipotentiary**

(b) COMPACT OF FREE ASSOCIATION, AS AMENDED, BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE MARSHALL ISLANDS.—The Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands is as follows:

48 USC 1921
note.

PREAMBLE

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE MAR- SHALL ISLANDS

Affirming that their Governments and their relationship as Governments are founded upon respect for human rights and fundamental freedoms for all, and that the people of the Republic of the Marshall Islands have the right to enjoy self-government; and

Affirming the common interests of the United States of America and the Republic of the Marshall Islands in creating and maintaining their close and mutually beneficial relationship through the free and voluntary association of their respective Governments; and

Affirming the interest of the Government of the United States in promoting the economic advancement and budgetary self-reliance of the Republic of the Marshall Islands; and

Recognizing that their relationship until the entry into force on October 21, 1986 of the Compact was based upon the International Trusteeship System of the United Nations Charter, and in particular Article 76 of the Charter; and that pursuant to Article 76 of the Charter, the people of the Republic of the Marshall Islands have progressively developed their institutions of self-government, and that in the exercise of their sovereign right to self-determination they, through their freely expressed wishes, have adopted a Constitution appropriate to their particular circumstances; and

Recognizing that the Compact reflected their common desire to terminate the Trusteeship and establish a government-to-government relationship which was in accordance with the new political status based on the freely expressed wishes of the people of the Republic of the Marshall Islands and appropriate to their particular circumstances; and

Recognizing that the people of the Republic of the Marshall Islands have and retain their sovereignty and their sovereign right to self-determination and the inherent right to adopt and amend their own Constitution and form of government and that the approval of the entry of the Government of the Republic of the Marshall Islands into the Compact by the people of the Republic of the Marshall Islands constituted an exercise of their sovereign right to self-determination; and

Recognizing the common desire of the people of the United States and the people of the Republic of the Marshall Islands

to maintain their close government-to-government relationship, the United States and the Republic of the Marshall Islands:

NOW, THEREFORE, MUTUALLY AGREE to continue and strengthen their relationship of free association by amending the Compact, which continues to provide a full measure of self-government for the people of the Republic of the Marshall Islands; and

FURTHER AGREE that the relationship of free association derives from and is as set forth in this Compact, as amended, by the Governments of the United States and the Republic of the Marshall Islands; and that, during such relationship of free association, the respective rights and responsibilities of the Government of the United States and the Government of the Republic of the Marshall Islands in regard to this relationship of free association derive from and are as set forth in this Compact, as amended.

TITLE ONE

GOVERNMENTAL RELATIONS

Article I

Self-Government

Section 111

The people of the Republic of the Marshall Islands, acting through the Government established under their Constitution, are self-governing.

Article II

Foreign Affairs

Section 121

(a) The Government of the Republic of the Marshall Islands has the capacity to conduct foreign affairs and shall do so in its own name and right, except as otherwise provided in this Compact, as amended.

(b) The foreign affairs capacity of the Government of the Republic of the Marshall Islands includes:

(1) the conduct of foreign affairs relating to law of the sea and marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the sea, seabed or subsoil to the full extent recognized under international law;

(2) the conduct of its commercial, diplomatic, consular, economic, trade, banking, postal, civil aviation, communications, and cultural relations, including negotiations for the receipt of developmental loans and grants and the conclusion of arrangements with other governments and international and intergovernmental organizations, including any matters specially benefiting its individual citizens.

(c) The Government of the United States recognizes that the Government of the Republic of the Marshall Islands has the capacity to enter into, in its own name and right, treaties and other international agreements with governments and regional and international organizations.

(d) In the conduct of its foreign affairs, the Government of the Republic of the Marshall Islands confirms that it shall act

in accordance with principles of international law and shall settle its international disputes by peaceful means.

Section 122

The Government of the United States shall support applications by the Government of the Republic of the Marshall Islands for membership or other participation in regional or international organizations as may be mutually agreed.

Section 123

(a) In recognition of the authority and responsibility of the Government of the United States under Title Three, the Government of the Republic of the Marshall Islands shall consult, in the conduct of its foreign affairs, with the Government of the United States.

(b) In recognition of the foreign affairs capacity of the Government of the Republic of the Marshall Islands, the Government of the United States, in the conduct of its foreign affairs, shall consult with the Government of the Republic of the Marshall Islands on matters that the Government of the United States regards as relating to or affecting the Government of the Republic of the Marshall Islands.

Section 124

The Government of the United States may assist or act on behalf of the Government of the Republic of the Marshall Islands in the area of foreign affairs as may be requested and mutually agreed from time to time. The Government of the United States shall not be responsible to third parties for the actions of the Government of the Republic of the Marshall Islands undertaken with the assistance or through the agency of the Government of the United States pursuant to this section unless expressly agreed.

Section 125

The Government of the United States shall not be responsible for nor obligated by any actions taken by the Government of the Republic of the Marshall Islands in the area of foreign affairs, except as may from time to time be expressly agreed.

Section 126

At the request of the Government of the Republic of the Marshall Islands and subject to the consent of the receiving state, the Government of the United States shall extend consular assistance on the same basis as for citizens of the United States to citizens of the Republic of the Marshall Islands for travel outside the Republic of the Marshall Islands, the United States and its territories and possessions.

Section 127

Except as otherwise provided in this Compact, as amended, or its related agreements, all obligations, responsibilities, rights and benefits of the Government of the United States as Administering Authority which resulted from the application pursuant to the Trusteeship Agreement of any treaty or other international agreement to the Trust Territory of the Pacific Islands on October 20, 1986, are, as of that date, no longer assumed and enjoyed by the Government of the United States.

Article III

Communications

Section 131

(a) The Government of the Republic of the Marshall Islands has full authority and responsibility to regulate its domestic and foreign communications, and the Government of the United States shall provide communications assistance as mutually agreed.

(b) The Government of the Republic of the Marshall Islands has elected to undertake all functions previously performed by the Government of the United States with respect to domestic and foreign communications, except for those functions set forth in a separate agreement entered into pursuant to this section of the Compact, as amended.

Section 132

The Government of the Republic of the Marshall Islands shall permit the Government of the United States to operate telecommunications services in the Republic of the Marshall Islands to the extent necessary to fulfill the obligations of the Government of the United States under this Compact, as amended, in accordance with the terms of separate agreements entered into pursuant to this section of the Compact, as amended.

Article IV

Immigration

Section 141

(a) In furtherance of the special and unique relationship that exists between the United States and the Republic of the Marshall Islands, under the Compact, as amended, any person in the following categories may be admitted to lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions (the “United States”) without regard to paragraphs (5) or (7)(B)(i)(II) of section 212(a) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1182(a)(5) or (7)(B)(i)(II):

(1) a person who, on October 21, 1986, was a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on January 1, 1979, and has become and remains a citizen of the Republic of the Marshall Islands;

(2) a person who acquires the citizenship of the Republic of the Marshall Islands at birth, on or after the effective date of the Constitution of the Republic of the Marshall Islands;

(3) an immediate relative of a person referred to in paragraphs (1) or (2) of this section, provided that such immediate relative is a naturalized citizen of the Republic of the Marshall Islands who has been an actual resident there for not less than five years after attaining such naturalization and who holds a certificate of actual residence, and further provided, that, in the case of a spouse, such spouse has been married to the person referred to in paragraph (1) or (2) of this section for at least five years, and further provided, that the Government of the United States is satisfied that such naturalized citizen meets the requirement of subsection (b) of section 104 of Public Law 99-239 as it was in effect on the day prior to the effective date of this Compact, as amended;

(4) a naturalized citizen of the Republic of the Marshall Islands who was an actual resident there for not less than five years after attaining such naturalization and who satisfied

these requirements as of April 30, 2003, who continues to be an actual resident and holds a certificate of actual residence, and whose name is included in a list furnished by the Government of the Republic of the Marshall Islands to the Government of the United States no later than the effective date of the Compact, as amended, in form and content acceptable to the Government of the United States, provided, that the Government of the United States is satisfied that such naturalized citizen meets the requirement of subsection (b) of section 104 of Public Law 99–239 as it was in effect on the day prior to the effective date of this Compact, as amended; or

(5) an immediate relative of a citizen of the Republic of the Marshall Islands, regardless of the immediate relative's country of citizenship or period of residence in the Republic of the Marshall Islands, if the citizen of the Republic of the Marshall Islands is serving on active duty in any branch of the United States Armed Forces, or in the active reserves.

(b) Notwithstanding subsection (a) of this section, a person who is coming to the United States pursuant to an adoption outside the United States, or for the purpose of adoption in the United States, is ineligible for admission under the Compact and the Compact, as amended. This subsection shall apply to any person who is or was an applicant for admission to the United States on or after March 1, 2003, including any applicant for admission in removal proceedings (including appellate proceedings) on or after March 1, 2003, regardless of the date such proceedings were commenced. This subsection shall have no effect on the ability of the Government of the United States or any United States State or local government to commence or otherwise take any action against any person or entity who has violated any law relating to the adoption of any person.

Applicability.

(c) Notwithstanding subsection (a) of this section, no person who has been or is granted citizenship in the Republic of the Marshall Islands, or has been or is issued a Republic of the Marshall Islands passport pursuant to any investment, passport sale, or similar program has been or shall be eligible for admission to the United States under the Compact or the Compact, as amended.

(d) A person admitted to the United States under the Compact, or the Compact, as amended, shall be considered to have the permission of the Government of the United States to accept employment in the United States. An unexpired Republic of the Marshall Islands passport with unexpired documentation issued by the Government of the United States evidencing admission under the Compact or the Compact, as amended, shall be considered to be documentation establishing identity and employment authorization under section 274A(b)(1)(B) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The Government of the United States will take reasonable and appropriate steps to implement and publicize this provision, and the Government of the Republic of the Marshall Islands will also take reasonable and appropriate steps to publicize this provision.

(e) For purposes of the Compact and the Compact, as amended:

(1) the term “residence” with respect to a person means the person's principal, actual dwelling place in fact, without regard to intent, as provided in section 101(a)(33) of the Immigration and Nationality Act, as amended, 8 U.S.C.

1101(a)(33), and variations of the term “residence,” including “resident” and “reside,” shall be similarly construed;

(2) the term “actual residence” means physical presence in the Republic of the Marshall Islands during eighty-five percent of the five-year period of residency required by section 141(a)(3) and (4);

(3) the term “certificate of actual residence” means a certificate issued to a naturalized citizen by the Government of the Republic of the Marshall Islands stating that the citizen has complied with the actual residence requirement of section 141(a)(3) or (4);

(4) the term “nonimmigrant” means an alien who is not an “immigrant” as defined in section 101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

(5) the term “immediate relative” means a spouse, or unmarried son or unmarried daughter less than 21 years of age.

Applicability.

(f) The Immigration and Nationality Act, as amended, shall apply to any person admitted or seeking admission to the United States (other than a United States possession or territory where such Act does not apply) under the Compact or the Compact, as amended, and nothing in the Compact or the Compact, as amended, shall be construed to limit, preclude, or modify the applicability of, with respect to such person:

(1) any ground of inadmissibility or deportability under such Act (except sections 212(a)(5) and 212(a)(7)(B)(i)(II) of such Act, as provided in subsection (a) of this section), and any defense thereto, provided that, section 237(a)(5) of such Act shall be construed and applied as if it reads as follows: “any alien who has been admitted under the Compact, or the Compact, as amended, who cannot show that he or she has sufficient means of support in the United States, is deportable;”

(2) the authority of the Government of the United States under section 214(a)(1) of such Act to provide that admission as a nonimmigrant shall be for such time and under such conditions as the Government of the United States may by regulations prescribe;

(3) except for the treatment of certain documentation for purposes of section 274A(b)(1)(B) of such Act as provided by subsection (d) of this section of the Compact, as amended, any requirement under section 274A, including but not limited to section 274A(b)(1)(E);

(4) section 643 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Public Law 104-208, and actions taken pursuant to section 643; and

(5) the authority of the Government of the United States otherwise to administer and enforce the Immigration and Nationality Act, as amended, or other United States law.

(g) Any authority possessed by the Government of the United States under this section of the Compact or the Compact, as amended, may also be exercised by the Government of a territory or possession of the United States where the Immigration and Nationality Act, as amended, does not apply, to the extent such exercise of authority is lawful under a statute or regulation of such territory or possession that is authorized by the laws of the United States.

(h) Subsection (a) of this section does not confer on a citizen of the Republic of the Marshall Islands the right to establish the residence necessary for naturalization under the Immigration and Nationality Act, as amended, or to petition for benefits for alien relatives under that Act. Subsection (a) of this section, however, shall not prevent a citizen of the Republic of the Marshall Islands from otherwise acquiring such rights or lawful permanent resident alien status in the United States.

Section 142

(a) Any citizen or national of the United States may be admitted to lawfully engage in occupations, and reside in the Republic of the Marshall Islands, subject to the rights of the Government of the Republic of the Marshall Islands to deny entry to or deport any such citizen or national as an undesirable alien. Any determination of inadmissibility or deportability shall be based on reasonable statutory grounds and shall be subject to appropriate administrative and judicial review within the Republic of the Marshall Islands. If a citizen or national of the United States is a spouse of a citizen of the Republic of the Marshall Islands, the Government of the Republic of the Marshall Islands shall allow the United States citizen spouse to establish residence. Should the Republic of the Marshall Islands citizen spouse predecease the United States citizen spouse during the marriage, the Government of the Republic of the Marshall Islands shall allow the United States citizen spouse to continue to reside in the Republic of the Marshall Islands.

(b) In enacting any laws or imposing any requirements with respect to citizens and nationals of the United States entering the Republic of the Marshall Islands under subsection (a) of this section, including any grounds of inadmissibility or deportability, the Government of the Republic of the Marshall Islands shall accord to such citizens and nationals of the United States treatment no less favorable than that accorded to citizens of other countries.

(c) Consistent with subsection (a) of this section, with respect to citizens and nationals of the United States seeking to engage in employment or invest in the Republic of the Marshall Islands, the Government of the Republic of the Marshall Islands shall adopt immigration-related procedures no less favorable than those adopted by the Government of the United States with respect to citizens of the Republic of the Marshall Islands seeking employment in the United States.

Section 143

Any person who relinquishes, or otherwise loses, his United States nationality or citizenship, or his Republic of the Marshall Islands citizenship, shall be ineligible to receive the privileges set forth in sections 141 and 142. Any such person may apply for admission to the United States or the Republic of the Marshall Islands, as the case may be, in accordance with any other applicable laws of the United States or the Republic of the Marshall Islands relating to immigration of aliens from other countries. The laws of the Republic of the Marshall Islands or the United States, as the case may be, shall dictate the terms and conditions of any such person's stay.

Article V

Representation

Section 151

Relations between the Government of the United States and the Government of the Republic of the Marshall Islands shall be conducted in accordance with the Vienna Convention on Diplomatic Relations. In addition to diplomatic missions and representation, the Governments may establish and maintain other offices and designate other representatives on terms and in locations as may be mutually agreed.

Section 152

(a) Any citizen or national of the United States who, without authority of the United States, acts as the agent of the Government of the Republic of the Marshall Islands with regard to matters specified in the provisions of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), that apply with respect to an agent of a foreign principal shall be subject to the requirements of such Act. Failure to comply with such requirements shall subject such citizen or national to the same penalties and provisions of law as apply in the case of the failure of such an agent of a foreign principal to comply with such requirements. For purposes of the Foreign Agents Registration Act of 1938, the Republic of the Marshall Islands shall be considered to be a foreign country.

(b) Subsection (a) of this section shall not apply to a citizen or national of the United States employed by the Government of the Republic of the Marshall Islands with respect to whom the Government of the Republic of the Marshall Islands from time to time certifies to the Government of the United States that such citizen or national is an employee of the Republic of the Marshall Islands whose principal duties are other than those matters specified in the Foreign Agents Registration Act of 1938, as amended, that apply with respect to an agent of a foreign principal. The agency or officer of the United States receiving such certifications shall cause them to be filed with the Attorney General, who shall maintain a publicly available list of the persons so certified.

Article VI

Environmental Protection

Section 161

The Governments of the United States and the Republic of the Marshall Islands declare that it is their policy to promote efforts to prevent or eliminate damage to the environment and biosphere and to enrich understanding of the natural resources of the Republic of the Marshall Islands. In order to carry out this policy, the Government of the United States and the Government of the Republic of the Marshall Islands agree to the following mutual and reciprocal undertakings:

(a) The Government of the United States:

(1) shall, for its activities controlled by the U.S. Army at Kwajalein Atoll and in the Mid-Atoll Corridor and for U.S. Army Kwajalein Atoll activities in the Republic of the Marshall Islands, continue to apply the Environmental

Standards and Procedures for United States Army Kwajalein Atoll Activities in the Republic of the Marshall Islands, unless and until those Standards or Procedures are modified by mutual agreement of the Governments of the United States and the Republic of the Marshall Islands;

(2) shall apply the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et seq., to its activities under the Compact, as amended, and its related agreements as if the Republic of the Marshall Islands were the United States; Applicability.

(3) in the conduct of any activity not described in section 161(a)(1) requiring the preparation of an Environmental Impact Statement under section 161(a)(2), shall comply with standards substantively similar to those required by the following laws of the United States, taking into account the particular environment of the Republic of the Marshall Islands; the Endangered Species Act of 1973, as amended, 16 U.S.C. 1531 et seq.; the Clean Air Act, as amended, 42 U.S.C. 7401 et seq.; the Clean Water Act (Federal Water Pollution Control Act), as amended, 33 U.S.C. 1251 et seq.; Title I of the Marine Protection, Research and Sanctuaries Act of 1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 et seq.; the Solid Waste Disposal Act, as amended, 42 U.S.C. 6901 et seq.; and such other environmental protection laws of the United States and the Republic of the Marshall Islands as may be agreed from time to time with the Government of the Republic of the Marshall Islands;

(4) shall, prior to conducting any activity not described in section 161(a)(1) requiring the preparation of an Environmental Impact Statement under section 161(a)(2), develop, as agreed with the Government of the Republic of the Marshall Islands, written environmental standards and procedures to implement the substantive provisions of the laws made applicable to U.S. Government activities in the Republic of the Marshall Islands, pursuant to section 161(a)(3).

(b) The Government of the Republic of the Marshall Islands shall continue to develop and implement standards and procedures to protect its environment. As a reciprocal obligation to the undertakings of the Government of the United States under this Article, the Republic of the Marshall Islands, taking into account its particular environment, shall continue to develop and implement standards for environmental protection substantively similar to those required of the Government of the United States by section 161(a)(3) prior to its conducting activities in the Republic of the Marshall Islands, substantively equivalent to activities conducted there by the Government of the United States and, as a further reciprocal obligation, shall enforce those standards.

(c) Section 161(a), including any standard or procedure applicable thereunder, and section 161(b) may be modified or superseded in whole or in part by agreement of the Government of the United States and the Government of the Republic of the Marshall Islands.

(d) In the event that an Environmental Impact Statement is no longer required under the laws of the United States for major Federal actions significantly affecting the quality of the human environment, the regulatory regime established under sections 161(a)(3) and 161(a)(4) shall continue to apply to such activities of the Government of the United States until amended by mutual agreement.

(e) The President of the United States may exempt any of the activities of the Government of the United States under this Compact, as amended, and its related agreements from any environmental standard or procedure which may be applicable under sections 161(a)(3) and 161(a)(4) if the President determines it to be in the paramount interest of the Government of the United States to do so, consistent with Title Three of this Compact, as amended, and the obligations of the Government of the United States under international law. Prior to any decision pursuant to this subsection, the views of the Government of the Republic of the Marshall Islands shall be sought and considered to the extent practicable. If the President grants such an exemption, to the extent practicable, a report with his reasons for granting such exemption shall be given promptly to the Government of the Republic of the Marshall Islands.

Applicability.

(f) The laws of the United States referred to in section 161(a)(3) shall apply to the activities of the Government of the United States under this Compact, as amended, and its related agreements only to the extent provided for in this section.

Section 162

The Government of the Republic of the Marshall Islands may bring an action for judicial review of any administrative agency action or any activity of the Government of the United States pursuant to section 161(a) for enforcement of the obligations of the Government of the United States arising thereunder. The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction over such action or activity, and over actions brought under section 172(b) which relate to the activities of the Government of the United States and its officers and employees, governed by section 161, provided that:

(a) Such actions may only be civil actions for any appropriate civil relief other than punitive damages against the Government of the United States or, where required by law, its officers in their official capacity; no criminal actions may arise under this section.

(b) Actions brought pursuant to this section may be initiated only by the Government of the Republic of the Marshall Islands.

(c) Administrative agency actions arising under section 161 shall be reviewed pursuant to the standard of judicial review set forth in 5 U.S.C. 706.

(d) The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction to issue all necessary processes, and the Government of the United States agrees to submit itself to the jurisdiction of the court; decisions of the United States District Court shall be reviewable in the United

States Court of Appeals for the Ninth Circuit or the United States Court of Appeals for the District of Columbia, respectively, or in the United States Supreme Court as provided by the laws of the United States.

(e) The judicial remedy provided for in this section shall be the exclusive remedy for the judicial review or enforcement of the obligations of the Government of the United States under this Article and actions brought under section 172(b), which relate to the activities of the Government of the United States and its officers and employees governed by section 161.

(f) In actions pursuant to this section, the Government of the Republic of the Marshall Islands shall be treated as if it were a United States citizen.

Section 163

(a) For the purpose of gathering data necessary to study the environmental effects of activities of the Government of the United States subject to the requirements of this Article, the Government of the Republic of the Marshall Islands shall be granted access to facilities operated by the Government of the United States in the Republic of the Marshall Islands, to the extent necessary for this purpose, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the United States under Title Three.

(b) The Government of the United States, in turn, shall be granted access to the Republic of the Marshall Islands for the purpose of gathering data necessary to discharge its obligations under this Article, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the Republic of the Marshall Islands under Title One, and to the extent necessary for this purpose shall be granted access to documents and other information to the same extent similar access is provided the Government of the Republic of the Marshall Islands under the Freedom of Information Act, 5 U.S.C. 552.

(c) The Government of the Republic of the Marshall Islands shall not impede efforts by the Government of the United States to comply with applicable standards and procedures.

Article VII

General Legal Provisions

Section 171

Except as provided in this Compact, as amended, or its related agreements, the application of the laws of the United States to the Trust Territory of the Pacific Islands by virtue of the Trusteeship Agreement ceased with respect to the Marshall Islands on October 21, 1986, the date the Compact went into effect.

Section 172

(a) Every citizen of the Republic of the Marshall Islands who is not a resident of the United States shall enjoy the rights and remedies under the laws of the United States enjoyed by any non-resident alien.

(b) The Government of the Republic of the Marshall Islands and every citizen of the Republic of the Marshall Islands shall be considered to be a “person” within the meaning of the Freedom

of Information Act, 5 U.S.C. 552, and of the judicial review provisions of the Administrative Procedure Act, 5 U.S.C. 701–706, except that only the Government of the Republic of the Marshall Islands may seek judicial review under the Administrative Procedure Act or judicial enforcement under the Freedom of Information Act when such judicial review or enforcement relates to the activities of the Government of the United States governed by sections 161 and 162.

Section 173

The Governments of the United States and the Republic of the Marshall Islands agree to adopt and enforce such measures, consistent with this Compact, as amended, and its related agreements, as may be necessary to protect the personnel, property, installations, services, programs and official archives and documents maintained by the Government of the United States in the Republic of the Marshall Islands pursuant to this Compact, as amended, and its related agreements and by the Government of the Republic of the Marshall Islands in the United States pursuant to this Compact, Compact, as amended, and its related agreements.

Section 174

Except as otherwise provided in this Compact, as amended, and its related agreements:

(a) The Government of the Republic of the Marshall Islands, and its agencies and officials, shall be immune from the jurisdiction of the court of the United States, and the Government of the United States, and its agencies and officials, shall be immune from the jurisdiction of the courts of the Republic of the Marshall Islands.

(b) The Government of the United States accepts responsibility for and shall pay:

(1) any unpaid money judgment rendered by the High Court of the Trust Territory of the Pacific Islands against the Government of the United States with regard to any cause of action arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to October 21, 1986;

(2) any claim settled by the claimant and the Government of the Trust Territory of the Pacific Islands but not paid as of October 21, 1986; and

(3) settlement of any administrative claim or of any action before a court of the Trust Territory of the Pacific Islands or the Government of the United States, arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States.

(c) Any claim not referred to in section 174(b) and arising from an act or omission of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to the effective date of the Compact shall be adjudicated in the same manner as a claim adjudicated according to section 174(d). In any claim against the Government of the Trust Territory of the Pacific Islands, the Government of the United States shall stand in the place of the Government of the Trust Territory of the Pacific Islands. A judgment on any claim referred to in section 174(b) or this subsection, not otherwise satisfied by the Government of the United States,

may be presented for certification to the United States Court of Appeals for the Federal Circuit, or its successor courts, which shall have jurisdiction therefore, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States. The United States Court of Appeals for the Federal Circuit shall certify such judgment, and order payment thereof, unless it finds, after a hearing, that such judgment is manifestly erroneous as to law or fact, or manifestly excessive. In either of such cases the United States Court of Appeals for the Federal Circuit shall have jurisdiction to modify such judgment.

(d) The Government of the Republic of the Marshall Islands shall not be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall not be immune from the jurisdiction of the courts of the Republic of the Marshall Islands in any civil case in which an exception to foreign state immunity is set forth in the Foreign Sovereign Immunities Act (28 U.S.C. 1602 et seq.) or its successor statutes.

Section 175

(a) A separate agreement, which shall come into effect simultaneously with this Compact, as amended, and shall have the force of law, shall govern mutual assistance and cooperation in law enforcement matters, including the pursuit, capture, imprisonment and extradition of fugitives from justice and the transfer of prisoners, as well as other law enforcement matters. In the United States, the laws of the United States governing international extradition, including 18 U.S.C. 3184, 3186, and 3188-95, shall be applicable to the extradition of fugitives under the separate agreement, and the laws of the United States governing the transfer of prisoners, including 18 U.S.C. 4100-15, shall be applicable to the transfer of prisoners under the separate agreement; and

(b) A separate agreement, which shall come into effect simultaneously with this Compact, as amended, and shall have the force of law, shall govern requirements relating to labor recruitment practices, including registration, reporting, suspension or revocation of authorization to recruit persons for employment in the United States, and enforcement for violations of such requirements.

Section 176

The Government of the Republic of the Marshall Islands confirms that final judgments in civil cases rendered by any court of the Trust Territory of the Pacific Islands shall continue in full force and effect, subject to the constitutional power of the courts of the Republic of the Marshall Islands to grant relief from judgments in appropriate cases.

Section 177

Section 177 of the Compact entered into force with respect to the Marshall Islands on October 21, 1986 as follows:

“(a) The Government of the United States accepts the responsibility for compensation owing to citizens of the Marshall Islands, or the Federated States of Micronesia, (or Palau) for loss or damage to property and person of the citizens of the Marshall Islands, or the Federated States of Micronesia, resulting from the nuclear testing program which the Government of the United States conducted in the Northern Marshall Islands between June 30, 1946, and August 18, 1958.

“(b) The Government of the United States and the Government of the Marshall Islands shall set forth in a separate agreement provisions for the just and adequate settlement of all such claims which have arisen in regard to the Marshall Islands and its citizens and which have not as yet been compensated or which in the future may arise, for the continued administration by the Government of the United States of direct radiation related medical surveillance and treatment programs and radiological monitoring activities and for such additional programs and activities as may be mutually agreed, and for the assumption by the Government of the Marshall Islands of responsibility for enforcement of limitations on the utilization of affected areas developed in cooperation with the Government of the United States and for the assistance by the Government of the United States in the exercise of such responsibility as may be mutually agreed. This separate agreement shall come into effect simultaneously with this Compact and shall remain in effect in accordance with its own terms.

“(c) The Government of the United States shall provide to the Government of the Marshall Islands, on a grant basis, the amount of \$150 million to be paid and distributed in accordance with the separate agreement referred to in this Section, and shall provide the services and programs set forth in this separate agreement, the language of which is incorporated into this Compact.”.

The Compact, as amended, makes no changes to, and has no effect upon, Section 177 of the Compact, nor does the Compact, as amended, change or affect the separate agreement referred to in Section 177 of the Compact including Articles IX and X of that separate agreement, and measures taken by the parties thereunder. Section 178

(a) The Federal agencies of the Government of the United States that provide services and related programs in the Republic of the Marshall Islands pursuant to Title Two are authorized to settle and pay tort claims arising in the Republic of the Marshall Islands from the activities of such agencies or from the acts or omissions of the employees of such agencies. Except as provided in section 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall apply exclusively to such administrative settlements and payments.

(b) Claims under section 178(a) that cannot be settled under section 178(a) shall be disposed of exclusively in accordance with Article II of Title Four. Arbitration awards rendered pursuant to this subsection shall be paid out of funds under 31 U.S.C. 1304.

(c) The Government of the United States and the Government of the Republic of the Marshall Islands shall, in the separate agreement referred to in section 231, provide for:

(1) the administrative settlement of claims referred to in section 178(a), including designation of local agents in each State of the Republic of the Marshall Islands; such agents to be empowered to accept, investigate and settle such claims, in a timely manner, as provided in such separate agreements; and

(2) arbitration, referred to in section 178(b), in a timely manner, at a site convenient to the claimant, in the event a claim is not otherwise settled pursuant to section 178(a).

(d) The provisions of section 174(d) shall not apply to claims covered by this section.

(e) Except as otherwise explicitly provided by law of the United States, this Compact, as amended, or its related agreements, neither the Government of the United States, its instrumentalities, nor any person acting on behalf of the Government of the United States, shall be named a party in any action based on, or arising out of, the activity or activities of a recipient of any grant or other assistance provided by the Government of the United States (or the activity or activities of the recipient's agency or any other person or entity acting on behalf of the recipient).

Section 179

(a) The courts of the Republic of the Marshall Islands shall not exercise criminal jurisdiction over the Government of the United States, or its instrumentalities.

(b) The courts of the Republic of the Marshall Islands shall not exercise criminal jurisdiction over any person if the Government of the United States provides notification to the Government of the Republic of the Marshall Islands that such person was acting on behalf of the Government of the United States, for actions taken in furtherance of section 221 or 224 of this amended Compact, or any other provision of law authorizing financial, program, or service assistance to the Republic of the Marshall Islands.

TITLE TWO

ECONOMIC RELATIONS

Article I

Grant Assistance

Section 211 - Annual Grant Assistance

(a) In order to assist the Government of the Republic of the Marshall Islands in its efforts to promote the economic advancement and budgetary self-reliance of its people, and in recognition of the special relationship that exists between the Republic of the Marshall Islands and the United States, the Government of the United States shall provide assistance on a grant basis for a period of twenty years in the amounts set forth in section 217, commencing on the effective date of this Compact, as amended. Such grants shall be used for assistance in education, health care, the environment, public sector capacity building, and private sector development, or for other areas as mutually agreed, with priorities in the education and health care sectors. Consistent with the medium-term budget and investment framework described in subsection (f) of this section, the proposed division of this amount among the identified areas shall require the concurrence of both the Government of the United States and the Government of the Republic of the Marshall Islands, through the Joint Economic Management and Financial Accountability Committee described in section 214. The Government of the United States shall disburse the grant assistance and monitor the use of such grant assistance in accordance with the provisions of this Article and an Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact, as Amended, of Free Association Between the Government of the United States of America and the Government of the Republic of the Marshall

Islands (“Fiscal Procedures Agreement”) which shall come into effect simultaneously with this Compact, as amended.

(1) **EDUCATION.**—United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to support and improve the educational system of the Republic of the Marshall Islands and develop the human, financial, and material resources necessary for the Republic of the Marshall Islands to perform these services. Emphasis should be placed on advancing a quality basic education system.

(2) **HEALTH.**—United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to support and improve the delivery of preventive, curative and environmental care and develop the human, financial, and material resources necessary for the Republic of the Marshall Islands to perform these services.

(3) **PRIVATE SECTOR DEVELOPMENT.**—United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to support the efforts of the Republic of the Marshall Islands to attract foreign investment and increase indigenous business activity by vitalizing the commercial environment, ensuring fair and equitable application of the law, promoting adherence to core labor standards, maintaining progress toward privatization of state-owned and partially state-owned enterprises, and engaging in other reforms.

(4) **CAPACITY BUILDING IN THE PUBLIC SECTOR.**—United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to support the efforts of the Republic of the Marshall Islands to build effective, accountable and transparent national and local government and other public sector institutions and systems.

(5) **ENVIRONMENT.**—United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to increase environmental protection; establish and manage conservation areas; engage in environmental infrastructure planning, design construction and operation; and to involve the citizens of the Republic of the Marshall Islands in the process of conserving their country’s natural resources.

(b) **KWAJALEIN ATOLL.**—

(1) Of the total grant assistance made available under subsection (a) of this section, the amount specified herein shall be allocated annually from fiscal year 2004 through fiscal year 2023 (and thereafter in accordance with the Agreement between the Government of the United States and the Government of the Republic of the Marshall Islands Regarding Military Use and Operating Rights) to advance the objectives and specific priorities set forth in subsections (a) and (d) of this section and the Fiscal Procedures Agreement, to address the special needs of the community at Ebeye, Kwajalein Atoll and other Marshallese communities within Kwajalein Atoll. This United States grant assistance shall be made available, in accordance with the medium-term budget and investment framework described in subsection (f) of this section, to support and

improve the infrastructure and delivery of services and develop the human and material resources necessary for the Republic of the Marshall Islands to carry out its responsibility to maintain such infrastructure and deliver such services. The amount of this assistance shall be \$3,100,000, with an inflation adjustment as provided in section 218, from fiscal year 2004 through fiscal year 2013 and the fiscal year 2013 level of funding, with an inflation adjustment as provided in section 218, will be increased by \$2 million for fiscal year 2014. The fiscal year 2014 level of funding, with an inflation adjustment as provided in section 218, will be made available from fiscal year 2015 through fiscal year 2023 (and thereafter as noted above).

(2) The Government of the United States shall also provide to the Government of the Republic of the Marshall Islands, in conjunction with section 321(a) of this Compact, as amended, an annual payment from fiscal year 2004 through fiscal year 2023 (and thereafter in accordance with the Agreement between the Government of the United States and the Government of the Republic of the Marshall Islands Regarding Military Use and Operating Rights) of \$1.9 million. This grant assistance will be subject to the Fiscal Procedures Agreement and will be adjusted for inflation under section 218 and used to address the special needs of the community at Ebeye, Kwajalein Atoll and other Marshallese communities within Kwajalein Atoll with emphasis on the Kwajalein landowners, as described in the Fiscal Procedures Agreement.

(3) Of the total grant assistance made available under subsection (a) of this section, and in conjunction with section 321(a) of the Compact, as amended, \$200,000, with an inflation adjustment as provided in section 218, shall be allocated annually from fiscal year 2004 through fiscal year 2023 (and thereafter as provided in the Agreement between the Government of the United States and the Government of the Republic of the Marshall Islands Regarding Military Use and Operating Rights) for a grant to support increased participation of the Government of the Republic of the Marshall Islands Environmental Protection Authority in the annual U.S. Army Kwajalein Atoll Environmental Standards Survey and to promote a greater Government of the Republic of the Marshall Islands capacity for independent analysis of the Survey's findings and conclusions.

(c) HUMANITARIAN ASSISTANCE—REPUBLIC OF THE MARSHALL ISLANDS PROGRAM.—In recognition of the special development needs of the Republic of the Marshall Islands, the Government of the United States shall make available to the Government of the Republic of the Marshall Islands, on its request and to be deducted from the grant amount made available under subsection (a) of this section, a Humanitarian Assistance—Republic of the Marshall Islands (“HARMI”) Program with emphasis on health, education, and infrastructure (including transportation), projects and such other projects as mutually agreed. The terms and conditions of the HARMI shall be set forth in the Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Republic of the Marshall Islands Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association, as

Amended, which shall come into effect simultaneously with the amendments to this Compact.

(d) PUBLIC INFRASTRUCTURE.—

(1) Unless otherwise agreed, not less than 30 percent and not more than 50 percent of U.S. annual grant assistance provided under this section shall be made available in accordance with a list of specific projects included in the infrastructure improvement and maintenance plan prepared by the Government of the Republic of the Marshall Islands as part of the strategic framework described in subsection (f) of this section.

(2) INFRASTRUCTURE MAINTENANCE FUND.—Five percent of the annual public infrastructure grant made available under paragraph (1) of this subsection shall be set aside, with an equal contribution from the Government of the Republic of the Marshall Islands, as a contribution to an Infrastructure Maintenance Fund. Administration of the Infrastructure Maintenance Fund shall be governed by the Fiscal Procedures Agreement.

(e) DISASTER ASSISTANCE EMERGENCY FUND.—Of the total grant assistance made available under subsection (a) of this section, an amount of two hundred thousand dollars (\$200,000) shall be provided annually, with an equal contribution from the Government of the Republic of the Marshall Islands, as a contribution to a Disaster Assistance Emergency Fund (“DAEF”). Any funds from the DAEF may be used only for assistance and rehabilitation resulting from disasters and emergencies. The funds will be accessed upon declaration of a State of Emergency by the Government of the Republic of the Marshall Islands, with the concurrence of the United States Chief of Mission to the Republic of the Marshall Islands. Administration of the DAEF shall be governed by the Fiscal Procedures Agreement.

(f) BUDGET AND INVESTMENT FRAMEWORK.—The Government of the Republic of the Marshall Islands shall prepare and maintain an official medium-term budget and investment framework. The framework shall be strategic in nature, shall be continuously reviewed and updated through the annual budget process, and shall make projections on a multi-year rolling basis. Each of the sectors and areas named in subsections (a), (b), and (d) of this section, or other sectors and areas as mutually agreed, shall be accorded specific treatment in the framework. Those portions of the framework that contemplate the use of United States grant funds shall require the concurrence of both the Government of the United States and the Government of the Republic of the Marshall Islands.

Section 212 - Kwajalein Impact and Use

The Government of the United States shall provide to the Government of the Republic of the Marshall Islands in conjunction with section 321(a) of the Compact, as amended, and the agreement between the Government of the United States and the Government of the Republic of the Marshall Islands regarding military use and operating rights, a payment in fiscal year 2004 of \$15,000,000, with no adjustment for inflation. In fiscal year 2005 and through fiscal year 2013, the annual payment will be the fiscal year 2004 amount (\$15,000,000) with an inflation adjustment as provided under section 218. In fiscal year 2014, the annual payment will be \$18,000,000 (with no adjustment for inflation) or the fiscal year

2013 amount with an inflation adjustment under section 218, whichever is greater. For fiscal year 2015 through fiscal year 2023 (and thereafter in accordance with the Agreement between the Government of the United States and the Government of the Republic of the Marshall Islands Regarding Military Use and Operating Rights) the annual payment will be the fiscal year 2014 amount, with an inflation adjustment as provided under section 218.

Section 213 - Accountability

(a) Regulations and policies normally applicable to United States financial assistance to its state and local governments, as set forth in the Fiscal Procedures Agreement, shall apply to each grant described in section 211, and to grants administered under section 221 below, except as modified in the separate agreements referred to in section 231 of this Compact, as amended, or by U.S. law. As set forth in the Fiscal Procedures Agreement, reasonable terms and conditions, including annual performance indicators that are necessary to ensure effective use of United States assistance and reasonable progress toward achieving program objectives may be attached. In addition, the United States may seek appropriate remedies for noncompliance with the terms and conditions attached to the assistance, or for failure to comply with section 234, including withholding assistance.

Applicability.

(b) The Government of the United States shall, for each fiscal year of the twenty years during which assistance is to be provided on a sector grant basis under section 211 (a), grant the Government of the Republic of the Marshall Islands an amount equal to the lesser of (i) one half of the reasonable, properly documented cost incurred during such fiscal year to conduct the annual audit required under Article VIII (2) of the Fiscal Procedures Agreement or (ii) \$500,000. Such amount will not be adjusted for inflation under section 218 or otherwise.

Section 214 - Joint Economic Management and Financial Accountability Committee

The Governments of the United States and the Republic of the Marshall Islands shall establish a Joint Economic Management and Financial Accountability Committee, composed of a U.S. chair, two other members from the Government of the United States and two members from the Government of the Republic of the Marshall Islands. The Joint Economic Management and Financial Accountability Committee shall meet at least once each year to review the audits and reports required under this Title and the Fiscal Procedures Agreement, evaluate the progress made by the Republic of the Marshall Islands in meeting the objectives identified in its framework described in subsection (f) of section 211, with particular focus on those parts of the framework dealing with the sectors and areas identified in subsection (a) of section 211, identify problems encountered, and recommend ways to increase the effectiveness of U.S. assistance made available under this Title. The establishment and operations of the Joint Economic Management and Financial Accountability Committee shall be governed by the Fiscal Procedures Agreement.

Section 215 - Annual Report

The Government of the Republic of the Marshall Islands shall report annually to the President of the United States on the use of United States sector grant assistance and other assistance and progress in meeting mutually agreed program and economic goals. The Joint Economic Management and Financial Accountability

Reports.

Committee shall review and comment on the report and make appropriate recommendations based thereon.

Section 216 - Trust Fund

(a) The United States shall contribute annually for twenty years from the effective date of the Compact, as amended, in the amounts set forth in section 217 into a trust fund established in accordance with the Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands Implementing Section 216 and Section 217 of the Compact, as Amended, Regarding a Trust Fund (“Trust Fund Agreement”), which shall come into effect simultaneously with this Compact, as amended. Upon termination of the annual grant assistance under section 211 (a), (d) and (e), the earnings of the fund shall thereafter be used for the purposes described in section 211 or as otherwise mutually agreed.

(b) The United States contribution into the Trust Fund described in subsection (a) of this section is conditioned on the Government of the Republic of the Marshall Islands contributing to the Trust Fund at least \$25,000,000, on the effective date of the Trust Fund Agreement or on October 1, 2003, whichever is later, \$2,500,000 prior to October 1, 2004, and \$2,500,000 prior to October 1, 2005. Any funds received by the Republic of the Marshall Islands under section 111(d) of Public Law 99-239 (January 14, 1986), or successor provisions, would be contributed to the Trust Fund as a Republic of the Marshall Islands’ contribution.

(c) The terms regarding the investment and management of funds and use of the income of the Trust Fund shall be governed by the Trust Fund Agreement. Funds derived from United States investment shall not be subject to Federal or state taxes in the United States or any taxes in the Republic of the Marshall Islands. The Trust Fund Agreement shall also provide for annual reports to the Government of the United States and to the Government of the Republic of the Marshall Islands. The Trust Fund Agreement shall provide for appropriate distributions of trust fund proceeds to the Republic of the Marshall Islands and for appropriate remedies for the failure of the Republic of the Marshall Islands to use income of the Trust Fund for the annual grant purposes set forth in section 211. These remedies may include the return to the United States of the present market value of its contributions to the Trust Fund and the present market value of any undistributed income on the contributions of the United States. If this Compact, as amended, is terminated, the provisions of sections 451–453 of the Compact, as amended, and the Trust Fund Agreement shall govern treatment of any U.S. contributions to the Trust Fund or accrued income thereon.

Section 217 - Annual Grant Funding and Trust Fund Contributions

The funds described in sections 211, 212, 213(b), and 216 shall be made available as follows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 213(b)	Trust Fund Section 216 (a&c)	Kwajalein Impact Section 212	Total
2004	35.2	.5	7	15.0	57.7
2005	34.7	.5	7.5	15.0	57.7
2006	34.2	.5	8	15.0	57.7
2007	33.7	.5	8.5	15.0	57.7

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 213(b)	Trust Fund Section 216 (a&c)	Kwajalein Impact Section 212	Total
2008	33.2	.5	9	15.0	57.7
2009	32.7	.5	9.5	15.0	57.7
2010	32.2	.5	10	15.0	57.7
2011	31.7	.5	10.5	15.0	57.7
2012	31.2	.5	11	15.0	57.7
2013	30.7	.5	11.5	15.0	57.7
2014	32.2	.5	12	18.0	62.7
2015	31.7	.5	12.5	18.0	62.7
2016	31.2	.5	13	18.0	62.7
2017	30.7	.5	13.5	18.0	62.7
2018	30.2	.5	14	18.0	62.7
2019	29.7	.5	14.5	18.0	62.7
2020	29.2	.5	15	18.0	62.7
2021	28.7	.5	15.5	18.0	62.7
2022	28.2	.5	16	18.0	62.7
2023	27.7	.5	16.5	18.0	62.7

Section 218 - Inflation Adjustment

Except as otherwise provided, the amounts stated in this Title shall be adjusted for each United States Fiscal Year by the percent that equals two-thirds of the percent change in the United States Gross Domestic Product Implicit Price Deflator, or 5 percent, whichever is less in any one year, using the beginning of Fiscal Year 2004 as a base.

Section 219 - Carry-Over of Unused Funds

If in any year the funds made available by the Government of the United States for that year pursuant to this Article are not completely obligated by the Government of the Republic of the Marshall Islands, the unobligated balances shall remain available in addition to the funds to be provided in subsequent years.

Article II**Services and Program Assistance****Section 221**

(a) SERVICES.—The Government of the United States shall make available to the Republic of the Marshall Islands, in accordance with and to the extent provided in the Federal Programs and Services Agreement referred to in Section 231, the services and related programs of:

- (1) the United States Weather Service;
- (2) the United States Postal Service;
- (3) the United States Federal Aviation Administration;
- (4) the United States Department of Transportation; and
- (5) the Department of Homeland Security, and the United States Agency for International Development, Office of Foreign Disaster Assistance.

Upon the effective date of this Compact, as amended, the United States Departments and Agencies named or having responsibility to provide these services and related programs shall have the authority to implement the relevant provisions of the Federal Programs and Services Agreement referred to in section 231.

(b) PROGRAMS.—

- (1) Other than the services and programs covered by subsection (a) of this section, and to the extent authorized by the Congress of the United States, the Government of the

United States shall make available to the Republic of the Marshall Islands the services and programs that were available to the Republic of the Marshall Islands on the effective date of this Compact, as amended, to the extent that such services and programs continue to be available to State and local governments of the United States. As set forth in the Fiscal Procedures Agreement, funds provided under subsection (a) of section 211 shall be considered to be local revenues of the Government of the Republic of the Marshall Islands when used as the local share required to obtain Federal programs and services.

(2) Unless provided otherwise by U.S. law, the services and programs described in paragraph (1) of this subsection shall be extended in accordance with the terms of the Federal Programs and Services Agreement.

(c) The Government of the United States shall have and exercise such authority as is necessary to carry out its responsibilities under this Title and the Federal Programs and Services Agreement, including the authority to monitor and administer all service and program assistance provided by the United States to the Republic of the Marshall Islands. The Federal Programs and Services Agreement shall also set forth the extent to which services and programs shall be provided to the Republic of the Marshall Islands.

(d) Except as provided elsewhere in this Compact, as amended, under any separate agreement entered into under this Compact, as amended, or otherwise under U.S. law, all Federal domestic programs extended to or operating in the Republic of the Marshall Islands shall be subject to all applicable criteria, standards, reporting requirements, auditing procedures, and other rules and regulations applicable to such programs and services when operating in the United States.

(e) The Government of the United States shall make available to the Republic of the Marshall Islands alternate energy development projects, studies, and conservation measures to the extent provided for the Freely Associated States in the laws of the United States.

Section 222

Applicability.

The Government of the United States and the Government of the Republic of the Marshall Islands may agree from time to time to extend to the Republic of the Marshall Islands additional United States grant assistance, services and programs, as provided under the laws of the United States. Unless inconsistent with such laws, or otherwise specifically precluded by the Government of the United States at the time such additional grant assistance, services, or programs are extended, the Federal Programs and Services Agreement shall apply to any such assistance, services or programs.

Section 223

The Government of the Republic of the Marshall Islands shall make available to the Government of the United States at no cost such land as may be necessary for the operations of the services and programs provided pursuant to this Article, and such facilities as are provided by the Government of the Republic of the Marshall Islands at no cost to the Government of the United States as of the effective date of this Compact, as amended, or as may be mutually agreed thereafter.

Section 224

The Government of the Republic of the Marshall Islands may request, from the time to time, technical assistance from the Federal agencies and institutions of the Government of the United States, which are authorized to grant such technical assistance in accordance with its laws. If technical assistance is granted pursuant to such a request, the Government of the United States shall provide the technical assistance in a manner which gives priority consideration to the Republic of the Marshall Islands over other recipients not a part of the United States, its territories or possessions, and equivalent consideration to the Republic of the Marshall Islands with respect to other states in Free Association with the United States. Such assistance shall be made available on a reimbursable or non-reimbursable basis to the extent provided by United States law.

Article III

Administrative Provisions

Section 231

The specific nature, extent and contractual arrangements of the services and programs provided for in section 221 of this Compact, as amended, as well as the legal status of agencies of the Government of the United States, their civilian employees and contractors, and the dependents of such personnel while present in the Republic of the Marshall Islands, and other arrangements in connection with the assistance, services, or programs furnished by the Government of the United States, are set forth in a Federal Programs and Services Agreement which shall come into effect simultaneously with this Compact, as amended.

Section 232

The Government of the United States, in consultation with the Government of the Republic of the Marshall Islands, shall determine and implement procedures for the periodic audit of all grants and other assistance made under Article I of this Title and of all funds expended for the services and programs provided under Article II of this Title. Further, in accordance with the Fiscal Procedures Agreement described in subsection (a) of section 211, the Comptroller General of the United States shall have such powers and authorities as described in sections 103(m) and 110(c) of Public Law 99-239, 99 Stat. 1777-78, and 99 Stat. 1799 (January 14, 1986).

Section 233

Approval of this Compact, as amended, by the Government of the United States, in accordance with its constitutional processes, shall constitute a pledge by the United States that the sums and amounts specified as grants in section 211 of this Compact, as amended, shall be appropriated and paid to the Republic of the Marshall Islands for such period as those provisions of this Compact, as amended, remain in force, provided that the Republic of the Marshall Islands complies with the terms and conditions of this Title and related subsidiary agreements.

Section 234

The Government of the Republic of the Marshall Islands pledges to cooperate with, permit, and assist if reasonably requested, designated and authorized representatives of the Government of the United States charged with investigating whether Compact funds,

or any other assistance authorized under this Compact, as amended, have, or are being, used for purposes other than those set forth in this Compact, as amended, or its subsidiary agreements. In carrying out this investigative authority, such United States Government representatives may request that the Government of the Republic of the Marshall Islands subpoena documents and records and compel testimony in accordance with the laws and Constitution of the Republic of the Marshall Islands. Such assistance by the Government of the Republic of the Marshall Islands to the Government of the United States shall not be unreasonably withheld. The obligation of the Government of the Marshall Islands to fulfill its pledge herein is a condition to its receiving payment of such funds or other assistance authorized under this Compact, as amended. The Government of the United States shall pay any reasonable costs for extraordinary services executed by the Government of the Marshall Islands in carrying out the provisions of this section.

Article IV

Trade

Section 241

The Republic of the Marshall Islands is not included in the customs territory of the United States.

Section 242

President.

The President shall proclaim the following tariff treatment for articles imported from the Republic of the Marshall Islands which shall apply during the period of effectiveness of this title:

(a) Unless otherwise excluded, articles imported from the Republic of the Marshall Islands, subject to the limitations imposed under section 503(b) of title V of the Trade Act of 1974 (19 U.S.C. 2463(b)), shall be exempt from duty.

(b) Only tuna in airtight containers provided for in heading 1604.14.22 of the Harmonized Tariff Schedule of the United States that is imported from the Republic of the Marshall Islands and the Federated States of Micronesia during any calendar year not to exceed 10 percent of apparent United States consumption of tuna in airtight containers during the immediately preceding calendar year, as reported by the National Marine Fisheries Service, shall be exempt from duty; but the quantity of tuna given duty-free treatment under this paragraph for any calendar year shall be counted against the aggregated quantity of tuna in airtight containers that is dutiable under rate column numbered 1 of such heading 1604.14.22 for that calendar year.

(c) The duty-free treatment provided under subsection (a) shall not apply to:

(1) watches, clocks, and timing apparatus provided for in Chapter 91, excluding heading 9113, of the Harmonized Tariff Schedule of the United States;

(2) buttons (whether finished or not finished) provided for in items 9606.21.40 and 9606.29.20 of such Schedule;

(3) textile and apparel articles which are subject to textile agreements; and

(4) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel which were not eligible

articles for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.) on April 1, 1984.

(d) If the cost or value of materials produced in the customs territory of the United States is included with respect to an eligible article which is a product of the Republic of the Marshall Islands, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied for duty assessment purposes toward determining the percentage referred to in section 503(a)(2) of title V of the Trade Act of 1974.

Section 243

Articles imported from the Republic of the Marshall Islands which are not exempt from duty under subsections (a), (b), (c), and (d) of section 242 shall be subject to the rates of duty set forth in column numbered 1-general of the Harmonized Tariff Schedule of the United States (HTSUS).

Section 244

(a) All products of the United States imported into the Republic of the Marshall Islands shall receive treatment no less favorable than that accorded like products of any foreign country with respect to customs duties or charges of a similar nature and with respect to laws and regulations relating to importation, exportation, taxation, sale, distribution, storage or use.

(b) The provisions of subsection (a) shall not apply to advantages accorded by the Republic of the Marshall Islands by virtue of their full membership in the Pacific Island Countries Trade Agreement (PICTA), done on August 18, 2001, to those governments listed in Article 26 of PICTA, as of the date the Compact, as amended, is signed.

(c) Prior to entering into consultations on, or concluding, a free trade agreement with governments not listed in Article 26 of PICTA, the Republic of the Marshall Islands shall consult with the United States regarding whether or how subsection (a) of section 244 shall be applied.

Article V

Finance and Taxation

Section 251

The currency of the United States is the official circulating legal tender of the Republic of the Marshall Islands. Should the Government of the Republic of the Marshall Islands act to institute another currency, the terms of an appropriate currency transitional period shall be as agreed with the Government of the United States.

Section 252

The Government of the Republic of the Marshall Islands may, with respect to United States persons, tax income derived from sources within its respective jurisdiction, property situated therein, including transfers of such property by gift or at death, and products consumed therein, in such manner as the Government of the Republic of the Marshall Islands deems appropriate. The determination of the source of any income, or the situs of any property, shall for purposes of this Compact, as amended, be made according to the United States Internal Revenue Code.

Section 253

A citizen of the Republic of the Marshall Islands, domiciled therein, shall be exempt from estate, gift, and generation-skipping transfer taxes imposed by the Government of the United States, provided that such citizen of the Republic of the Marshall Islands is neither a citizen nor a resident of the United States.

Section 254

(a) In determining any income tax imposed by the Government of the Republic of the Marshall Islands, the Government of the Republic of the Marshall Islands shall have authority to impose tax upon income derived by a resident of the Republic of the Marshall Islands from sources without the Republic of the Marshall Islands, in the same manner and to the same extent as the Government of the Republic of the Marshall Islands imposes tax upon income derived from within its own jurisdiction. If the Government of the Republic of the Marshall Islands exercises such authority as provided in this subsection, any individual resident of the Republic of the Marshall Islands who is subject to tax by the Government of the United States on income which is also taxed by the Government of the Republic of the Marshall Islands shall be relieved of liability to the Government of the United States for the tax which, but for this subsection, would otherwise be imposed by the Government of the United States on such income. However, the relief from liability to the United States Government referred to in the preceding sentence means only relief in the form of the foreign tax credit (or deduction in lieu thereof) available with respect to the income taxes of a possession of the United States, and relief in the form of the exclusion under section 911 of the Internal Revenue Code of 1986. For purposes of this section, the term “resident of the Republic of the Marshall Islands” shall be deemed to include any person who was physically present in the Republic of the Marshall Islands for a period of 183 or more days during any taxable year.

(b) If the Government of the Republic of the Marshall Islands subjects income to taxation substantially similar to that which was imposed by the Trust Territory Code in effect on January 1, 1980, such Government shall be deemed to have exercised the authority described in section 254(a).

Section 255

For purposes of section 274(h)(3)(A) of the U.S. Internal Revenue Code of 1986, the term “North American Area” shall include the Republic of the Marshall Islands.

TITLE THREE

SECURITY AND DEFENSE RELATIONS

Article I

Authority and Responsibility

Section 311

(a) The Government of the United States has full authority and responsibility for security and defense matters in or relating to the Republic of the Marshall Islands.

(b) This authority and responsibility includes:

(1) the obligation to defend the Republic of the Marshall Islands and its people from attack or threats thereof as the United States and its citizens are defended;

(2) the option to foreclose access to or use of the Republic of the Marshall Islands by military personnel or for the military purposes of any third country; and

(3) the option to establish and use military areas and facilities in the Republic of the Marshall Islands, subject to the terms of the separate agreements referred to in sections 321 and 323.

(c) The Government of the United States confirms that it shall act in accordance with the principles of international law and the Charter of the United Nations in the exercise of this authority and responsibility.

Section 312

Subject to the terms of any agreements negotiated in accordance with sections 321 and 323, the Government of the United States may conduct within the lands, waters and airspace of the Republic of the Marshall Islands the activities and operations necessary for the exercise of its authority and responsibility under this Title.

Section 313

(a) The Government of the Republic of the Marshall Islands shall refrain from actions that the Government of the United States determines, after appropriate consultation with that Government, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Republic of the Marshall Islands.

(b) The consultations referred to in this section shall be conducted expeditiously at senior levels of the two Governments, and the subsequent determination by the Government of the United States referred to in this section shall be made only at senior interagency levels of the Government of the United States.

(c) The Government of the Republic of the Marshall Islands shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of State personally and the United States Secretary of Defense personally regarding any determination made in accordance with this section.

Section 314

(a) Unless otherwise agreed, the Government of the United States shall not, in the Republic of the Marshall Islands:

(1) test by detonation or dispose of any nuclear weapon, nor test, dispose of, or discharge any toxic chemical or biological weapon; or

(2) test, dispose of, or discharge any other radioactive, toxic chemical or biological materials in an amount or manner that would be hazardous to public health or safety.

(b) Unless otherwise agreed, other than for transit or overflight purposes or during time of a national emergency declared by the President of the United States, a state of war declared by the Congress of the United States or as necessary to defend against an actual or impending armed attack on the United States, the Republic of the Marshall Islands or the Federated States of Micronesia, the Government of the United States shall not store in the Republic of the Marshall Islands or the Federated States of Micronesia any toxic chemical weapon, nor any radioactive materials nor any toxic chemical materials intended for weapons use.

(c) Radioactive, toxic chemical, or biological materials not intended for weapons use shall not be affected by section 314(b).

(d) No material or substance referred to in this section shall be stored in the Republic of the Marshall Islands except in an amount and manner which would not be hazardous to public health or safety. In determining what shall be an amount or manner which would be hazardous to public health or safety under this section, the Government of the United States shall comply with any applicable mutual agreement, international guidelines accepted by the Government of the United States, and the laws of the United States and their implementing regulations.

(e) Any exercise of the exemption authority set forth in section 161(e) shall have no effect on the obligations of the Government of the United States under this section or on the application of this subsection.

Applicability.

(f) The provisions of this section shall apply in the areas in which the Government of the Republic of the Marshall Islands exercises jurisdiction over the living resources of the seabed, subsoil or water column adjacent to its coasts.

Section 315

The Government of the United States may invite members of the armed forces of other countries to use military areas and facilities in the Republic of the Marshall Islands, in conjunction with and under the control of United States Armed Forces. Use by units of the armed forces of other countries of such military areas and facilities, other than for transit and overflight purposes, shall be subject to consultation with and, in the case of major units, approval of the Government of the Republic of the Marshall Islands.

Section 316

The authority and responsibility of the Government of the United States under this Title may not be transferred or otherwise assigned.

Article II

Defense Facilities and Operating Rights

Section 321

(a) Specific arrangements for the establishment and use by the Government of the United States of military areas and facilities in the Republic of the Marshall Islands are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.

(b) If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within the Republic of the Marshall Islands in addition to those for which specific arrangements are concluded pursuant to section 321(a), it may request the Government of the Republic of the Marshall Islands to satisfy those requirements through leases or other arrangements. The Government of the Republic of the Marshall Islands shall sympathetically consider any such request and shall establish suitable procedures to discuss it with and provide a prompt response to the Government of the United States.

(c) The Government of the United States recognizes and respects the scarcity and special importance of land in the Republic of the Marshall Islands. In making any requests pursuant to section

321(b), the Government of the United States shall follow the policy of requesting the minimum area necessary to accomplish the required security and defense purpose, of requesting only the minimum interest in real property necessary to support such purpose, and of requesting first to satisfy its requirement through public real property, where available, rather than through private real property.

Section 322

The Government of the United States shall provide and maintain fixed and floating aids to navigation in the Republic of the Marshall Islands at least to the extent necessary for the exercise of its authority and responsibility under this Title.

Section 323

The military operating rights of the Government of the United States and the legal status and contractual arrangements of the United States Armed Forces, their members, and associated civilians, while present in the Republic of the Marshall Islands are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.

Article III

Defense Treaties and International Security Agreements

Section 331

Subject to the terms of this Compact, as amended, and its related agreements, the Government of the United States, exclusively, has assumed and enjoys, as to the Republic of the Marshall Islands, all obligations, responsibilities, rights and benefits of:

(a) Any defense treaty or other international security agreement applied by the Government of the United States as Administering Authority of the Trust Territory of the Pacific Islands as of October 20, 1986.

(b) Any defense treaty or other international security agreement to which the Government of the United States is or may become a party which it determines to be applicable in the Republic of the Marshall Islands. Such a determination by the Government of the United States shall be preceded by appropriate consultation with the Government of the Republic of the Marshall Islands.

Article IV

Service in Armed Forces of the United States

Section 341

Any person entitled to the privileges set forth in Section 141 (with the exception of any person described in section 141(a)(5) who is not a citizen of the Republic of the Marshall Islands) shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service of the United States as long as such person has resided in the United States for a period of less than one year, provided that no time shall count towards this one year while a person admitted to the United States under the Compact, or the Compact, as amended, is engaged in full-time study in the United States. Any person described in section 141(a)(5) who

is not a citizen of the Republic of the Marshall Islands shall be subject to United States laws relating to selective service.

Section 342

The Government of the United States shall have enrolled, at any one time, at least one qualified student from the Republic of the Marshall Islands, as may be nominated by the Government of the Republic of the Marshall Islands, in each of:

(a) The United States Coast Guard Academy pursuant to 14 U.S.C. 195.

(b) The United States Merchant Marine Academy pursuant to 46 U.S.C. 1295(b)(6), provided that the provisions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enrollment of students pursuant to section 342(b) of this Compact, as amended.

Article V

General Provisions

Section 351

(a) The Government of the United States and the Government of the Republic of the Marshall Islands shall continue to maintain a Joint Committee empowered to consider disputes arising under the implementation of this Title and its related agreements.

(b) The membership of the Joint Committee shall comprise selected senior officials of the two Governments. The senior United States military commander in the Pacific area shall be the senior United States member of the Joint Committee. For the meetings of the Joint Committee, each of the two Governments may designate additional or alternate representatives as appropriate for the subject matter under consideration.

(c) Unless otherwise mutually agreed, the Joint Committee shall meet annually at a time and place to be designated, after appropriate consultation, by the Government of the United States. The Joint Committee also shall meet promptly upon request of either of its members. The Joint Committee shall follow such procedures, including the establishment of functional subcommittees, as the members may from time to time agree. Upon notification by the Government of the United States, the Joint Committee of the United States and the Republic of the Marshall Islands shall meet promptly in a combined session with the Joint Committee established and maintained by the Government of the United States and the Government of the Federated States of Micronesia to consider matters within the jurisdiction of the two Joint Committees.

(d) Unresolved issues in the Joint Committee shall be referred to the Governments for resolution, and the Government of the Republic of the Marshall Islands shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of Defense personally regarding any unresolved issue which threatens its continued association with the Government of the United States.

Section 352

In the exercise of its authority and responsibility under Title Three, the Government of the United States shall accord due respect to the authority and responsibility of the Government of the Republic of the Marshall Islands under Titles One, Two and Four and to the responsibility of the Government of the Republic of the Marshall Islands to assure the well-being of its people.

Section 353

(a) The Government of the United States shall not include the Government of the Republic of the Marshall Islands as a named party to a formal declaration of war, without that Government's consent.

(b) Absent such consent, this Compact, as amended, is without prejudice, on the ground of belligerence or the existence of a state of war, to any claims for damages which are advanced by the citizens, nationals or Government of the Republic of the Marshall Islands, which arise out of armed conflict subsequent to October 21, 1986, and which are:

(1) petitions to the Government of the United States for redress; or

(2) claims in any manner against the government, citizens, nationals or entities of any third country.

(c) Petitions under section 353(b)(1) shall be treated as if they were made by citizens of the United States.

Section 354

(a) The Government of the United States and the Government of the Republic of the Marshall Islands are jointly committed to continue their security and defense relations, as set forth in this Title. Accordingly, it is the intention of the two countries that the provisions of this Title shall remain binding as long as this Compact, as amended, remains in effect, and thereafter as mutually agreed, unless earlier terminated by mutual agreement pursuant to section 441, or amended pursuant to Article III of Title Four. If at any time the Government of the United States, or the Government of the Republic of the Marshall Islands, acting unilaterally, terminates this Title, such unilateral termination shall be considered to be termination of the entire Compact, as amended, in which case the provisions of section 442 and 452 (in the case of termination by the Government of the United States) or sections 443 and 453 (in the case of termination by the Government of the Republic of the Marshall Islands), with the exception of paragraph (3) of subsection (a) of section 452 or paragraph (3) of subsection (a) of section 453, as the case may be, shall apply.

Applicability.

(b) The Government of the United States recognizes, in view of the special relationship between the Government of the United States and the Government of the Republic of the Marshall Islands, and in view of the existence of the separate agreement regarding mutual security concluded with the Government of the Republic of the Marshall Islands pursuant to sections 321 and 323, that, even if this Title should terminate, any attack on the Republic of the Marshall Islands during the period in which such separate agreement is in effect, would constitute a threat to the peace and security of the entire region and a danger to the United States. In the event of such an attack, the Government of the United States would take action to meet the danger to the United States and to the Republic of the Marshall Islands in accordance with its constitutional processes.

(c) As reflected in Article 21(1)(b) of the Trust Fund Agreement, the Government of the United States and the Government of the Republic of the Marshall Islands further recognize, in view of the special relationship between their countries, that even if this Title should terminate, the Government of Republic of the Marshall Islands shall refrain from actions which the Government of the United States determines, after appropriate consultation with that

Government, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Republic of the Marshall Islands or the Federated States of Micronesia.

TITLE FOUR

GENERAL PROVISIONS

Article I

Approval and Effective Date

Section 411

Pursuant to section 432 of the Compact and subject to subsection (e) of section 461 of the Compact, as amended, the Compact, as amended, shall come into effect upon mutual agreement between the Government of the United States and the Government of the Republic of the Marshall Islands subsequent to completion of the following:

(a) Approval by the Government of the Republic of the Marshall Islands in accordance with its constitutional processes.

(b) Approval by the Government of the United States in accordance with its constitutional processes.

Article II

Conference and Dispute Resolution

Section 421

The Government of the United States shall confer promptly at the request of the Government of the Republic of the Marshall Islands and that Government shall confer promptly at the request of the Government of the United States on matters relating to the provisions of this Compact, as amended, or of its related agreements.

Section 422

In the event the Government of the United States or the Government of the Republic of the Marshall Islands, after conferring pursuant to section 421, determines that there is a dispute and gives written notice thereof, the two Governments shall make a good faith effort to resolve the dispute between themselves.

Section 423

Deadline.

If a dispute between the Government of the United States and the Government of the Republic of the Marshall Islands cannot be resolved within 90 days of written notification in the manner provided in section 422, either party to the dispute may refer it to arbitration in accordance with section 424.

Section 424

Should a dispute be referred to arbitration as provided for in section 423, an Arbitration Board shall be established for the purpose of hearing the dispute and rendering a decision which shall be binding upon the two parties to the dispute unless the two parties mutually agree that the decision shall be advisory. Arbitration shall occur according to the following terms:

(a) An Arbitration Board shall consist of a Chairman and two other members, each of whom shall be a citizen of a party to the dispute. Each of the two Governments that is

a party to the dispute shall appoint one member to the Arbitration Board. If either party to the dispute does not fulfill the appointment requirements of this section within 30 days of referral of the dispute to arbitration pursuant to section 423, its member on the Arbitration Board shall be selected from its own standing list by the other party to the dispute. Each Government shall maintain a standing list of 10 candidates. The parties to the dispute shall jointly appoint a Chairman within 15 days after selection of the other members of the Arbitration Board. Failing agreement on a Chairman, the Chairman shall be chosen by lot from the standing lists of the parties to the dispute within 5 days after such failure.

(b) Unless otherwise provided in this Compact, as amended, or its related agreements, the Arbitration Board shall have jurisdiction to hear and render its final determination on all disputes arising exclusively under Articles I, II, III, IV and V of Title One, Title Two, Title Four, and their related agreements.

(c) Each member of the Arbitration Board shall have one vote. Each decision of the Arbitration Board shall be reached by majority vote.

(d) In determining any legal issue, the Arbitration Board may have reference to international law and, in such reference, shall apply as guidelines the provisions set forth in Article 38 of the Statute of the International Court of Justice.

Applicability.

(e) The Arbitration Board shall adopt such rules for its proceedings as it may deem appropriate and necessary, but such rules shall not contravene the provisions of this Compact, as amended. Unless the parties provide otherwise by mutual agreement, the Arbitration Board shall endeavor to render its decision within 30 days after the conclusion of arguments. The Arbitration Board shall make findings of fact and conclusions of law and its members may issue dissenting or individual opinions. Except as may be otherwise decided by the Arbitration Board, one-half of all costs of the arbitration shall be borne by the Government of the United States and the remainder shall be borne by the Government of the Republic of the Marshall Islands.

Rules.

Article III

Amendment

Section 431

The provisions of this Compact, as amended, may be further amended by mutual agreement of the Government of the United States and the Government of the Republic of the Marshall Islands, in accordance with their respective constitutional processes.

Article IV

Termination

Section 441

This Compact, as amended, may be terminated by mutual agreement of the Government of the Republic of the Marshall Islands and the Government of the United States, in accordance

with their respective constitutional processes. Such mutual termination of this Compact, as amended, shall be without prejudice to the continued application of section 451 of this Compact, as amended, and the provisions of the Compact, as amended, set forth therein.

Section 442

Subject to section 452, this Compact, as amended, may be terminated by the Government of the United States in accordance with its constitutional processes. Such termination shall be effective on the date specified in the notice of termination by the Government of the United States but not earlier than six months following delivery of such notice. The time specified in the notice of termination may be extended. Such termination of this Compact, as amended, shall be without prejudice to the continued application of section 452 of this Compact, as amended, and the provisions of the Compact, as amended, set forth therein.

Section 443

This Compact, as amended, shall be terminated by the Government of the Republic of the Marshall Islands, pursuant to its constitutional processes, subject to section 453 if the people represented by that Government vote in a plebiscite to terminate the Compact. The Government of the Republic of the Marshall Islands shall notify the Government of the United States of its intention to call such a plebiscite, which shall take place not earlier than three months after delivery of such notice. The plebiscite shall be administered by the Government of the Republic of the Marshall Islands in accordance with its constitutional and legislative processes, but the Government of the United States may send its own observers and invite observers from a mutually agreed party. If a majority of the valid ballots cast in the plebiscite favors termination, the Government of the Republic of the Marshall Islands shall, upon certification of the results of the plebiscite, give notice of termination to the Government of the United States, such termination to be effective on the date specified in such notice but not earlier than three months following the date of delivery of such notice. The time specified in the notice of termination may be extended.

Notification.
Deadline.

Article V

Survivability

Section 451

(a) Should termination occur pursuant to section 441, economic and other assistance by the Government of the United States shall continue only if and as mutually agreed by the Governments of the United States and the Republic of the Marshall Islands, and in accordance with the countries' respective constitutional processes.

(b) In view of the special relationship of the United States and the Republic of the Marshall Islands, as reflected in subsections (b) and (c) of section 354 of this Compact, as amended, and the separate agreement entered into consistent with those subsections, if termination occurs pursuant to section 441 prior to the twentieth anniversary of the effective date of this Compact, as amended, the United States shall continue to make contributions to the Trust Fund described in section 216 of this Compact, as amended.

(c) In view of the special relationship of the United States and the Republic of the Marshall Islands described in subsection (b) of this section, if termination occurs pursuant to section 441 following the twentieth anniversary of the effective date of this Compact, as amended, the Republic of the Marshall Islands shall be entitled to receive proceeds from the Trust Fund described in section 216 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement.

Section 452

(a) Should termination occur pursuant to section 442 prior to the twentieth anniversary of the effective date of this Compact, as amended, the following provisions of this amended Compact shall remain in full force and effect until the twentieth anniversary of the effective date of this Compact, as amended, and thereafter as mutually agreed:

(1) Article VI and sections 172, 173, 176 and 177 of Title One;

(2) Article One and sections 232 and 234 of Title Two;

(3) Title Three; and

(4) Articles II, III, V and VI of Title Four.

(b) Should termination occur pursuant to section 442 before the twentieth anniversary of the effective date of this Compact, as amended:

(1) Except as provided in paragraph (2) of this subsection and subsection (c) of this section, economic and other assistance by the United States shall continue only if and as mutually agreed by the Governments of the United States and the Republic of the Marshall Islands.

(2) In view of the special relationship of the United States and the Republic of the Marshall Islands, as reflected in subsections (b) and (c) of section 354 of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, the United States shall continue to make contributions to the Trust Fund described in section 216 of this Compact, as amended, in the manner described in the Trust Fund Agreement.

(c) In view of the special relationship of the United States and the Republic of the Marshall Islands, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 442 following the twentieth anniversary of the effective date of this Compact, as amended, the Republic of the Marshall Islands shall continue to be eligible to receive proceeds from the Trust Fund described in section 216 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement.

Section 453

(a) Should termination occur pursuant to section 443 prior to the twentieth anniversary of the effective date of this Compact, as amended, the following provisions of this Compact, as amended, shall remain in full force and effect until the twentieth anniversary of the effective date of this Compact, as amended, and thereafter as mutually agreed:

(1) Article VI and sections 172, 173, 176 and 177 of Title One;

(2) Sections 232 and 234 of Title Two;

(3) Title Three; and

(4) Articles II, III, V and VI of Title Four.

(b) Upon receipt of notice of termination pursuant to section 443, the Government of the United States and the Government of the Republic of the Marshall Islands shall promptly consult with regard to their future relationship. Except as provided in subsections (c) and (d) of this section, these consultations shall determine the level of economic and other assistance, if any, which the Government of the United States shall provide to the Government of the Republic of the Marshall Islands for the period ending on the twentieth anniversary of the effective date of this Compact, as amended, and for any period thereafter, if mutually agreed.

(c) In view of the special relationship of the United States and the Republic of the Marshall Islands, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 443 prior to the twentieth anniversary of the effective date of this Compact, as amended, the United States shall continue to make contributions to the Trust Fund described in section 216 of this Compact, as amended.

(d) In view of the special relationship of the United States and the Republic of the Marshall Islands, as reflected in subsections 354(b) and (c) of this Compact, as amended, and the separate agreement regarding mutual security, and the Trust Fund Agreement, if termination occurs pursuant to section 443 following the twentieth anniversary of the effective date of this Compact, as amended, the Republic of the Marshall Islands shall continue to be eligible to receive proceeds from the Trust Fund described in section 216 of this Compact, as amended, in the manner described in those provisions and the Trust Fund Agreement.

Section 454

Notwithstanding any other provision of this Compact, as amended:

(a) The Government of the United States reaffirms its continuing interest in promoting the economic advancement and budgetary self-reliance of the people of the Republic of the Marshall Islands.

(b) The separate agreements referred to in Article II of Title Three shall remain in effect in accordance with their terms.

Article VI

Definition of Terms

Section 461

For the purpose of this Compact, as amended, only, and without prejudice to the views of the Government of the United States or the Government of the Republic of the Marshall Islands as to the nature and extent of the jurisdiction of either of them under international law, the following terms shall have the following meanings:

(a) “Trust Territory of the Pacific Islands” means the area established in the Trusteeship Agreement consisting of the former administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and Truk as described in Title One, Trust Territory Code, section 1, in force on January 1, 1979. This

term does not include the area of Palau or the Northern Mariana Islands.

(b) “Trusteeship Agreement” means the agreement setting forth the terms of trusteeship for the Trust Territory of the Pacific Islands, approved by the Security Council of the United Nations April 2, 1947, and by the United States July 18, 1947, entered into force July 18, 1947, 61 Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.

(c) “The Republic of the Marshall Islands” and “the Federated States of Micronesia” are used in a geographic sense and include the land and water areas to the outer limits of the territorial sea and the air space above such areas as now or hereafter recognized by the Government of the United States.

(d) “Compact” means the Compact of Free Association Between the United States and the Federated States of Micronesia and the Marshall Islands, that was approved by the United States Congress in section 201 of Public Law 99-239 (Jan. 14, 1986) and went into effect with respect to the Republic of the Marshall Islands on October 21, 1986.

(e) “Compact, as amended” means the Compact of Free Association Between the United States and the Republic of the Marshall Islands, as amended. The effective date of the Compact, as amended, shall be on a date to be determined by the President of the United States, and agreed to by the Government of the Republic of the Marshall Islands, following formal approval of the Compact, as amended, in accordance with section 411 of this Compact, as amended.

Effective date.
President.

(f) “Government of the Republic of the Marshall Islands” means the Government established and organized by the Constitution of the Republic of the Marshall Islands including all the political subdivisions and entities comprising that Government.

(g) “Government of the Federated States of Micronesia” means the Government established and organized by the Constitution of the Federated States of Micronesia including all the political subdivisions and entities comprising that Government.

(h) The following terms shall be defined consistent with the 1978 Edition of the Radio Regulations of the International Telecommunications as follows:

(1) “Radiocommunication” means telecommunication by means of radio waves.

(2) “Station” means one or more transmitters or receivers or a combination of transmitters and receivers, including the accessory equipment, necessary at one location for carrying on a radiocommunication service, or the radio astronomy service.

(3) “Broadcasting Service” means a radiocommunication service in which the transmissions are intended for direct reception by the general public. This service may include sound transmissions, television transmissions or other types of transmission.

(4) “Broadcasting Station” means a station in the broadcasting service.

(5) “Assignment (of a radio frequency or radio frequency channel)” means an authorization given by an

administration for a radio station to use a radio frequency or radio frequency channel under specified conditions.

(6) “Telecommunication” means any transmission, emission or reception of signs, signals, writings, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems.

(i) “Military Areas and Facilities” means those areas and facilities in the Republic of the Marshall Islands reserved or acquired by the Government of the Republic of the Marshall Islands for use by the Government of the United States, as set forth in the separate agreements referred to in section 321.

(j) “Tariff Schedules of the United States” means the Tariff Schedules of the United States as amended from time to time and as promulgated pursuant to United States law and includes the Tariff Schedules of the United States Annotated (TSUSA), as amended.

(k) “Vienna Convention on Diplomatic Relations” means the Vienna Convention on Diplomatic Relations, done April 18, 1961, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95.

Section 462

(a) The Government of the United States and the Government of the Republic of the Marshall Islands previously have concluded agreements, which shall remain in effect and shall survive in accordance with their terms, as follows:

(1) Agreement Between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact of Free Association;

(2) Agreement Between the Government of the United States and the Government of the Marshall Islands by Persons Displaced as a Result of the United States Nuclear Testing Program in the Marshall Islands;

(3) Agreement Between the Government of the United States and the Government of the Marshall Islands Regarding the Resettlement of Enjebi Island;

(4) Agreement Concluded Pursuant to Section 234 of the Compact; and

(5) Agreement Between the Government of the United States and the Government of the Marshall Islands Regarding Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association.

(b) The Government of the United States and the Government of the Republic of the Marshall Islands shall conclude prior to the date of submission of this Compact to the legislatures of the two countries, the following related agreements which shall come into effect on the effective date of this Compact, as amended, and shall survive in accordance with their terms, as follows:

(1) Federal Programs and Services Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands Concluded Pursuant to Article III of Title One, Article II of Title Two (including Section 222), and Section 231 of the Compact of Free Association, as Amended, which include:

(i) Postal Services and Related Programs;

(ii) Weather Services and Related Programs;

- (iii) Civil Aviation Safety Service and Related Programs;
- (iv) Civil Aviation Economic Services and Related Programs;
- (v) United States Disaster Preparedness and Response Services and Related Programs; and
- (vi) Telecommunications Services and Related Programs.

(2) Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands on Extradition, Mutual Assistance in Law Enforcement Matters and Penal Sanctions Concluded Pursuant to Section 175 (a) of the Compact of Free Association, as Amended;

(3) Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands on Labor Recruitment Concluded Pursuant to Section 175 (b) of the Compact of Free Association, as Amended;

(4) Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact, as Amended, of Free Association Between the Government of the United States of America and the Government of the Republic of the Marshall Islands;

(5) Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands Implementing Section 216 and Section 217 of the Compact, as Amended, Regarding a Trust Fund;

(6) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Republic of the Marshall Islands Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association, as Amended; and

(7) Status of Forces Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands Concluded Pursuant to Section 323 of the Compact of Free Association, as Amended.

Section 463

(a) Except as set forth in subsection (b) of this section, any reference in this Compact, as amended, to a provision of the United States Code or the Statutes at Large of the United States constitutes the incorporation of the language of such provision into this Compact, as amended, as such provision was in force on the effective date of this Compact, as amended.

(b) Any reference in Article IV and VI of Title One, and Sections 174, 175, 178 and 342 to a provision of the United States Code or the Statutes at Large of the United States or to the Privacy Act, the Freedom of Information Act, the Administrative Procedure Act or the Immigration and Nationality Act constitutes the incorporation of the language of such provision into this Compact, as amended, as such provision was in force on the effective date of this Compact, as amended, or as it may be amended thereafter on a non-discriminatory basis according to the constitutional processes of the United States.

Article VII

Concluding Provisions

Section 471

Both the Government of the United States and the Government of the Republic of the Marshall Islands shall take all necessary steps, of a general or particular character, to ensure, no later than the entry into force date of this Compact, as amended, the conformity of its laws, regulations and administrative procedures with the provisions of this Compact, as amended, or, in the case of subsection (d) of section 141, as soon as reasonably possible thereafter.

Section 472

This Compact, as amended, may be accepted, by signature or otherwise, by the Government of the United States and the Government of the Republic of the Marshall Islands.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Compact of Free Association, as amended, which shall enter into force upon the exchange of diplomatic notes by which the Government of the United States of America and the Government of the Republic of the Marshall Islands inform each other about the fulfillment of their respective requirements for entry into force.

DONE at Majuro, Republic of the Marshall Islands, in duplicate, this thirtieth (30) day of April, 2003, each text being equally authentic.

**Signed (April 30, 2003)
For the Government of the
United States of America:**

**Ambassador Michael J. Senko
U.S. Ambassador to the
Republic of the Marshall Islands**

**Signed (April 30, 2003)
For the Government of the
Republic of the Marshall Islands:**

**His Excellency Banny deBrum
Ambassador Extraordinary and
Plenipotentiary**

Approved December 17, 2003.

LEGISLATIVE HISTORY—H.J. Res. 63 (S.J. Res. 16):

HOUSE REPORTS: No. 108–262, Pt. 1 (Comm. on International Relations), Pt. 2 (Comm. on Resources), and Pt. 3 (Comm. on the Judiciary).

SENATE REPORTS: No. 108–159 accompanying S.J. Res. 16 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Oct. 28, considered and passed House.

Nov. 6, considered and passed Senate, amended.

Nov. 20, House concurred in Senate amendments.



Public Law 108–189
108th Congress

An Act

To restate, clarify, and revise the Soliders' and Sailors' Civil Relief Act of 1940.

Dec. 19, 2003

[H.R. 100]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTATEMENT OF ACT.

The Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 501 et seq.) is amended to read as follows:

“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

“(a) **SHORT TITLE.**—This Act may be cited as the 50 USC app. 501. ‘Servicemembers Civil Relief Act’.

“(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Purpose.

“TITLE I—GENERAL PROVISIONS

“Sec. 101. Definitions.

“Sec. 102. Jurisdiction and applicability of Act.

“Sec. 103. Protection of persons secondarily liable.

“Sec. 104. Extension of protections to citizens serving with allied forces.

“Sec. 105. Notification of benefits.

“Sec. 106. Extension of rights and protections to Reserves ordered to report for military service and to persons ordered to report for induction.

“Sec. 107. Waiver of rights pursuant to written agreement.

“Sec. 108. Exercise of rights under Act not to affect certain future financial transactions.

“Sec. 109. Legal representatives.

“TITLE II—GENERAL RELIEF

“Sec. 201. Protection of servicemembers against default judgments.

“Sec. 202. Stay of proceedings when servicemember has notice.

“Sec. 203. Fines and penalties under contracts.

“Sec. 204. Stay or vacation of execution of judgments, attachments, and garnishments.

“Sec. 205. Duration and term of stays; codefendants not in service.

“Sec. 206. Statute of limitations.

“Sec. 207. Maximum rate of interest on debts incurred before military service.

“TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES

“Sec. 301. Evictions and distress.

“Sec. 302. Protection under installment contracts for purchase or lease.

“Sec. 303. Mortgages and trust deeds.

“Sec. 304. Settlement of stayed cases relating to personal property.

“Sec. 305. Termination of residential or motor vehicle leases.

“Sec. 306. Protection of life insurance policy.

“Sec. 307. Enforcement of storage liens.

“Sec. 308. Extension of protections to dependents.

“TITLE IV—LIFE INSURANCE

- “Sec. 401. Definitions.
- “Sec. 402. Insurance rights and protections.
- “Sec. 403. Application for insurance protection.
- “Sec. 404. Policies entitled to protection and lapse of policies.
- “Sec. 405. Policy restrictions.
- “Sec. 406. Deduction of unpaid premiums.
- “Sec. 407. Premiums and interest guaranteed by United States.
- “Sec. 408. Regulations.
- “Sec. 409. Review of findings of fact and conclusions of law.

“TITLE V—TAXES AND PUBLIC LANDS

- “Sec. 501. Taxes respecting personal property, money, credits, and real property.
- “Sec. 502. Rights in public lands.
- “Sec. 503. Desert-land entries.
- “Sec. 504. Mining claims.
- “Sec. 505. Mineral permits and leases.
- “Sec. 506. Perfection or defense of rights.
- “Sec. 507. Distribution of information concerning benefits of title.
- “Sec. 508. Land rights of servicemembers.
- “Sec. 509. Regulations.
- “Sec. 510. Income taxes.
- “Sec. 511. Residence for tax purposes.

“TITLE VI—ADMINISTRATIVE REMEDIES

- “Sec. 601. Inappropriate use of Act.
- “Sec. 602. Certificates of service; persons reported missing.
- “Sec. 603. Interlocutory orders.

“TITLE VII—FURTHER RELIEF

- “Sec. 701. Anticipatory relief.
- “Sec. 702. Power of attorney.
- “Sec. 703. Professional liability protection.
- “Sec. 704. Health insurance reinstatement.
- “Sec. 705. Guarantee of residency for military personnel.
- “Sec. 706. Business or trade obligations.

50 USC app. 502. **“SEC. 2. PURPOSE.**

“The purposes of this Act are—

“(1) to provide for, strengthen, and expedite the national defense through protection extended by this Act to servicemembers of the United States to enable such persons to devote their entire energy to the defense needs of the Nation; and

“(2) to provide for the temporary suspension of judicial and administrative proceedings and transactions that may adversely affect the civil rights of servicemembers during their military service.

“TITLE I—GENERAL PROVISIONS

50 USC app. 511. **“SEC. 101. DEFINITIONS.**

“For the purposes of this Act:

“(1) **SERVICEMEMBER.**—The term ‘servicemember’ means a member of the uniformed services, as that term is defined in section 101(a)(5) of title 10, United States Code.

“(2) **MILITARY SERVICE.**—The term ‘military service’ means—

“(A) in the case of a servicemember who is a member of the Army, Navy, Air Force, Marine Corps, or Coast Guard—

“(i) active duty, as defined in section 101(d)(1) of title 10, United States Code, and

“(ii) in the case of a member of the National Guard, includes service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, for purposes of responding to a national emergency declared by the President and supported by Federal funds;

“(B) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service; and

“(C) any period during which a servicemember is absent from duty on account of sickness, wounds, leave, or other lawful cause.

“(3) PERIOD OF MILITARY SERVICE.—The term ‘period of military service’ means the period beginning on the date on which a servicemember enters military service and ending on the date on which the servicemember is released from military service or dies while in military service.

“(4) DEPENDENT.—The term ‘dependent’, with respect to a servicemember, means—

“(A) the servicemember’s spouse;

“(B) the servicemember’s child (as defined in section 101(4) of title 38, United States Code); or

“(C) an individual for whom the servicemember provided more than one-half of the individual’s support for 180 days immediately preceding an application for relief under this Act.

“(5) COURT.—The term ‘court’ means a court or an administrative agency of the United States or of any State (including any political subdivision of a State), whether or not a court or administrative agency of record.

“(6) STATE.—The term ‘State’ includes—

“(A) a commonwealth, territory, or possession of the United States; and

“(B) the District of Columbia.

“(7) SECRETARY CONCERNED.—The term ‘Secretary concerned’—

“(A) with respect to a member of the armed forces, has the meaning given that term in section 101(a)(9) of title 10, United States Code;

“(B) with respect to a commissioned officer of the Public Health Service, means the Secretary of Health and Human Services; and

“(C) with respect to a commissioned officer of the National Oceanic and Atmospheric Administration, means the Secretary of Commerce.

“(8) MOTOR VEHICLE.—The term ‘motor vehicle’ has the meaning given that term in section 30102(a)(6) of title 49, United States Code.

“SEC. 102. JURISDICTION AND APPLICABILITY OF ACT.

50 USC app. 512.

“(a) JURISDICTION.—This Act applies to—

“(1) the United States;

“(2) each of the States, including the political subdivisions thereof; and

“(3) all territory subject to the jurisdiction of the United States.

“(b) **APPLICABILITY TO PROCEEDINGS.**—This Act applies to any judicial or administrative proceeding commenced in any court or agency in any jurisdiction subject to this Act. This Act does not apply to criminal proceedings.

“(c) **COURT IN WHICH APPLICATION MAY BE MADE.**—When under this Act any application is required to be made to a court in which no proceeding has already been commenced with respect to the matter, such application may be made to any court which would otherwise have jurisdiction over the matter.

50 USC app. 513.

“SEC. 103. PROTECTION OF PERSONS SECONDARILY LIABLE.

“(a) **EXTENSION OF PROTECTION WHEN ACTIONS STAYED, POSTPONED, OR SUSPENDED.**—Whenever pursuant to this Act a court stays, postpones, or suspends (1) the enforcement of an obligation or liability, (2) the prosecution of a suit or proceeding, (3) the entry or enforcement of an order, writ, judgment, or decree, or (4) the performance of any other act, the court may likewise grant such a stay, postponement, or suspension to a surety, guarantor, endorser, accommodation maker, comaker, or other person who is or may be primarily or secondarily subject to the obligation or liability the performance or enforcement of which is stayed, postponed, or suspended.

“(b) **VACATION OR SET-ASIDE OF JUDGMENTS.**—When a judgment or decree is vacated or set aside, in whole or in part, pursuant to this Act, the court may also set aside or vacate, as the case may be, the judgment or decree as to a surety, guarantor, endorser, accommodation maker, comaker, or other person who is or may be primarily or secondarily liable on the contract or liability for the enforcement of the judgment or decree.

“(c) **BAIL BOND NOT TO BE ENFORCED DURING PERIOD OF MILITARY SERVICE.**—A court may not enforce a bail bond during the period of military service of the principal on the bond when military service prevents the surety from obtaining the attendance of the principal. The court may discharge the surety and exonerate the bail, in accordance with principles of equity and justice, during or after the period of military service of the principal.

“(d) **WAIVER OF RIGHTS.**—

“(1) **WAIVERS NOT PRECLUDED.**—This Act does not prevent a waiver in writing by a surety, guarantor, endorser, accommodation maker, comaker, or other person (whether primarily or secondarily liable on an obligation or liability) of the protections provided under subsections (a) and (b). Any such waiver is effective only if it is executed as an instrument separate from the obligation or liability with respect to which it applies.

“(2) **WAIVER INVALIDATED UPON ENTRANCE TO MILITARY SERVICE.**—If a waiver under paragraph (1) is executed by an individual who after the execution of the waiver enters military service, or by a dependent of an individual who after the execution of the waiver enters military service, the waiver is not valid after the beginning of the period of such military service unless the waiver was executed by such individual or dependent during the period specified in section 106.

“SEC. 104. EXTENSION OF PROTECTIONS TO CITIZENS SERVING WITH ALLIED FORCES. 50 USC app. 514.

“A citizen of the United States who is serving with the forces of a nation with which the United States is allied in the prosecution of a war or military action is entitled to the relief and protections provided under this Act if that service with the allied force is similar to military service as defined in this Act. The relief and protections provided to such citizen shall terminate on the date of discharge or release from such service.

Termination
date.

“SEC. 105. NOTIFICATION OF BENEFITS.

50 USC app. 515.

“The Secretary concerned shall ensure that notice of the benefits accorded by this Act is provided in writing to persons in military service and to persons entering military service.

“SEC. 106. EXTENSION OF RIGHTS AND PROTECTIONS TO RESERVES ORDERED TO REPORT FOR MILITARY SERVICE AND TO PERSONS ORDERED TO REPORT FOR INDUCTION. 50 USC app. 516.

“(a) **RESERVES ORDERED TO REPORT FOR MILITARY SERVICE.**—A member of a reserve component who is ordered to report for military service is entitled to the rights and protections of this title and titles II and III during the period beginning on the date of the member’s receipt of the order and ending on the date on which the member reports for military service (or, if the order is revoked before the member so reports, or the date on which the order is revoked).

“(b) **PERSONS ORDERED TO REPORT FOR INDUCTION.**—A person who has been ordered to report for induction under the Military Selective Service Act (50 U.S.C. App. 451 et seq.) is entitled to the rights and protections provided a servicemember under this title and titles II and III during the period beginning on the date of receipt of the order for induction and ending on the date on which the person reports for induction (or, if the order to report for induction is revoked before the date on which the person reports for induction, on the date on which the order is revoked).

“SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN AGREEMENT. 50 USC app. 517.

“(a) **IN GENERAL.**—A servicemember may waive any of the rights and protections provided by this Act. In the case of a waiver that permits an action described in subsection (b), the waiver is effective only if made pursuant to a written agreement of the parties that is executed during or after the servicemember’s period of military service. The written agreement shall specify the legal instrument to which the waiver applies and, if the servicemember is not a party to that instrument, the servicemember concerned.

“(b) **ACTIONS REQUIRING WAIVERS IN WRITING.**—The requirement in subsection (a) for a written waiver applies to the following:

“(1) The modification, termination, or cancellation of—

“(A) a contract, lease, or bailment; or

“(B) an obligation secured by a mortgage, trust, deed, lien, or other security in the nature of a mortgage.

“(2) The repossession, retention, foreclosure, sale, forfeiture, or taking possession of property that—

“(A) is security for any obligation; or

“(B) was purchased or received under a contract, lease, or bailment.

“(c) **COVERAGE OF PERIODS AFTER ORDERS RECEIVED.**—For the purposes of this section—

“(1) a person to whom section 106 applies shall be considered to be a servicemember; and

“(2) the period with respect to such a person specified in subsection (a) or (b), as the case may be, of section 106 shall be considered to be a period of military service.

50 USC app. 518. **“SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AFFECT CERTAIN FUTURE FINANCIAL TRANSACTIONS.**

“Application by a servicemember for, or receipt by a servicemember of, a stay, postponement, or suspension pursuant to this Act in the payment of a tax, fine, penalty, insurance premium, or other civil obligation or liability of that servicemember shall not itself (without regard to other considerations) provide the basis for any of the following:

“(1) A determination by a lender or other person that the servicemember is unable to pay the civil obligation or liability in accordance with its terms.

“(2) With respect to a credit transaction between a creditor and the servicemember—

“(A) a denial or revocation of credit by the creditor;

“(B) a change by the creditor in the terms of an existing credit arrangement; or

“(C) a refusal by the creditor to grant credit to the servicemember in substantially the amount or on substantially the terms requested.

“(3) An adverse report relating to the creditworthiness of the servicemember by or to a person engaged in the practice of assembling or evaluating consumer credit information.

“(4) A refusal by an insurer to insure the servicemember.

“(5) An annotation in a servicemember’s record by a creditor or a person engaged in the practice of assembling or evaluating consumer credit information, identifying the servicemember as a member of the National Guard or a reserve component.

“(6) A change in the terms offered or conditions required for the issuance of insurance.

50 USC app. 519. **“SEC. 109. LEGAL REPRESENTATIVES.**

“(a) REPRESENTATIVE.—A legal representative of a servicemember for purposes of this Act is either of the following:

“(1) An attorney acting on the behalf of a servicemember.

“(2) An individual possessing a power of attorney.

“(b) APPLICATION.—Whenever the term ‘servicemember’ is used in this Act, such term shall be treated as including a reference to a legal representative of the servicemember.

“TITLE II—GENERAL RELIEF

50 USC app. 521. **“SEC. 201. PROTECTION OF SERVICEMEMBERS AGAINST DEFAULT JUDGMENTS.**

“(a) APPLICABILITY OF SECTION.—This section applies to any civil action or proceeding in which the defendant does not make an appearance.

“(b) AFFIDAVIT REQUIREMENT.—

“(1) PLAINTIFF TO FILE AFFIDAVIT.—In any action or proceeding covered by this section, the court, before entering judgment for the plaintiff, shall require the plaintiff to file with the court an affidavit—

“(A) stating whether or not the defendant is in military service and showing necessary facts to support the affidavit; or

“(B) if the plaintiff is unable to determine whether or not the defendant is in military service, stating that the plaintiff is unable to determine whether or not the defendant is in military service.

“(2) APPOINTMENT OF ATTORNEY TO REPRESENT DEFENDANT IN MILITARY SERVICE.—If in an action covered by this section it appears that the defendant is in military service, the court may not enter a judgment until after the court appoints an attorney to represent the defendant. If an attorney appointed under this section to represent a servicemember cannot locate the servicemember, actions by the attorney in the case shall not waive any defense of the servicemember or otherwise bind the servicemember.

“(3) DEFENDANT’S MILITARY STATUS NOT ASCERTAINED BY AFFIDAVIT.—If based upon the affidavits filed in such an action, the court is unable to determine whether the defendant is in military service, the court, before entering judgment, may require the plaintiff to file a bond in an amount approved by the court. If the defendant is later found to be in military service, the bond shall be available to indemnify the defendant against any loss or damage the defendant may suffer by reason of any judgment for the plaintiff against the defendant, should the judgment be set aside in whole or in part. The bond shall remain in effect until expiration of the time for appeal and setting aside of a judgment under applicable Federal or State law or regulation or under any applicable ordinance of a political subdivision of a State. The court may issue such orders or enter such judgments as the court determines necessary to protect the rights of the defendant under this Act.

“(4) SATISFACTION OF REQUIREMENT FOR AFFIDAVIT.—The requirement for an affidavit under paragraph (1) may be satisfied by a statement, declaration, verification, or certificate, in writing, subscribed and certified or declared to be true under penalty of perjury.

“(c) PENALTY FOR MAKING OR USING FALSE AFFIDAVIT.—A person who makes or uses an affidavit permitted under subsection (b) (or a statement, declaration, verification, or certificate as authorized under subsection (b)(4)) knowing it to be false, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(d) STAY OF PROCEEDINGS.—In an action covered by this section in which the defendant is in military service, the court shall grant a stay of proceedings for a minimum period of 90 days under this subsection upon application of counsel, or on the court’s own motion, if the court determines that—

“(1) there may be a defense to the action and a defense cannot be presented without the presence of the defendant; or

“(2) after due diligence, counsel has been unable to contact the defendant or otherwise determine if a meritorious defense exists.

“(e) INAPPLICABILITY OF SECTION 202 PROCEDURES.—A stay of proceedings under subsection (d) shall not be controlled by procedures or requirements under section 202.

“(f) SECTION 202 PROTECTION.—If a servicemember who is a defendant in an action covered by this section receives actual notice of the action, the servicemember may request a stay of proceeding under section 202.

“(g) VACATION OR SETTING ASIDE OF DEFAULT JUDGMENTS.—

“(1) AUTHORITY FOR COURT TO VACATE OR SET ASIDE JUDGMENT.—If a default judgment is entered in an action covered by this section against a servicemember during the servicemember’s period of military service (or within 60 days after termination of or release from such military service), the court entering the judgment shall, upon application by or on behalf of the servicemember, reopen the judgment for the purpose of allowing the servicemember to defend the action if it appears that—

“(A) the servicemember was materially affected by reason of that military service in making a defense to the action; and

“(B) the servicemember has a meritorious or legal defense to the action or some part of it.

Deadline.

“(2) TIME FOR FILING APPLICATION.—An application under this subsection must be filed not later than 90 days after the date of the termination of or release from military service.

“(h) PROTECTION OF BONA FIDE PURCHASER.—If a court vacates, sets aside, or reverses a default judgment against a servicemember and the vacating, setting aside, or reversing is because of a provision of this Act, that action shall not impair a right or title acquired by a bona fide purchaser for value under the default judgment.

50 USC app. 522.

“SEC. 202. STAY OF PROCEEDINGS WHEN SERVICEMEMBER HAS NOTICE.

“(a) APPLICABILITY OF SECTION.—This section applies to any civil action or proceeding in which the defendant at the time of filing an application under this section—

“(1) is in military service or is within 90 days after termination of or release from military service; and

“(2) has received notice of the action or proceeding.

“(b) STAY OF PROCEEDINGS.—

“(1) AUTHORITY FOR STAY.—At any stage before final judgment in a civil action or proceeding in which a servicemember described in subsection (a) is a party, the court may on its own motion and shall, upon application by the servicemember, stay the action for a period of not less than 90 days, if the conditions in paragraph (2) are met.

“(2) CONDITIONS FOR STAY.—An application for a stay under paragraph (1) shall include the following:

“(A) A letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the servicemember’s ability to appear and stating a date when the servicemember will be available to appear.

“(B) A letter or other communication from the servicemember’s commanding officer stating that the servicemember’s current military duty prevents appearance and that military leave is not authorized for the servicemember at the time of the letter.

“(c) APPLICATION NOT A WAIVER OF DEFENSES.—An application for a stay under this section does not constitute an appearance

for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense (including a defense relating to lack of personal jurisdiction).

“(d) ADDITIONAL STAY.—

“(1) APPLICATION.—A servicemember who is granted a stay of a civil action or proceeding under subsection (b) may apply for an additional stay based on continuing material affect of military duty on the servicemember’s ability to appear. Such an application may be made by the servicemember at the time of the initial application under subsection (b) or when it appears that the servicemember is unavailable to prosecute or defend the action. The same information required under subsection (b)(2) shall be included in an application under this subsection.

“(2) APPOINTMENT OF COUNSEL WHEN ADDITIONAL STAY REFUSED.—If the court refuses to grant an additional stay of proceedings under paragraph (1), the court shall appoint counsel to represent the servicemember in the action or proceeding.

“(e) COORDINATION WITH SECTION 201.—A servicemember who applies for a stay under this section and is unsuccessful may not seek the protections afforded by section 201.

“(f) INAPPLICABILITY TO SECTION 301.—The protections of this section do not apply to section 301.

“SEC. 203. FINES AND PENALTIES UNDER CONTRACTS.

50 USC app. 523.

“(a) PROHIBITION OF PENALTIES.—When an action for compliance with the terms of a contract is stayed pursuant to this Act, a penalty shall not accrue for failure to comply with the terms of the contract during the period of the stay.

“(b) REDUCTION OR WAIVER OF FINES OR PENALTIES.—If a servicemember fails to perform an obligation arising under a contract and a penalty is incurred arising from that nonperformance, a court may reduce or waive the fine or penalty if—

“(1) the servicemember was in military service at the time the fine or penalty was incurred; and

“(2) the ability of the servicemember to perform the obligation was materially affected by such military service.

“SEC. 204. STAY OR VACATION OF EXECUTION OF JUDGMENTS, ATTACHMENTS, AND GARNISHMENTS.

50 USC app. 524.

“(a) COURT ACTION UPON MATERIAL AFFECT DETERMINATION.—If a servicemember, in the opinion of the court, is materially affected by reason of military service in complying with a court judgment or order, the court may on its own motion and shall on application by the servicemember—

“(1) stay the execution of any judgment or order entered against the servicemember; and

“(2) vacate or stay an attachment or garnishment of property, money, or debts in the possession of the servicemember or a third party, whether before or after judgment.

“(b) APPLICABILITY.—This section applies to an action or proceeding commenced in a court against a servicemember before or during the period of the servicemember’s military service or within 90 days after such service terminates.

50 USC app. 525. **“SEC. 205. DURATION AND TERM OF STAYS; CODEFENDANTS NOT IN SERVICE.**

“(a) PERIOD OF STAY.—A stay of an action, proceeding, attachment, or execution made pursuant to the provisions of this Act by a court may be ordered for the period of military service and 90 days thereafter, or for any part of that period. The court may set the terms and amounts for such installment payments as is considered reasonable by the court.

“(b) CODEFENDANTS.—If the servicemember is a codefendant with others who are not in military service and who are not entitled to the relief and protections provided under this Act, the plaintiff may proceed against those other defendants with the approval of the court.

“(c) INAPPLICABILITY OF SECTION.—This section does not apply to sections 202 and 701.

50 USC app. 526. **“SEC. 206. STATUTE OF LIMITATIONS.**

“(a) TOLLING OF STATUTES OF LIMITATION DURING MILITARY SERVICE.—The period of a servicemember’s military service may not be included in computing any period limited by law, regulation, or order for the bringing of any action or proceeding in a court, or in any board, bureau, commission, department, or other agency of a State (or political subdivision of a State) or the United States by or against the servicemember or the servicemember’s heirs, executors, administrators, or assigns.

“(b) REDEMPTION OF REAL PROPERTY.—A period of military service may not be included in computing any period provided by law for the redemption of real property sold or forfeited to enforce an obligation, tax, or assessment.

“(c) INAPPLICABILITY TO INTERNAL REVENUE LAWS.—This section does not apply to any period of limitation prescribed by or under the internal revenue laws of the United States.

50 USC app. 527. **“SEC. 207. MAXIMUM RATE OF INTEREST ON DEBTS INCURRED BEFORE MILITARY SERVICE.**

“(a) INTEREST RATE LIMITATION.—

“(1) LIMITATION TO 6 PERCENT.—An obligation or liability bearing interest at a rate in excess of 6 percent per year that is incurred by a servicemember, or the servicemember and the servicemember’s spouse jointly, before the servicemember enters military service shall not bear interest at a rate in excess of 6 percent per year during the period of military service.

“(2) FORGIVENESS OF INTEREST IN EXCESS OF 6 PERCENT.—Interest at a rate in excess of 6 percent per year that would otherwise be incurred but for the prohibition in paragraph (1) is forgiven.

“(3) PREVENTION OF ACCELERATION OF PRINCIPAL.—The amount of any periodic payment due from a servicemember under the terms of the instrument that created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under paragraph (2) that is allocable to the period for which such payment is made.

“(b) IMPLEMENTATION OF LIMITATION.—

“(1) WRITTEN NOTICE TO CREDITOR.—In order for an obligation or liability of a servicemember to be subject to the interest

Deadline.

rate limitation in subsection (a), the servicemember shall provide to the creditor written notice and a copy of the military orders calling the servicemember to military service and any orders further extending military service, not later than 180 days after the date of the servicemember's termination or release from military service.

“(2) LIMITATION EFFECTIVE AS OF DATE OF ORDER TO ACTIVE DUTY.—Upon receipt of written notice and a copy of orders calling a servicemember to military service, the creditor shall treat the debt in accordance with subsection (a), effective as of the date on which the servicemember is called to military service.

“(c) CREDITOR PROTECTION.—A court may grant a creditor relief from the limitations of this section if, in the opinion of the court, the ability of the servicemember to pay interest upon the obligation or liability at a rate in excess of 6 percent per year is not materially affected by reason of the servicemember's military service.

“(d) INTEREST.—As used in this section, the term ‘interest’ includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to an obligation or liability.

“TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES

“SEC. 301. EVICTIONS AND DISTRESS.

50 USC app. 531.

“(a) COURT-ORDERED EVICTION.—

“(1) IN GENERAL.—Except by court order, a landlord (or another person with paramount title) may not—

“(A) evict a servicemember, or the dependents of a servicemember, during a period of military service of the servicemember, from premises—

“(i) that are occupied or intended to be occupied primarily as a residence; and

“(ii) for which the monthly rent does not exceed \$2,400, as adjusted under paragraph (2) for years after 2003; or

“(B) subject such premises to a distress during the period of military service.

“(2) HOUSING PRICE INFLATION ADJUSTMENT.—(A) For calendar years beginning with 2004, the amount in effect under paragraph (1)(A)(ii) shall be increased by the housing price inflation adjustment for the calendar year involved.

“(B) For purposes of this paragraph—

“(i) The housing price inflation adjustment for any calendar year is the percentage change (if any) by which—

“(I) the CPI housing component for November of the preceding calendar year, exceeds

“(II) the CPI housing component for November of 1984.

“(ii) The term ‘CPI housing component’ means the index published by the Bureau of Labor Statistics of the Department of Labor known as the Consumer Price Index, All Urban Consumers, Rent of Primary Residence, U.S. City Average.

Federal Register,
publication.

Deadline.

“(3) PUBLICATION OF HOUSING PRICE INFLATION ADJUSTMENT.—The Secretary of Defense shall cause to be published in the Federal Register each year the amount in effect under paragraph (1)(A)(ii) for that year following the housing price inflation adjustment for that year pursuant to paragraph (2). Such publication shall be made for a year not later than 60 days after such adjustment is made for that year.

“(b) STAY OF EXECUTION.—

“(1) COURT AUTHORITY.—Upon an application for eviction or distress with respect to premises covered by this section, the court may on its own motion and shall, if a request is made by or on behalf of a servicemember whose ability to pay the agreed rent is materially affected by military service—

“(A) stay the proceedings for a period of 90 days, unless in the opinion of the court, justice and equity require a longer or shorter period of time; or

“(B) adjust the obligation under the lease to preserve the interests of all parties.

“(2) RELIEF TO LANDLORD.—If a stay is granted under paragraph (1), the court may grant to the landlord (or other person with paramount title) such relief as equity may require.

“(c) PENALTIES.—

“(1) MISDEMEANOR.—Except as provided in subsection (a), a person who knowingly takes part in an eviction or distress described in subsection (a), or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES AND RIGHTS.—The remedies and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion (or wrongful eviction) otherwise available under the law to the person claiming relief under this section, including any award for consequential and punitive damages.

“(d) RENT ALLOTMENT FROM PAY OF SERVICEMEMBER.—To the extent required by a court order related to property which is the subject of a court action under this section, the Secretary concerned shall make an allotment from the pay of a servicemember to satisfy the terms of such order, except that any such allotment shall be subject to regulations prescribed by the Secretary concerned establishing the maximum amount of pay of servicemembers that may be allotted under this subsection.

“(e) LIMITATION OF APPLICABILITY.—Section 202 is not applicable to this section.

50 USC app. 532.

“SEC. 302. PROTECTION UNDER INSTALLMENT CONTRACTS FOR PURCHASE OR LEASE.

“(a) PROTECTION UPON BREACH OF CONTRACT.—

“(1) PROTECTION AFTER ENTERING MILITARY SERVICE.—After a servicemember enters military service, a contract by the servicemember for—

“(A) the purchase of real or personal property (including a motor vehicle); or

“(B) the lease or bailment of such property, may not be rescinded or terminated for a breach of terms of the contract occurring before or during that person’s military service, nor may the property be repossessed for such breach without a court order.

“(2) APPLICABILITY.—This section applies only to a contract for which a deposit or installment has been paid by the servicemember before the servicemember enters military service.

“(b) PENALTIES.—

“(1) MISDEMEANOR.—A person who knowingly resumes possession of property in violation of subsection (a), or in violation of section 107 of this Act, or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES AND RIGHTS.—The remedies and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section, including any award for consequential and punitive damages.

“(c) AUTHORITY OF COURT.—In a hearing based on this section, the court—

“(1) may order repayment to the servicemember of all or part of the prior installments or deposits as a condition of terminating the contract and resuming possession of the property;

“(2) may, on its own motion, and shall on application by a servicemember when the servicemember’s ability to comply with the contract is materially affected by military service, stay the proceedings for a period of time as, in the opinion of the court, justice and equity require; or

“(3) may make other disposition as is equitable to preserve the interests of all parties.

“SEC. 303. MORTGAGES AND TRUST DEEDS.

50 USC app. 533.

“(a) MORTGAGE AS SECURITY.—This section applies only to an obligation on real or personal property owned by a servicemember that—

Applicability.

“(1) originated before the period of the servicemember’s military service and for which the servicemember is still obligated; and

“(2) is secured by a mortgage, trust deed, or other security in the nature of a mortgage.

“(b) STAY OF PROCEEDINGS AND ADJUSTMENT OF OBLIGATION.—In an action filed during, or within 90 days after, a servicemember’s period of military service to enforce an obligation described in subsection (a), the court may after a hearing and on its own motion and shall upon application by a servicemember when the servicemember’s ability to comply with the obligation is materially affected by military service—

“(1) stay the proceedings for a period of time as justice and equity require, or

“(2) adjust the obligation to preserve the interests of all parties.

“(c) SALE OR FORECLOSURE.—A sale, foreclosure, or seizure of property for a breach of an obligation described in subsection (a) shall not be valid if made during, or within 90 days after, the period of the servicemember’s military service except—

“(1) upon a court order granted before such sale, foreclosure, or seizure with a return made and approved by the court; or

“(2) if made pursuant to an agreement as provided in section 107.

“(d) PENALTIES.—

“(1) MISDEMEANOR.—A person who knowingly makes or causes to be made a sale, foreclosure, or seizure of property that is prohibited by subsection (c), or who knowingly attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES.—The remedies and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section, including consequential and punitive damages.

50 USC app. 534. **“SEC. 304. SETTLEMENT OF STAYED CASES RELATING TO PERSONAL PROPERTY.**

“(a) APPRAISAL OF PROPERTY.—When a stay is granted pursuant to this Act in a proceeding to foreclose a mortgage on or to repossess personal property, or to rescind or terminate a contract for the purchase of personal property, the court may appoint three disinterested parties to appraise the property.

“(b) EQUITY PAYMENT.—Based on the appraisal, and if undue hardship to the servicemember’s dependents will not result, the court may order that the amount of the servicemember’s equity in the property be paid to the servicemember, or the servicemember’s dependents, as a condition of foreclosing the mortgage, repossessing the property, or rescinding or terminating the contract.

50 USC app. 535. **“SEC. 305. TERMINATION OF RESIDENTIAL OR MOTOR VEHICLE LEASES.**

“(a) TERMINATION BY LESSEE.—The lessee on a lease described in subsection (b) may, at the lessee’s option, terminate the lease at any time after—

“(1) the lessee’s entry into military service; or

“(2) the date of the lessee’s military orders described in paragraph (1)(B) or (2)(B) of subsection (b), as the case may be.

Applicability.

“(b) COVERED LEASES.—This section applies to the following leases:

“(1) LEASES OF PREMISES.—A lease of premises occupied, or intended to be occupied, by a servicemember or a servicemember’s dependents for a residential, professional, business, agricultural, or similar purpose if—

“(A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service; or

“(B) the servicemember, while in military service, executes the lease and thereafter receives military orders for a permanent change of station or to deploy with a military unit for a period of not less than 90 days.

“(2) LEASES OF MOTOR VEHICLES.—A lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember’s dependents for personal or business transportation if—

“(A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service under a call or order specifying a period

of not less than 180 days (or who enters military service under a call or order specifying a period of 180 days or less and who, without a break in service, receives orders extending the period of military service to a period of not less than 180 days); or

“(B) the servicemember, while in military service, executes the lease and thereafter receives military orders for a permanent change of station outside of the continental United States or to deploy with a military unit for a period of not less than 180 days.

“(c) MANNER OF TERMINATION.—

“(1) IN GENERAL.—Termination of a lease under subsection (a) is made—

“(A) by delivery by the lessee of written notice of such termination, and a copy of the servicemember’s military orders, to the lessor (or the lessor’s grantee), or to the lessor’s agent (or the agent’s grantee); and

“(B) in the case of a lease of a motor vehicle, by return of the motor vehicle by the lessee to the lessor (or the lessor’s grantee), or to the lessor’s agent (or the agent’s grantee), not later than 15 days after the date of the delivery of written notice under subparagraph (A).

Deadline.

“(2) DELIVERY OF NOTICE.—Delivery of notice under paragraph (1)(A) may be accomplished—

“(A) by hand delivery;

“(B) by private business carrier; or

“(C) by placing the written notice in an envelope with sufficient postage and with return receipt requested, and addressed as designated by the lessor (or the lessor’s grantee) or to the lessor’s agent (or the agent’s grantee), and depositing the written notice in the United States mails.

“(d) EFFECTIVE DATE OF LEASE TERMINATION.—

“(1) LEASE OF PREMISES.—In the case of a lease described in subsection (b)(1) that provides for monthly payment of rent, termination of the lease under subsection (a) is effective 30 days after the first date on which the next rental payment is due and payable after the date on which the notice under subsection (c) is delivered. In the case of any other lease described in subsection (b)(1), termination of the lease under subsection (a) is effective on the last day of the month following the month in which the notice is delivered.

“(2) LEASE OF MOTOR VEHICLES.—In the case of a lease described in subsection (b)(2), termination of the lease under subsection (a) is effective on the day on which the requirements of subsection (c) are met for such termination.

“(e) ARREARAGES AND OTHER OBLIGATIONS AND LIABILITIES.—

Rents or lease amounts unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. In the case of the lease of a motor vehicle, the lessor may not impose an early termination charge, but any taxes, summonses, and title and registration fees and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

Deadline.

“(f) RENT PAID IN ADVANCE.—Rents or lease amounts paid in advance for a period after the effective date of the termination of the lease shall be refunded to the lessee by the lessor (or the lessor’s assignee or the assignee’s agent) within 30 days of the effective date of the termination of the lease.

“(g) RELIEF TO LESSOR.—Upon application by the lessor to a court before the termination date provided in the written notice, relief granted by this section to a servicemember may be modified as justice and equity require.

“(h) PENALTIES.—

“(1) MISDEMEANOR.—Any person who knowingly seizes, holds, or detains the personal effects, security deposit, or other property of a servicemember or a servicemember’s dependent who lawfully terminates a lease covered by this section, or who knowingly interferes with the removal of such property from premises covered by such lease, for the purpose of subjecting or attempting to subject any of such property to a claim for rent accruing subsequent to the date of termination of such lease, or attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES.—The remedy and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section, including any award for consequential or punitive damages.

50 USC app. 536.

“SEC. 306. PROTECTION OF LIFE INSURANCE POLICY.

“(a) ASSIGNMENT OF POLICY PROTECTED.—If a life insurance policy on the life of a servicemember is assigned before military service to secure the payment of an obligation, the assignee of the policy (except the insurer in connection with a policy loan) may not exercise, during a period of military service of the servicemember or within one year thereafter, any right or option obtained under the assignment without a court order.

“(b) EXCEPTION.—The prohibition in subsection (a) shall not apply—

“(1) if the assignee has the written consent of the insured made during the period described in subsection (a);

“(2) when the premiums on the policy are due and unpaid;

or

“(3) upon the death of the insured.

“(c) ORDER REFUSED BECAUSE OF MATERIAL AFFECT.—A court which receives an application for an order required under subsection (a) may refuse to grant such order if the court determines the ability of the servicemember to comply with the terms of the obligation is materially affected by military service.

“(d) TREATMENT OF GUARANTEED PREMIUMS.—For purposes of this subsection, premiums guaranteed under the provisions of title IV of this Act shall not be considered due and unpaid.

“(e) PENALTIES.—

“(1) MISDEMEANOR.—A person who knowingly takes an action contrary to this section, or attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES.—The remedy and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section, including any consequential or punitive damages.

“SEC. 307. ENFORCEMENT OF STORAGE LIENS.

50 USC app. 537.

“(a) LIENS.—

“(1) LIMITATION ON FORECLOSURE OR ENFORCEMENT.—A person holding a lien on the property or effects of a servicemember may not, during any period of military service of the servicemember and for 90 days thereafter, foreclose or enforce any lien on such property or effects without a court order granted before foreclosure or enforcement.

“(2) LIEN DEFINED.—For the purposes of paragraph (1), the term ‘lien’ includes a lien for storage, repair, or cleaning of the property or effects of a servicemember or a lien on such property or effects for any other reason.

“(b) STAY OF PROCEEDINGS.—In a proceeding to foreclose or enforce a lien subject to this section, the court may on its own motion, and shall if requested by a servicemember whose ability to comply with the obligation resulting in the proceeding is materially affected by military service—

“(1) stay the proceeding for a period of time as justice and equity require; or

“(2) adjust the obligation to preserve the interests of all parties.

The provisions of this subsection do not affect the scope of section 303.

“(c) PENALTIES.—

“(1) MISDEMEANOR.—A person who knowingly takes an action contrary to this section, or attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

“(2) PRESERVATION OF OTHER REMEDIES.—The remedy and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section, including any consequential or punitive damages.

“SEC. 308. EXTENSION OF PROTECTIONS TO DEPENDENTS.

50 USC app. 538.

“Upon application to a court, a dependent of a servicemember is entitled to the protections of this title if the dependent’s ability to comply with a lease, contract, bailment, or other obligation is materially affected by reason of the servicemember’s military service.

“TITLE IV—LIFE INSURANCE

“SEC. 401. DEFINITIONS.

50 USC app. 541.

“For the purposes of this title:

“(1) POLICY.—The term ‘policy’ means any individual contract for whole, endowment, universal, or term life insurance (other than group term life insurance coverage), including any benefit in the nature of such insurance arising out of membership in any fraternal or beneficial association which—

“(A) provides that the insurer may not—

“(i) decrease the amount of coverage or require the payment of an additional amount as premiums if the insured engages in military service (except increases in premiums in individual term insurance based upon age); or

“(ii) limit or restrict coverage for any activity required by military service; and

“(B) is in force not less than 180 days before the date of the insured’s entry into military service and at the time of application under this title.

“(2) PREMIUM.—The term ‘premium’ means the amount specified in an insurance policy to be paid to keep the policy in force.

“(3) INSURED.—The term ‘insured’ means a servicemember whose life is insured under a policy.

“(4) INSURER.—The term ‘insurer’ includes any firm, corporation, partnership, association, or business that is chartered or authorized to provide insurance and issue contracts or policies by the laws of a State or the United States.

50 USC app. 542. **“SEC. 402. INSURANCE RIGHTS AND PROTECTIONS.**

“(a) RIGHTS AND PROTECTIONS.—The rights and protections under this title apply to the insured when—

“(1) the insured,

“(2) the insured’s legal representative, or

“(3) the insured’s beneficiary in the case of an insured who is outside a State,

applies in writing for protection under this title, unless the Secretary of Veterans Affairs determines that the insured’s policy is not entitled to protection under this title.

“(b) NOTIFICATION AND APPLICATION.—The Secretary of Veterans Affairs shall notify the Secretary concerned of the procedures to be used to apply for the protections provided under this title. The applicant shall send the original application to the insurer and a copy to the Secretary of Veterans Affairs.

“(c) LIMITATION ON AMOUNT.—The total amount of life insurance coverage protection provided by this title for a servicemember may not exceed \$250,000, or an amount equal to the Servicemember’s Group Life Insurance maximum limit, whichever is greater, regardless of the number of policies submitted.

50 USC app. 543. **“SEC. 403. APPLICATION FOR INSURANCE PROTECTION.**

“(a) APPLICATION PROCEDURE.—An application for protection under this title shall—

“(1) be in writing and signed by the insured, the insured’s legal representative, or the insured’s beneficiary, as the case may be;

“(2) identify the policy and the insurer; and

“(3) include an acknowledgement that the insured’s rights under the policy are subject to and modified by the provisions of this title.

“(b) ADDITIONAL REQUIREMENTS.—The Secretary of Veterans Affairs may require additional information from the applicant, the insured and the insurer to determine if the policy is entitled to protection under this title.

“(c) NOTICE TO THE SECRETARY BY THE INSURER.—Upon receipt of the application of the insured, the insurer shall furnish a report

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concerning the policy to the Secretary of Veterans Affairs as required by regulations prescribed by the Secretary.

“(d) **POLICY MODIFICATION.**—Upon application for protection under this title, the insured and the insurer shall have constructively agreed to any policy modification necessary to give this title full force and effect.

“SEC. 404. POLICIES ENTITLED TO PROTECTION AND LAPSE OF POLICIES. 50 USC app. 544.

“(a) **DETERMINATION.**—The Secretary of Veterans Affairs shall determine whether a policy is entitled to protection under this title and shall notify the insured and the insurer of that determination.

“(b) **LAPSE PROTECTION.**—A policy that the Secretary determines is entitled to protection under this title shall not lapse or otherwise terminate or be forfeited for the nonpayment of a premium, or interest or indebtedness on a premium, after the date on which the application for protection is received by the Secretary.

“(c) **TIME APPLICATION.**—The protection provided by this title applies during the insured’s period of military service and for a period of two years thereafter.

“SEC. 405. POLICY RESTRICTIONS. 50 USC app. 545.

“(a) **DIVIDENDS.**—While a policy is protected under this title, a dividend or other monetary benefit under a policy may not be paid to an insured or used to purchase dividend additions without the approval of the Secretary of Veterans Affairs. If such approval is not obtained, the dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer.

“(b) **SPECIFIC RESTRICTIONS.**—While a policy is protected under this title, cash value, loan value, withdrawal of dividend accumulation, unearned premiums, or other value of similar character may not be available to the insured without the approval of the Secretary. The right of the insured to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this title.

“SEC. 406. DEDUCTION OF UNPAID PREMIUMS. 50 USC app. 546.

“(a) **SETTLEMENT OF PROCEEDS.**—If a policy matures as a result of a servicemember’s death or otherwise during the period of protection of the policy under this title, the insurer in making settlement shall deduct from the insurance proceeds the amount of the unpaid premiums guaranteed under this title, together with interest due at the rate fixed in the policy for policy loans.

“(b) **INTEREST RATE.**—If the interest rate is not specifically fixed in the policy, the rate shall be the same as for policy loans in other policies issued by the insurer at the time the insured’s policy was issued.

“(c) **REPORTING REQUIREMENT.**—The amount deducted under this section, if any, shall be reported by the insurer to the Secretary of Veterans Affairs.

“SEC. 407. PREMIUMS AND INTEREST GUARANTEED BY UNITED STATES. 50 USC app. 547.

“(a) **GUARANTEE OF PREMIUMS AND INTEREST BY THE UNITED STATES.**—

“(1) **GUARANTEE.**—Payment of premiums, and interest on premiums at the rate specified in section 406, which become due on a policy under the protection of this title is guaranteed by the United States. If the amount guaranteed is not paid to the insurer before the period of insurance protection under this title expires, the amount due shall be treated by the insurer as a policy loan on the policy.

“(2) **POLICY TERMINATION.**—If, at the expiration of insurance protection under this title, the cash surrender value of a policy is less than the amount due to pay premiums and interest on premiums on the policy, the policy shall terminate. Upon such termination, the United States shall pay the insurer the difference between the amount due and the cash surrender value.

“(b) **RECOVERY FROM INSURED OF AMOUNTS PAID BY THE UNITED STATES.**—

“(1) **DEBT PAYABLE TO THE UNITED STATES.**—The amount paid by the United States to an insurer under this title shall be a debt payable to the United States by the insured on whose policy payment was made.

“(2) **COLLECTION.**—Such amount may be collected by the United States, either as an offset from any amount due the insured by the United States or as otherwise authorized by law.

“(3) **DEBT NOT DISCHARGEABLE IN BANKRUPTCY.**—Such debt payable to the United States is not dischargeable in bankruptcy proceedings.

“(c) **CREDITING OF AMOUNTS RECOVERED.**—Any amounts received by the United States as repayment of debts incurred by an insured under this title shall be credited to the appropriation for the payment of claims under this title.

50 USC app. 548. **“SEC. 408. REGULATIONS.**

“The Secretary of Veterans Affairs shall prescribe regulations for the implementation of this title.

50 USC app. 549. **“SEC. 409. REVIEW OF FINDINGS OF FACT AND CONCLUSIONS OF LAW.**

“The findings of fact and conclusions of law made by the Secretary of Veterans Affairs in administering this title are subject to review on appeal to the Board of Veterans’ Appeals pursuant to chapter 71 of title 38, United States Code, and to judicial review only as provided in chapter 72 of such title.

“TITLE V—TAXES AND PUBLIC LANDS

50 USC app. 561. **“SEC. 501. TAXES RESPECTING PERSONAL PROPERTY, MONEY, CREDITS, AND REAL PROPERTY.**

“(a) **APPLICATION.**—This section applies in any case in which a tax or assessment, whether general or special (other than a tax on personal income), falls due and remains unpaid before or during a period of military service with respect to a servicemember’s—

“(1) personal property (including motor vehicles); or

“(2) real property occupied for dwelling, professional, business, or agricultural purposes by a servicemember or the servicemember’s dependents or employees—

“(A) before the servicemember’s entry into military service; and

“(B) during the time the tax or assessment remains unpaid.

“(b) SALE OF PROPERTY.—

“(1) LIMITATION ON SALE OF PROPERTY TO ENFORCE TAX ASSESSMENT.—Property described in subsection (a) may not be sold to enforce the collection of such tax or assessment except by court order and upon the determination by the court that military service does not materially affect the servicemember’s ability to pay the unpaid tax or assessment.

“(2) STAY OF COURT PROCEEDINGS.—A court may stay a proceeding to enforce the collection of such tax or assessment, or sale of such property, during a period of military service of the servicemember and for a period not more than 180 days after the termination of, or release of the servicemember from, military service.

“(c) REDEMPTION.—When property described in subsection (a) is sold or forfeited to enforce the collection of a tax or assessment, a servicemember shall have the right to redeem or commence an action to redeem the servicemember’s property during the period of military service or within 180 days after termination of or release from military service. This subsection may not be construed to shorten any period provided by the law of a State (including any political subdivision of a State) for redemption.

“(d) INTEREST ON TAX OR ASSESSMENT.—Whenever a servicemember does not pay a tax or assessment on property described in subsection (a) when due, the amount of the tax or assessment due and unpaid shall bear interest until paid at the rate of 6 percent per year. An additional penalty or interest shall not be incurred by reason of nonpayment. A lien for such unpaid tax or assessment may include interest under this subsection.

“(e) JOINT OWNERSHIP APPLICATION.—This section applies to all forms of property described in subsection (a) owned individually by a servicemember or jointly by a servicemember and a dependent or dependents.

Applicability.

“SEC. 502. RIGHTS IN PUBLIC LANDS.

50 USC app. 562.

“(a) RIGHTS NOT FORFEITED.—The rights of a servicemember to lands owned or controlled by the United States, and initiated or acquired by the servicemember under the laws of the United States (including the mining and mineral leasing laws) before military service, shall not be forfeited or prejudiced as a result of being absent from the land, or by failing to begin or complete any work or improvements to the land, during the period of military service.

“(b) TEMPORARY SUSPENSION OF PERMITS OR LICENSES.—If a permittee or licensee under the Act of June 28, 1934 (43 U.S.C. 315 et seq.), enters military service, the permittee or licensee may suspend the permit or license for the period of military service and for 180 days after termination of or release from military service.

“(c) REGULATIONS.—Regulations prescribed by the Secretary of the Interior shall provide for such suspension of permits and licenses and for the remission, reduction, or refund of grazing fees during the period of such suspension.

50 USC app. 563. **“SEC. 503. DESERT-LAND ENTRIES.**

“(a) **DESERT-LAND RIGHTS NOT FORFEITED.**—A desert-land entry made or held under the desert-land laws before the entrance of the entryman or the entryman’s successor in interest into military service shall not be subject to contest or cancellation—

“(1) for failure to expend any required amount per acre per year in improvements upon the claim;

“(2) for failure to effect the reclamation of the claim during the period the entryman or the entryman’s successor in interest is in the military service, or for 180 days after termination of or release from military service; or

“(3) during any period of hospitalization or rehabilitation due to an injury or disability incurred in the line of duty. The time within which the entryman or claimant is required to make such expenditures and effect reclamation of the land shall be exclusive of the time periods described in paragraphs (2) and (3).

“(b) **SERVICE-RELATED DISABILITY.**—If an entryman or claimant is honorably discharged and is unable to accomplish reclamation of, and payment for, desert land due to a disability incurred in the line of duty, the entryman or claimant may make proof without further reclamation or payments, under regulations prescribed by the Secretary of the Interior, and receive a patent for the land entered or claimed.

Deadline.

“(c) **FILING REQUIREMENT.**—In order to obtain the protection of this section, the entryman or claimant shall, within 180 days after entry into military service, cause to be filed in the land office of the district where the claim is situated a notice communicating the fact of military service and the desire to hold the claim under this section.

50 USC app. 564. **“SEC. 504. MINING CLAIMS.**

“(a) **REQUIREMENTS SUSPENDED.**—The provisions of section 2324 of the Revised Statutes of the United States (30 U.S.C. 28) specified in subsection (b) shall not apply to a servicemember’s claims or interests in claims, regularly located and recorded, during a period of military service and 180 days thereafter, or during any period of hospitalization or rehabilitation due to injuries or disabilities incurred in the line of duty.

“(b) **REQUIREMENTS.**—The provisions in section 2324 of the Revised Statutes that shall not apply under subsection (a) are those which require that on each mining claim located after May 10, 1872, and until a patent has been issued for such claim, not less than \$100 worth of labor shall be performed or improvements made during each year.

“(c) **PERIOD OF PROTECTION FROM FORFEITURE.**—A mining claim or an interest in a claim owned by a servicemember that has been regularly located and recorded shall not be subject to forfeiture for nonperformance of annual assessments during the period of military service and for 180 days thereafter, or for any period of hospitalization or rehabilitation described in subsection (a).

Deadline.

“(d) **FILING REQUIREMENT.**—In order to obtain the protections of this section, the claimant of a mining location shall, before the end of the assessment year in which military service is begun or within 60 days after the end of such assessment year, cause to be filed in the office where the location notice or certificate

is recorded a notice communicating the fact of military service and the desire to hold the mining claim under this section.

“SEC. 505. MINERAL PERMITS AND LEASES.

50 USC app. 565.

“(a) **SUSPENSION DURING MILITARY SERVICE.**—A person holding a permit or lease on the public domain under the Federal mineral leasing laws who enters military service may suspend all operations under the permit or lease for the duration of military service and for 180 days thereafter. The term of the permit or lease shall not run during the period of suspension, nor shall any rental or royalties be charged against the permit or lease during the period of suspension.

“(b) **NOTIFICATION.**—In order to obtain the protection of this section, the permittee or lessee shall, within 180 days after entry into military service, notify the Secretary of the Interior by registered mail of the fact that military service has begun and of the desire to hold the claim under this section.

Deadline.

“(c) **CONTRACT MODIFICATION.**—This section shall not be construed to supersede the terms of any contract for operation of a permit or lease.

“SEC. 506. PERFECTION OR DEFENSE OF RIGHTS.

50 USC app. 566.

“(a) **RIGHT TO TAKE ACTION NOT AFFECTED.**—This title shall not affect the right of a servicemember to take action during a period of military service that is authorized by law or regulations of the Department of the Interior, for the perfection, defense, or further assertion of rights initiated or acquired before entering military service.

“(b) **AFFIDAVITS AND PROOFS.**—

“(1) **IN GENERAL.**—A servicemember during a period of military service may make any affidavit or submit any proof required by law, practice, or regulation of the Department of the Interior in connection with the entry, perfection, defense, or further assertion of rights initiated or acquired before entering military service before an officer authorized to provide notary services under section 1044a of title 10, United States Code, or any superior commissioned officer.

“(2) **LEGAL STATUS OF AFFIDAVITS.**—Such affidavits shall be binding in law and subject to the same penalties as prescribed by section 1001 of title 18, United State Code.

“SEC. 507. DISTRIBUTION OF INFORMATION CONCERNING BENEFITS OF TITLE.

50 USC app. 567.

“(a) **DISTRIBUTION OF INFORMATION BY SECRETARY CONCERNED.**—The Secretary concerned shall issue to servicemembers information explaining the provisions of this title.

“(b) **APPLICATION FORMS.**—The Secretary concerned shall provide application forms to servicemembers requesting relief under this title.

“(c) **INFORMATION FROM SECRETARY OF THE INTERIOR.**—The Secretary of the Interior shall furnish to the Secretary concerned information explaining the provisions of this title (other than sections 501, 510, and 511) and related application forms.

“SEC. 508. LAND RIGHTS OF SERVICEMEMBERS.

50 USC app. 568.

“(a) **NO AGE LIMITATIONS.**—Any servicemember under the age of 21 in military service shall be entitled to the same rights under the laws relating to lands owned or controlled by the United States,

including mining and mineral leasing laws, as those servicemembers who are 21 years of age.

“(b) RESIDENCY REQUIREMENT.—Any requirement related to the establishment of a residence within a limited time shall be suspended as to entry by a servicemember in military service until 180 days after termination of or release from military service.

“(c) ENTRY APPLICATIONS.—Applications for entry may be verified before a person authorized to administer oaths under section 1044a of title 10, United States Code, or under the laws of the State where the land is situated.

50 USC app. 569. **“SEC. 509. REGULATIONS.**

“The Secretary of the Interior may issue regulations necessary to carry out this title (other than sections 501, 510, and 511).

50 USC app. 570. **“SEC. 510. INCOME TAXES.**

“(a) DEFERRAL OF TAX.—Upon notice to the Internal Revenue Service or the tax authority of a State or a political subdivision of a State, the collection of income tax on the income of a servicemember falling due before or during military service shall be deferred for a period not more than 180 days after termination of or release from military service, if a servicemember’s ability to pay such income tax is materially affected by military service.

“(b) ACCRUAL OF INTEREST OR PENALTY.—No interest or penalty shall accrue for the period of deferment by reason of nonpayment on any amount of tax deferred under this section.

“(c) STATUTE OF LIMITATIONS.—The running of a statute of limitations against the collection of tax deferred under this section, by seizure or otherwise, shall be suspended for the period of military service of the servicemember and for an additional period of 270 days thereafter.

“(d) APPLICATION LIMITATION.—This section shall not apply to the tax imposed on employees by section 3101 of the Internal Revenue Code of 1986.

50 USC app. 571. **“SEC. 511. RESIDENCE FOR TAX PURPOSES.**

“(a) RESIDENCE OR DOMICILE.—A servicemember shall neither lose nor acquire a residence or domicile for purposes of taxation with respect to the person, personal property, or income of the servicemember by reason of being absent or present in any tax jurisdiction of the United States solely in compliance with military orders.

“(b) MILITARY SERVICE COMPENSATION.—Compensation of a servicemember for military service shall not be deemed to be income for services performed or from sources within a tax jurisdiction of the United States if the servicemember is not a resident or domiciliary of the jurisdiction in which the servicemember is serving in compliance with military orders.

“(c) PERSONAL PROPERTY.—

“(1) RELIEF FROM PERSONAL PROPERTY TAXES.—The personal property of a servicemember shall not be deemed to be located or present in, or to have a situs for taxation in, the tax jurisdiction in which the servicemember is serving in compliance with military orders.

Applicability.

“(2) EXCEPTION FOR PROPERTY WITHIN MEMBER’S DOMICILE OR RESIDENCE.—This subsection applies to personal property or its use within any tax jurisdiction other than the servicemember’s domicile or residence.

“(3) EXCEPTION FOR PROPERTY USED IN TRADE OR BUSINESS.—This section does not prevent taxation by a tax jurisdiction with respect to personal property used in or arising from a trade or business, if it has jurisdiction.

“(4) RELATIONSHIP TO LAW OF STATE OF DOMICILE.—Eligibility for relief from personal property taxes under this subsection is not contingent on whether or not such taxes are paid to the State of domicile.

“(d) INCREASE OF TAX LIABILITY.—A tax jurisdiction may not use the military compensation of a nonresident servicemember to increase the tax liability imposed on other income earned by the nonresident servicemember or spouse subject to tax by the jurisdiction.

“(e) FEDERAL INDIAN RESERVATIONS.—An Indian servicemember whose legal residence or domicile is a Federal Indian reservation shall be taxed by the laws applicable to Federal Indian reservations and not the State where the reservation is located.

“(f) DEFINITIONS.—For purposes of this section:

“(1) PERSONAL PROPERTY.—The term ‘personal property’ means intangible and tangible property (including motor vehicles).

“(2) TAXATION.—The term ‘taxation’ includes licenses, fees, or excises imposed with respect to motor vehicles and their use, if the license, fee, or excise is paid by the servicemember in the servicemember’s State of domicile or residence.

“(3) TAX JURISDICTION.—The term ‘tax jurisdiction’ means a State or a political subdivision of a State.

“TITLE VI—ADMINISTRATIVE REMEDIES

“SEC. 601. INAPPROPRIATE USE OF ACT.

50 USC app. 581.

“If a court determines, in any proceeding to enforce a civil right, that any interest, property, or contract has been transferred or acquired with the intent to delay the just enforcement of such right by taking advantage of this Act, the court shall enter such judgment or make such order as might lawfully be entered or made concerning such transfer or acquisition.

“SEC. 602. CERTIFICATES OF SERVICE; PERSONS REPORTED MISSING.

50 USC app. 582.

“(a) PRIMA FACIE EVIDENCE.—In any proceeding under this Act, a certificate signed by the Secretary concerned is prima facie evidence as to any of the following facts stated in the certificate:

“(1) That a person named is, is not, has been, or has not been in military service.

“(2) The time and the place the person entered military service.

“(3) The person’s residence at the time the person entered military service.

“(4) The rank, branch, and unit of military service of the person upon entry.

“(5) The inclusive dates of the person’s military service.

“(6) The monthly pay received by the person at the date of the certificate’s issuance.

“(7) The time and place of the person’s termination of or release from military service, or the person’s death during military service.

“(b) CERTIFICATES.—The Secretary concerned shall furnish a certificate under subsection (a) upon receipt of an application for such a certificate. A certificate appearing to be signed by the Secretary concerned is prima facie evidence of its contents and of the signer’s authority to issue it.

“(c) TREATMENT OF SERVICEMEMBERS IN MISSING STATUS.—A servicemember who has been reported missing is presumed to continue in service until accounted for. A requirement under this Act that begins or ends with the death of a servicemember does not begin or end until the servicemember’s death is reported to, or determined by, the Secretary concerned or by a court of competent jurisdiction.

50 USC app. 583.

“SEC. 603. INTERLOCUTORY ORDERS.

“An interlocutory order issued by a court under this Act may be revoked, modified, or extended by that court upon its own motion or otherwise, upon notification to affected parties as required by the court.

“TITLE VII—FURTHER RELIEF

50 USC app. 591.

“SEC. 701. ANTICIPATORY RELIEF.

“(a) APPLICATION FOR RELIEF.—A servicemember may, during military service or within 180 days of termination of or release from military service, apply to a court for relief—

“(1) from any obligation or liability incurred by the servicemember before the servicemember’s military service; or

“(2) from a tax or assessment falling due before or during the servicemember’s military service.

“(b) TAX LIABILITY OR ASSESSMENT.—In a case covered by subsection (a), the court may, if the ability of the servicemember to comply with the terms of such obligation or liability or pay such tax or assessment has been materially affected by reason of military service, after appropriate notice and hearing, grant the following relief:

“(1) STAY OF ENFORCEMENT OF REAL ESTATE CONTRACTS.—

“(A) In the case of an obligation payable in installments under a contract for the purchase of real estate, or secured by a mortgage or other instrument in the nature of a mortgage upon real estate, the court may grant a stay of the enforcement of the obligation—

“(i) during the servicemember’s period of military service; and

“(ii) from the date of termination of or release from military service, or from the date of application if made after termination of or release from military service.

“(B) Any stay under this paragraph shall be—

“(i) for a period equal to the remaining life of the installment contract or other instrument, plus a period of time equal to the period of military service of the servicemember, or any part of such combined period; and

“(ii) subject to payment of the balance of the principal and accumulated interest due and unpaid at the date of termination or release from the applicant’s

military service or from the date of application in equal installments during the combined period at the rate of interest on the unpaid balance prescribed in the contract or other instrument evidencing the obligation, and subject to other terms as may be equitable.

“(2) STAY OF ENFORCEMENT OF OTHER CONTRACTS.—

“(A) In the case of any other obligation, liability, tax, or assessment, the court may grant a stay of enforcement—

“(i) during the servicemember’s military service; and

“(ii) from the date of termination of or release from military service, or from the date of application if made after termination or release from military service.

“(B) Any stay under this paragraph shall be—

“(i) for a period of time equal to the period of the servicemember’s military service or any part of such period; and

“(ii) subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination or release from military service, or the date of application, in equal periodic installments during this extended period at the rate of interest as may be prescribed for this obligation, liability, tax, or assessment, if paid when due, and subject to other terms as may be equitable.

“(C) AFFECT OF STAY ON FINE OR PENALTY.—When a court grants a stay under this section, a fine or penalty shall not accrue on the obligation, liability, tax, or assessment for the period of compliance with the terms and conditions of the stay.

“SEC. 702. POWER OF ATTORNEY.

50 USC app. 592.

“(a) AUTOMATIC EXTENSION.—A power of attorney of a servicemember shall be automatically extended for the period the servicemember is in a missing status (as defined in section 551(2) of title 37, United States Code) if the power of attorney—

“(1) was duly executed by the servicemember—

“(A) while in military service; or

“(B) before entry into military service but after the servicemember—

“(i) received a call or order to report for military service; or

“(ii) was notified by an official of the Department of Defense that the person could receive a call or order to report for military service;

“(2) designates the servicemember’s spouse, parent, or other named relative as the servicemember’s attorney in fact for certain, specified, or all purposes; and

“(3) expires by its terms after the servicemember entered a missing status.

“(b) LIMITATION ON POWER OF ATTORNEY EXTENSION.—A power of attorney executed by a servicemember may not be extended under subsection (a) if the document by its terms clearly indicates that the power granted expires on the date specified even though the servicemember, after the date of execution of the document, enters a missing status.

50 USC app. 593. **“SEC. 703. PROFESSIONAL LIABILITY PROTECTION.**

“(a) **APPLICABILITY.**—This section applies to a servicemember who—

“(1) after July 31, 1990, is ordered to active duty (other than for training) pursuant to sections 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10, United States Code, or who is ordered to active duty under section 12301(d) of such title during a period when members are on active duty pursuant to any of the preceding sections; and

“(2) immediately before receiving the order to active duty—

“(A) was engaged in the furnishing of health-care or legal services or other services determined by the Secretary of Defense to be professional services; and

“(B) had in effect a professional liability insurance policy that does not continue to cover claims filed with respect to the servicemember during the period of the servicemember’s active duty unless the premiums are paid for such coverage for such period.

“(b) **SUSPENSION OF COVERAGE.**—

“(1) **SUSPENSION.**—Coverage of a servicemember referred to in subsection (a) by a professional liability insurance policy shall be suspended by the insurance carrier in accordance with this subsection upon receipt of a written request from the servicemember by the insurance carrier.

“(2) **PREMIUMS FOR SUSPENDED CONTRACTS.**—A professional liability insurance carrier—

“(A) may not require that premiums be paid by or on behalf of a servicemember for any professional liability insurance coverage suspended pursuant to paragraph (1); and

“(B) shall refund any amount paid for coverage for the period of such suspension or, upon the election of such servicemember, apply such amount for the payment of any premium becoming due upon the reinstatement of such coverage.

“(3) **NONLIABILITY OF CARRIER DURING SUSPENSION.**—A professional liability insurance carrier shall not be liable with respect to any claim that is based on professional conduct (including any failure to take any action in a professional capacity) of a servicemember that occurs during a period of suspension of that servicemember’s professional liability insurance under this subsection.

“(4) **CERTAIN CLAIMS CONSIDERED TO ARISE BEFORE SUSPENSION.**—For the purposes of paragraph (3), a claim based upon the failure of a professional to make adequate provision for a patient, client, or other person to receive professional services or other assistance during the period of the professional’s active duty service shall be considered to be based on an action or failure to take action before the beginning of the period of the suspension of professional liability insurance under this subsection, except in a case in which professional services were provided after the date of the beginning of such period.

“(c) **REINSTATEMENT OF COVERAGE.**—

“(1) **REINSTATEMENT REQUIRED.**—Professional liability insurance coverage suspended in the case of any servicemember pursuant to subsection (b) shall be reinstated by the insurance

carrier on the date on which that servicemember transmits to the insurance carrier a written request for reinstatement.

“(2) TIME AND PREMIUM FOR REINSTATEMENT.—The request of a servicemember for reinstatement shall be effective only if the servicemember transmits the request to the insurance carrier within 30 days after the date on which the servicemember is released from active duty. The insurance carrier shall notify the servicemember of the due date for payment of the premium of such insurance. Such premium shall be paid by the servicemember within 30 days after receipt of that notice.

Deadline.

Notification.

Deadline.

“(3) PERIOD OF REINSTATED COVERAGE.—The period for which professional liability insurance coverage shall be reinstated for a servicemember under this subsection may not be less than the balance of the period for which coverage would have continued under the insurance policy if the coverage had not been suspended.

“(d) INCREASE IN PREMIUM.—

“(1) LIMITATION ON PREMIUM INCREASES.—An insurance carrier may not increase the amount of the premium charged for professional liability insurance coverage of any servicemember for the minimum period of the reinstatement of such coverage required under subsection (c)(3) to an amount greater than the amount chargeable for such coverage for such period before the suspension.

“(2) EXCEPTION.—Paragraph (1) does not prevent an increase in premium to the extent of any general increase in the premiums charged by that carrier for the same professional liability coverage for persons similarly covered by such insurance during the period of the suspension.

“(e) CONTINUATION OF COVERAGE OF UNAFFECTED PERSONS.—

This section does not—

“(1) require a suspension of professional liability insurance protection for any person who is not a person referred to in subsection (a) and who is covered by the same professional liability insurance as a person referred to in such subsection; or

“(2) relieve any person of the obligation to pay premiums for the coverage not required to be suspended.

“(f) STAY OF CIVIL OR ADMINISTRATIVE ACTIONS.—

“(1) STAY OF ACTIONS.—A civil or administrative action for damages on the basis of the alleged professional negligence or other professional liability of a servicemember whose professional liability insurance coverage has been suspended under subsection (b) shall be stayed until the end of the period of the suspension if—

“(A) the action was commenced during the period of the suspension;

“(B) the action is based on an act or omission that occurred before the date on which the suspension became effective; and

“(C) the suspended professional liability insurance would, except for the suspension, on its face cover the alleged professional negligence or other professional liability of the servicemember.

“(2) DATE OF COMMENCEMENT OF ACTION.—Whenever a civil or administrative action for damages is stayed under paragraph (1) in the case of any servicemember, the action shall have been deemed to have been filed on the date on which the professional liability insurance coverage of the servicemember is reinstated under subsection (c).

“(g) EFFECT OF SUSPENSION UPON LIMITATIONS PERIOD.—In the case of a civil or administrative action for which a stay could have been granted under subsection (f) by reason of the suspension of professional liability insurance coverage of the defendant under this section, the period of the suspension of the coverage shall be excluded from the computation of any statutory period of limitation on the commencement of such action.

“(h) DEATH DURING PERIOD OF SUSPENSION.—If a servicemember whose professional liability insurance coverage is suspended under subsection (b) dies during the period of the suspension—

“(1) the requirement for the grant or continuance of a stay in any civil or administrative action against such servicemember under subsection (f)(1) shall terminate on the date of the death of such servicemember; and

“(2) the carrier of the professional liability insurance so suspended shall be liable for any claim for damages for professional negligence or other professional liability of the deceased servicemember in the same manner and to the same extent as such carrier would be liable if the servicemember had died while covered by such insurance but before the claim was filed.

“(i) DEFINITIONS.—For purposes of this section:

“(1) ACTIVE DUTY.—The term ‘active duty’ has the meaning given that term in section 101(d)(1) of title 10, United States Code.

“(2) PROFESSION.—The term ‘profession’ includes occupation.

“(3) PROFESSIONAL.—The term ‘professional’ includes occupational.

50 USC app. 594.

“SEC. 704. HEALTH INSURANCE REINSTATEMENT.

“(a) REINSTATEMENT OF HEALTH INSURANCE.—A servicemember who, by reason of military service as defined in section 703(a)(1), is entitled to the rights and protections of this Act shall also be entitled upon termination or release from such service to reinstatement of any health insurance that—

“(1) was in effect on the day before such service commenced; and

“(2) was terminated effective on a date during the period of such service.

“(b) NO EXCLUSION OR WAITING PERIOD.—The reinstatement of health care insurance coverage for the health or physical condition of a servicemember described in subsection (a), or any other person who is covered by the insurance by reason of the coverage of the servicemember, shall not be subject to an exclusion or a waiting period, if—

“(1) the condition arose before or during the period of such service;

“(2) an exclusion or a waiting period would not have been imposed for the condition during the period of coverage; and

“(3) if the condition relates to the servicemember, the condition has not been determined by the Secretary of Veterans Affairs to be a disability incurred or aggravated in the line of duty (within the meaning of section 105 of title 38, United States Code).

“(c) EXCEPTIONS.—Subsection (a) does not apply to a servicemember entitled to participate in employer-offered insurance benefits pursuant to the provisions of chapter 43 of title 38, United States Code.

“(d) TIME FOR APPLYING FOR REINSTATEMENT.—An application under this section must be filed not later than 120 days after the date of the termination of or release from military service.

Deadline.

“SEC. 705. GUARANTEE OF RESIDENCY FOR MILITARY PERSONNEL.

50 USC app. 595.

“For the purposes of voting for any Federal office (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) or a State or local office, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

“(1) be deemed to have lost a residence or domicile in that State, without regard to whether or not the person intends to return to that State;

“(2) be deemed to have acquired a residence or domicile in any other State; or

“(3) be deemed to have become a resident in or a resident of any other State.

“SEC. 706. BUSINESS OR TRADE OBLIGATIONS.

50 USC app. 596.

“(a) AVAILABILITY OF NON-BUSINESS ASSETS TO SATISFY OBLIGATIONS.—If the trade or business (without regard to the form in which such trade or business is carried out) of a servicemember has an obligation or liability for which the servicemember is personally liable, the assets of the servicemember not held in connection with the trade or business may not be available for satisfaction of the obligation or liability during the servicemember’s military service.

“(b) RELIEF TO OBLIGORS.—Upon application to a court by the holder of an obligation or liability covered by this section, relief granted by this section to a servicemember may be modified as justice and equity require.”.

SEC. 2. CONFORMING AMENDMENTS.

(a) MILITARY SELECTIVE SERVICE ACT.—Section 14 of the Military Selective Service Act (50 U.S.C. App. 464) is repealed.

(b) TITLE 5, UNITED STATES CODE.—

(1) Section 5520a(k)(2)(A) of title 5, United States Code, is amended by striking “Soldiers’ and Sailors’ Civil Relief Act of 1940” and inserting “Servicemembers Civil Relief Act”; and

(2) Section 5569(e) of title 5, United States Code, is amended—

(A) in paragraph (1), by striking “provided by the Soldiers’ and Sailors’ Civil Relief Act of 1940” and all that follows through “of such Act” and inserting “provided by the Servicemembers Civil Relief Act, including the benefits provided by section 702 of such Act but excluding the benefits provided by sections 104, 105, and 106, title IV, and title V (other than sections 501 and 510) of such Act”; and

(B) in paragraph (2)(A), by striking “person in the military service” and inserting “servicemember”.

(c) TITLE 10, UNITED STATES CODE.—Section 1408(b)(1)(D) of title 10, United States Code, is amended by striking “Soldiers’ and Sailors’ Civil Relief Act of 1940” and inserting “Servicemembers Civil Relief Act”.

26 USC 7654. (d) INTERNAL REVENUE CODE.—Section 7654(d)(1) of the Internal Revenue Code of 1986 is amended by striking “Soldiers’ and Sailors’ Civil Relief Act” and inserting “Servicemembers Civil Relief Act”.

(e) PUBLIC HEALTH SERVICE ACT.—Section 212(e) of the Public Health Service Act (42 U.S.C. 213(e)) is amended by striking “Soldiers’ and Sailors’ Civil Relief Act of 1940” and inserting “Servicemembers Civil Relief Act”.

(f) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 8001 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701) is amended by striking “section 514 of the Soldiers’ and Sailors’ Civil Relief Act of 1940 (50 U.S.C. App. 574)” in the matter preceding paragraph (1) and inserting “section 511 of the Servicemembers Civil Relief Act”.

(g) NOAA COMMISSIONED OFFICER CORPS ACT OF 2002.—Section 262(a)(2) of National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (33 U.S.C. 3072(a)(2)) is amended to read as follows:

“(2) The Servicemembers Civil Relief Act.”.

Applicability.
50 USC app. 501
note.

SEC. 3. EFFECTIVE DATE.

The amendment made by section 1 shall apply to any case that is not final before the date of the enactment of this Act.

Approved December 19, 2003.

LEGISLATIVE HISTORY—H.R. 100 (S. 1136):

HOUSE REPORTS: No. 108–81 (Comm. on Veterans’ Affairs).

SENATE REPORTS: No. 108–197 accompanying S. 1136 (Comm. on Veterans’ Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

May 7, considered and passed House.

Nov. 21, considered and passed Senate, amended, in lieu of S. 1136.

Dec. 8, House concurred in Senate amendment.



Public Law 108–190
108th Congress

An Act

To provide for the exchange of certain lands in the Coconino and Tonto National Forests in Arizona, and for other purposes.

Dec. 19, 2003

[H.R. 622]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

16 USC 431 note.

SECTION 1. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) Certain private lands adjacent to the Montezuma Castle National Monument in Yavapai County, Arizona, are desirable for Federal acquisition to protect important riparian values along Beaver Creek and the scenic backdrop for the National Monument.

(2) Certain other inholdings in the Coconino National Forest are desirable for Federal acquisition to protect important public values near Double Cabin Park.

(3) Approximately 108 acres of land within the Tonto National Forest, northeast of Payson, Arizona, are currently occupied by 45 residential cabins under special use permits from the Secretary of Agriculture, and have been so occupied since the mid-1950s, rendering such lands of limited use and enjoyment potential for the general public. Such lands are, therefore, appropriate for transfer to the cabin owners in exchange for lands that will have higher public use values.

(4) In return for the privatization of such encumbered lands the Secretary of Agriculture has been offered approximately 495 acres of non-Federal land (known as the Q Ranch) within the Tonto National Forest, east of Young, Arizona, in an area where the Secretary has completed previous land exchanges to consolidate public ownership of National Forest lands.

(5) The acquisition of the Q Ranch non-Federal lands by the Secretary will greatly increase National Forest management efficiency and promote public access, use, and enjoyment of the area and surrounding National Forest System lands.

(b) PURPOSE.—The purpose of this Act is to authorize, direct, facilitate, and expedite the consummation of the land exchanges set forth herein in accordance with the terms and conditions of this Act.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) DPSHA.—The term “DPSHA” means the Diamond Point Summer Homes Association, a nonprofit corporation in the State of Arizona.

(2) **FEDERAL LAND.**—The term “Federal land” means land to be conveyed into non-Federal ownership under this Act.

(3) **FLPMA.**—The term “FLPMA” means the Federal Land Policy Management Act of 1976 (43 U.S.C. 1701 et seq.).

(4) **MCJV.**—The term “MCJV” means the Montezuma Castle Land Exchange Joint Venture Partnership, an Arizona Partnership.

(5) **NON-FEDERAL LAND.**—The term “non-Federal land” means land to be conveyed to the Secretary of Agriculture under this Act.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture, unless otherwise specified.

SEC. 3. MONTEZUMA CASTLE LAND EXCHANGE.

(a) **LAND EXCHANGE.**—Upon receipt of a binding offer from MCJV to convey title acceptable to the Secretary to the land described in subsection (b), the Secretary shall convey to MCJV all right, title, and interest of the United States in and to the Federal land described in subsection (c).

(b) **NON-FEDERAL LAND.**—The land described in this subsection is the following:

(1) The approximately 157 acres of land adjacent to the Montezuma Castle National Monument, as generally depicted on the map entitled “Montezuma Castle Contiguous Lands”, dated May 2002.

(2) Certain private land within the Coconino National Forest, Arizona, comprising approximately 108 acres, as generally depicted on the map entitled “Double Cabin Park Lands”, dated September 2002.

(c) **FEDERAL LAND.**—The Federal land described in this subsection is the approximately 222 acres in the Tonto National Forest, Arizona, and surveyed as Lots 3, 4, 8, 9, 10, 11, 16, and 17, and Tract 40 in section 32, Township 11 North, Range 10 East, Gila and Salt River Meridian, Arizona.

(d) **EQUAL VALUE EXCHANGE.**—The values of the non-Federal and Federal land directed to be exchanged under this section shall be equal or equalized as determined by the Secretary through an appraisal performed by a qualified appraiser mutually agreed to by the Secretary and MCJV and performed in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions (U.S. Department of Justice, December 2000), and section 206(d) of FLPMA (43 U.S.C. 1716(d)). If the values are not equal, the Secretary shall delete Federal lots from the conveyance to MCJV in the following order and priority, as necessary, until the values of Federal and non-Federal land are within the 25 percent cash equalization limit of section 206(b) of FLPMA (43 U.S.C. 1716(b)):

- (1) Lot 3.
- (2) Lot 4.
- (3) Lot 9.
- (4) Lot 10.
- (5) Lot 11.
- (6) Lot 8.

Applicability.

(e) **CASH EQUALIZATION.**—Any difference in value remaining after compliance with subsection (d) shall be equalized by the payment of cash to the Secretary or MCJV, as the circumstances dictate, in accordance with section 206(b) of FLPMA (43 U.S.C.

1716(b)). Public Law 90–171 (16 U.S.C. 484a; commonly known as the “Sisk Act”) shall, without further appropriation, apply to any cash equalization payment received by the United States under this section.

SEC. 4. DIAMOND POINT—Q RANCH LAND EXCHANGE.

(a) **IN GENERAL.**—Upon receipt of a binding offer from DPSHA to convey title acceptable to the Secretary to the land described in subsection (b), the Secretary shall convey to DPSHA all right, title, and interest of the United States in and to the land described in subsection (c).

(b) **NON-FEDERAL LAND.**—The land described in this subsection is the approximately 495 acres of non-Federal land generally depicted on the map entitled “Diamond Point Exchange—Q Ranch Non-Federal Lands”, dated May 2002.

(c) **FEDERAL LAND.**—The Federal land described in this subsection is the approximately 108 acres northeast of Payson, Arizona, as generally depicted on the map entitled “Diamond Point Exchange—Federal Land”, dated May 2002.

(d) **EQUAL VALUE EXCHANGE.**—The values of the non-Federal and Federal land directed to be exchanged under this section shall be equal or equalized as determined by the Secretary through an appraisal performed by a qualified appraiser mutually agreed to by the Secretary and DPSHA and in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions (U.S. Department of Justice, December 2000), and section 206(d) of FLPMA (43 U.S.C. 1716(d)). If the values are not equal, they shall be equalized by the payment of cash to the Secretary or DPSHA pursuant to section 206(b) of FLPMA (43 U.S.C. 1716(b)). Public Law 90–171 (16 U.S.C. 484a; commonly known as the “Sisk Act”) shall, without further appropriation, apply to any cash equalization payment received by the United States under this section.

Applicability.

(e) **SPECIAL USE PERMIT TERMINATION.**—Upon execution of the land exchange authorized by this section, all special use cabin permits on the Federal land shall be terminated.

SEC. 5. MISCELLANEOUS PROVISIONS.

(a) **EXCHANGE TIMETABLE.**—Not later than 6 months after the Secretary receives an offer under section 3 or 4, the Secretary shall execute the exchange under section 3 or 4, respectively, unless the Secretary and MCJV or DPSHA, respectively, mutually agree to extend such deadline.

Deadline.

(b) **EXCHANGE PROCESSING.**—Prior to executing the land exchanges authorized by this Act, the Secretary shall perform any necessary land surveys and required preexchange clearances, reviews, and approvals relating to threatened and endangered species, cultural and historic resources, wetlands and floodplains and hazardous materials. If 1 or more of the Federal land parcels or lots, or portions thereof, cannot be transferred to MCJV or DPSHA due to hazardous materials, threatened or endangered species, cultural or historic resources, or wetland and flood plain problems, the parcel or lot, or portion thereof, shall be deleted from the exchange, and the values of the lands to be exchanged adjusted in accordance with subsections (d) and (e) of section 3 or section 4(d), as appropriate. In order to save administrative costs to the United States, the costs of performing such work, including the appraisals required pursuant to this Act, shall be paid by MCJV or DPSHA for the relevant property, except for the costs of any

such work (including appraisal reviews and approvals) that the Secretary is required or elects to have performed by employees of the Department of Agriculture.

(c) **FEDERAL LAND RESERVATIONS AND ENCUMBRANCES.**—The Secretary shall convey the Federal land under this Act subject to valid existing rights, including easements, rights-of-way, utility lines and any other valid encumbrances on the Federal land as of the date of the conveyance under this Act. If applicable to the land conveyed, the Secretary shall also retain any right of access as may be required by section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9620(h)) for remedial or corrective action relating to hazardous substances as may be necessary in the future.

(d) **ADMINISTRATION OF ACQUIRED LAND.**—The land acquired by the Secretary pursuant to this Act shall become part of the Tonto or Coconino National Forest, as appropriate, and be administered as such in accordance with the laws, rules, and regulations generally applicable to the National Forest System. Such land may be made available for domestic livestock grazing if determined appropriate by the Secretary in accordance with the laws, rules, and regulations applicable thereto on National Forest System land.

(e) **TRANSFER OF LAND TO NATIONAL PARK SERVICE.**—Upon their acquisition by the United States, the “Montezuma Castle Contiguous Lands” identified in section 3(b)(1) shall be transferred to the administrative jurisdiction of the National Park Service, and shall thereafter be permanently incorporated in, and administered by the Secretary of the Interior as part of, the Montezuma Castle National Monument.

Approved December 19, 2003.

LEGISLATIVE HISTORY—H.R. 622

SENATE REPORTS: No. 108–137 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 149 (2003):

Apr. 1, considered and passed House.

Nov. 24, considered and passed Senate, amended.

Dec. 8, House concurred in Senate amendments.



Public Law 108–191
108th Congress

An Act

To amend the Lacey Act Amendments of 1981 to further the conservation of certain wildlife species.

Dec. 19, 2003

[H.R. 1006]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Captive Wildlife
Safety Act.
16 USC 3371
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Captive Wildlife Safety Act”.

SEC. 2. DEFINITION OF PROHIBITED WILDLIFE SPECIES.

Section 2 of the Lacey Act Amendments of 1981 (16 U.S.C. 3371) is amended—

(1) by redesignating subsections (g) through (j) as subsections (h) through (k), respectively; and

(2) by inserting after subsection (f) the following:

“(g) **PROHIBITED WILDLIFE SPECIES.**—The term ‘prohibited wildlife species’ means any live species of lion, tiger, leopard, cheetah, jaguar, or cougar or any hybrid of such species.”.

SEC. 3. PROHIBITED ACTS.

(a) **IN GENERAL.**—Section 3 of the Lacey Act Amendments of 1981 (16 U.S.C. 3372) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking “, or” at the end and inserting a semicolon;

(ii) in subparagraph (B), by inserting “or” after the semicolon at the end; and

(iii) by adding at the end the following:

“(C) any prohibited wildlife species (subject to subsection (e));”;

(B) in paragraph (3)(B), by inserting “or” after the semicolon at the end; and

(C) in paragraph (4), by striking “paragraphs (1) through (4)” and inserting “paragraphs (1) through (3); and

(2) by adding at the end the following:

“(e) **NONAPPLICABILITY OF PROHIBITED WILDLIFE SPECIES OFFENSE.**—

“(1) **IN GENERAL.**—Subsection (a)(2)(C) does not apply to importation, exportation, transportation, sale, receipt, acquisition, or purchase of an animal of a prohibited wildlife species, by a person that, under regulations prescribed under paragraph (3), is described in paragraph (2) with respect to that species.

“(2) PERSONS DESCRIBED.—A person is described in this paragraph, if the person—

“(A) is licensed or registered, and inspected, by the Animal and Plant Health Inspection Service or any other Federal agency with respect to that species;

“(B) is a State college, university, or agency, State-licensed wildlife rehabilitator, or State-licensed veterinarian;

“(C) is an accredited wildlife sanctuary that cares for prohibited wildlife species and—

“(i) is a corporation that is exempt from taxation under section 501(a) of the Internal Revenue Code 1986 and described in sections 501(c)(3) and 170(b)(1)(A)(vi) of such Code;

“(ii) does not commercially trade in animals listed in section 2(g), including offspring, parts, and byproducts of such animals;

“(iii) does not propagate animals listed in section 2(g); and

“(iv) does not allow direct contact between the public and animals; or

“(D) has custody of the animal solely for the purpose of expeditiously transporting the animal to a person described in this paragraph with respect to the species.

Deadline.

“(3) REGULATIONS.—Not later than 180 days after the date of enactment of this subsection, the Secretary, in cooperation with the Director of the Animal and Plant Health Inspection Service, shall promulgate regulations describing the persons described in paragraph (2).

“(4) STATE AUTHORITY.—Nothing in this subsection pre-empts or supersedes the authority of a State to regulate wildlife species within that State.

“(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (a)(2)(C) \$3,000,000 for each of fiscal years 2004 through 2008.”.

16 USC 3372
note.

(b) APPLICATION.—Section 3(a)(2)(C) of the Lacey Act Amendments of 1981 (as added by subsection (a)(1)(A)(iii)) shall apply beginning on the effective date of regulations promulgated under section 3(e)(3) of that Act (as added by subsection (a)(2)).

Approved December 19, 2003.

LEGISLATIVE HISTORY—H.R. 1006 (S. 269):

HOUSE REPORTS: No. 108–269 (Comm. on Resources).

SENATE REPORTS: No. 108–172 accompanying S. 269 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 18, 19, considered and passed House.

Nov. 24, considered and passed Senate, amended.

Dec. 8, House concurred in Senate amendments.



Public Law 108–192
108th Congress

An Act

To establish the Carter G. Woodson Home National Historic Site in the District of Columbia, and for other purposes.

Dec. 19, 2003

[H.R. 1012]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Carter G. Woodson Home National Historic Site Act”.

Carter G.
Woodson Home
National Historic
Site Act.
16 USC 461 note.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) **CARTER G. WOODSON HOME.**—The term “Carter G. Woodson Home” means the property located at 1538 Ninth Street, Northwest, in the District of Columbia, as depicted on the map.

(2) **HISTORIC SITE.**—The term “historic site” means the Carter G. Woodson Home National Historic Site.

(3) **MAP.**—The term “map” means the map entitled “Carter G. Woodson Home National Historic Site”, numbered 876/82338–A and dated July 22, 2003.

(4) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

SEC. 3. CARTER G. WOODSON HOME NATIONAL HISTORIC SITE.

(a) **ESTABLISHMENT.**—Upon acquisition by the Secretary of the Carter G. Woodson Home, or interests therein, the Secretary shall establish the historic site as a unit of the National Park System by publication of a notice to that effect in the Federal Register.

(b) **ADDITIONS TO HISTORIC SITE.**—

(1) **IN GENERAL.**—The Secretary may acquire any of the 3 properties immediately north of the Carter G. Woodson Home located at 1540, 1542, and 1544 Ninth Street, Northwest, described on the map as “Potential Additions to National Historic Site”, for addition to the historic site.

(2) **BOUNDARY REVISION.**—Upon the acquisition of any of the properties described in paragraph (1), the Secretary shall revise the boundaries of the historic site to include the property.

(c) **AVAILABILITY OF MAP.**—The map shall be available for public inspection in the appropriate offices of the National Park Service, Department of the Interior.

(d) **ACQUISITION AUTHORITY.**—The Secretary may acquire the Carter G. Woodson Home or any of the properties described in subsection (b)(1), including interests therein, and any improvements

to the land by donation, purchase from a willing seller with donated or appropriated funds, or exchange.

(e) ADMINISTRATION.—(1) The Secretary shall administer the historic site in accordance with this Act and with laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (16 U.S.C. 461 et seq.).

Deadline.

(2) GENERAL MANAGEMENT PLAN.—The Secretary shall prepare a general management plan for the historic site not later than three years after the date on which funds are made available for that purpose.

SEC. 4. COOPERATIVE AGREEMENTS.

(a) IN GENERAL.—The Secretary may enter into cooperative agreements with public or private entities to provide public interpretation and education of African-American heritage in the Shaw area of the District of Columbia.

(b) REHABILITATION.—In order to achieve cost efficiencies in the restoration of properties within the historic site, the Secretary may enter into an agreement with public or private entities to restore and rehabilitate the Carter G. Woodson Home and other properties within the boundary of the historic site, subject to such terms and conditions as the Secretary deems necessary.

(c) AGREEMENT WITH THE ASSOCIATION FOR THE STUDY OF AFRICAN-AMERICAN LIFE AND HISTORY.—In order to reestablish the historical connection between the Carter G. Woodson Home and the association Dr. Woodson founded, and to facilitate interpretation of Dr. Woodson's achievements, the Secretary may enter into an agreement with The Association for the Study of African-American Life and History that allows the association to use a portion of the historic site for its own administrative purposes. Such agreement shall ensure that the association's use of a portion of the historic site is consistent with the administration of the historic site, including appropriate public access and rent, and such other terms and conditions as the Secretary deems necessary.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Approved December 19, 2003.

LEGISLATIVE HISTORY—H.R. 1012:

SENATE REPORTS: No. 108–138 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 149 (2003):

May 14, considered and passed House.

Nov. 24, considered and passed Senate, amended.

Dec. 8, House concurred in Senate amendment.



Public Law 108–193
108th Congress

An Act

To authorize appropriations for fiscal years 2004 and 2005 for the Trafficking Victims Protection Act of 2000, and for other purposes.

Dec. 19, 2003
[H.R. 2620]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Trafficking Victims Protection Reauthorization Act of 2003”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Trafficking in persons continues to victimize countless men, women, and children in the United States and abroad.

(2) Since the enactment of the Trafficking Victims Protection Act of 2000 (division A of Public Law 106–386), the United States Government has made significant progress in investigating and prosecuting acts of trafficking and in responding to the needs of victims of trafficking in the United States and abroad.

(3) On the other hand, victims of trafficking have faced unintended obstacles in the process of securing needed assistance, including admission to the United States under section 101(a)(15)(T)(i) of the Immigration and Nationality Act.

(4) Additional research is needed to fully understand the phenomenon of trafficking in persons and to determine the most effective strategies for combating trafficking in persons.

(5) Corruption among foreign law enforcement authorities continues to undermine the efforts by governments to investigate, prosecute, and convict traffickers.

(6) International Law Enforcement Academies should be more fully utilized in the effort to train law enforcement authorities, prosecutors, and members of the judiciary to address trafficking in persons-related crimes.

SEC. 3. ENHANCING PREVENTION OF TRAFFICKING IN PERSONS.

(a) **BORDER INTERDICTION, PUBLIC INFORMATION PROGRAMS, AND COMBATING INTERNATIONAL SEX TOURISM.**—Section 106 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104) is amended—

(1) by redesignating subsection (c) as subsection (f);

(2) by inserting after subsection (b) the following new subsections:

“(c) **BORDER INTERDICTION.**—The President shall establish and carry out programs of border interdiction outside the United States.

Trafficking
Victims
Protection
Reauthorization
Act of 2003.
22 USC 7101
note.
22 USC 7101
note.

President.

Such programs shall include providing grants to foreign nongovernmental organizations that provide for transit shelters operating at key border crossings and that help train survivors of trafficking in persons to educate and train border guards and officials, and other local law enforcement officials, to identify traffickers and victims of severe forms of trafficking, and the appropriate manner in which to treat such victims. Such programs shall also include, to the extent appropriate, monitoring by such survivors of trafficking in persons of the implementation of border interdiction programs, including helping in the identification of such victims to stop the cross-border transit of victims. The President shall ensure that any program established under this subsection provides the opportunity for any trafficking victim who is freed to return to his or her previous residence if the victim so chooses.

“(d) INTERNATIONAL MEDIA.—The President shall establish and carry out programs that support the production of television and radio programs, including documentaries, to inform vulnerable populations overseas of the dangers of trafficking, and to increase awareness of the public in countries of destination regarding the slave-like practices and other human rights abuses involved in trafficking, including fostering linkages between individuals working in the media in different countries to determine the best methods for informing such populations through such media.

“(e) COMBATING INTERNATIONAL SEX TOURISM.—

“(1) DEVELOPMENT AND DISSEMINATION OF MATERIALS.—The President, pursuant to such regulations as may be prescribed, shall ensure that materials are developed and disseminated to alert travelers that sex tourism (as described in subsections (b) through (f) of section 2423 of title 18, United States Code) is illegal, will be prosecuted, and presents dangers to those involved. Such materials shall be disseminated to individuals traveling to foreign destinations where the President determines that sex tourism is significant.

“(2) MONITORING OF COMPLIANCE.—The President shall monitor compliance with the requirements of paragraph (1).

“(3) FEASIBILITY REPORT.—Not later than 180 days after the date of the enactment of the Trafficking Victims Protection Reauthorization Act of 2003, the President shall transmit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Affairs of the Senate a report that describes the feasibility of such United States Government materials being disseminated through public-private partnerships to individuals traveling to foreign destinations.”; and

(3) in subsection (f) (as redesignated), by striking “initiatives described in subsections (a) and (b)” and inserting “initiatives and programs described in subsections (a) through (e)”.

(b) TERMINATION OF CERTAIN GRANTS, CONTRACTS AND COOPERATIVE AGREEMENTS.—Section 106 of such Act (as amended by subsection (a)) is further amended by adding at the end the following new subsection:

“(g) TERMINATION OF CERTAIN GRANTS, CONTRACTS AND COOPERATIVE AGREEMENTS.—

“(1) TERMINATION.—The President shall ensure that any grant, contract, or cooperative agreement provided or entered into by a Federal department or agency under which funds described in paragraph (2) are to be provided to a private

Deadline.

entity, in whole or in part, shall include a condition that authorizes the department or agency to terminate the grant, contract, or cooperative agreement, without penalty, if the grantee or any subgrantee, or the contractor or any subcontractor (i) engages in severe forms of trafficking in persons or has procured a commercial sex act during the period of time that the grant, contract, or cooperative agreement is in effect, or (ii) uses forced labor in the performance of the grant, contract, or cooperative agreement.

“(2) ASSISTANCE DESCRIBED.—Funds referred to in paragraph (1) are funds made available to carry out any program, project, or activity abroad funded under major functional budget category 150 (relating to international affairs).”.

SEC. 4. ENHANCING PROTECTION FOR TRAFFICKING VICTIMS.

(a) AMENDMENTS TO TRAFFICKING VICTIMS PROTECTION ACT OF 2000.—

(1) COOPERATION BETWEEN FOREIGN GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Section 107(a)(1)(B) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7105(a)(1)(B)) is amended by adding at the end before the period the following: “, and by facilitating contact between relevant foreign government agencies and such nongovernmental organizations to facilitate cooperation between the foreign governments and such organizations”.

(2) ASSISTANCE FOR FAMILY MEMBERS OF VICTIMS OF TRAFFICKING IN UNITED STATES.—Section 107(b)(1) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7105(b)(1)) is amended—

(A) in subparagraph (A), by inserting “, or an alien classified as a nonimmigrant under section 101(a)(15)(T)(ii),” after “in persons”; and

(B) in subparagraph (B)—

(i) by inserting “and aliens classified as a nonimmigrant under section 101(a)(15)(T)(ii),” after “United States.”; and

(ii) by adding at the end the following new sentence: “In the case of nonentitlement programs funded by the Secretary of Health and Human Services, such benefits and services may include services to assist potential victims of trafficking in achieving certification and to assist minor dependent children of victims of severe forms of trafficking in persons or potential victims of trafficking.”.

(3) CERTIFICATION OF VICTIMS OF A SEVERE FORM OF TRAFFICKING IN PERSONS.—Section 107(b)(1)(E) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7105(b)(1)(E)) is amended by adding at the end the following new clause:

“(iv) ASSISTANCE TO INVESTIGATIONS.—In making the certification described in this subparagraph with respect to the assistance to investigation or prosecution described in clause (i)(I), the Secretary of Health and Human Services shall consider statements from State and local law enforcement officials that the person referred to in subparagraph (C)(ii)(II) has been willing to assist in every reasonable way with respect to the investigation and prosecution of State and local crimes

such as kidnapping, rape, slavery, or other forced labor offenses, where severe forms of trafficking appear to have been involved.”.

(4) PRIVATE RIGHT OF ACTION.—

(A) IN GENERAL.—Chapter 77 of part I of title 18, United States Code, is amended by adding at the end the following new section:

“§ 1595. Civil remedy

“(a) An individual who is a victim of a violation of section 1589, 1590, or 1591 of this chapter may bring a civil action against the perpetrator in an appropriate district court of the United States and may recover damages and reasonable attorneys fees.

“(b)(1) Any civil action filed under this section shall be stayed during the pendency of any criminal action arising out of the same occurrence in which the claimant is the victim.

“(2) In this subsection, a ‘criminal action’ includes investigation and prosecution and is pending until final adjudication in the trial court.”.

(B) CONFORMING AMENDMENT.—The table of contents of chapter 77 of part I of title 18, United States Code, is amended by adding at the end the following new item:

“1595. Civil remedy.”.

(b) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—

(1) NONIMMIGRANT ALIEN CLASSES.—Section 101(a)(15)(T) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(T)) is amended—

(A) in clause (i)(III)(bb), by striking “15 years of age,” and inserting “18 years of age,”; and

(B) in clause (ii)(I), by inserting “unmarried siblings under 18 years of age on the date on which such alien applied for status under such clause,” before “and parents”.

(2) ADMISSION OF NONIMMIGRANTS.—Section 214(n) of the Immigration and Nationality Act (8 U.S.C. 1184(n)) is amended—

(A) in paragraph (3), by inserting “siblings,” before “or parents”; and

(B) by adding at the end the following:

“(4) An unmarried alien who seeks to accompany, or follow to join, a parent granted status under section 101(a)(15)(T)(i), and who was under 21 years of age on the date on which such parent applied for such status, shall continue to be classified as a child for purposes of section 101(a)(15)(T)(ii), if the alien attains 21 years of age after such parent’s application was filed but while it was pending.

“(5) An alien described in clause (i) of section 101(a)(15)(T) shall continue to be treated as an alien described in clause (ii)(I) of such section if the alien attains 21 years of age after the alien’s application for status under such clause (i) is filed but while it is pending.

“(6) In making a determination under section 101(a)(15)(T)(i)(III)(aa) with respect to an alien, statements from State and local law enforcement officials that the alien has complied with any reasonable request for assistance in the investigation or prosecution of crimes such as kidnapping, rape, slavery, or other forced labor offenses, where severe forms of trafficking in persons

(as defined in section 103 of the Trafficking Victims Protection Act of 2000) appear to have been involved, shall be considered.”.

(3) ADJUSTMENT OF STATUS.—Section 245(l) of the Immigration and Nationality Act (8 U.S.C. 1255(l)) (as added by section 107(f) of Public Law 106–386) is amended—

(A) in paragraph (1)—

(i) by striking “admitted under that section” and inserting “admitted under section 101(a)(15)(T)(ii)”;

and

(ii) by inserting “sibling,” after “parent,”; and

(B) in paragraph (3)(B), by inserting “siblings,” after “daughters,”.

(4) EXEMPTION FROM PUBLIC CHARGE GROUND FOR INADMISSIBILITY.—Section 212(d)(13) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(13)), as added by section 107(e)(3) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7105(e)(3)), is amended—

(A) in subparagraph (A), by striking the period at the end and adding the following:

“, except that the ground for inadmissibility described in subsection (a)(4) shall not apply with respect to such a nonimmigrant.”; and

(B) in subparagraph (B)—

(i) by amending clause (i) to read as follows:

“(i) subsection (a)(1); and”; and

(ii) in clause (ii)—

(I) by striking “such subsection” and inserting “subsection (a)”;

and

(II) by inserting “(4),” after “(3),”.

(5) AGGRAVATED FELONY DEFINED.—Section 101(a)(43)(K)(iii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)(K)(iii)) is amended to read as follows:

“(iii) is described in any of sections 1581–1585 or 1588–1591 of title 18, United States Code (relating to peonage, slavery, involuntary servitude, and trafficking in persons);”.

SEC. 5. ENHANCING PROSECUTIONS OF TRAFFICKERS.

(a) SEX TRAFFICKING OF CHILDREN OR BY FORCE, FRAUD, OR COERCION.—Section 1591 of title 18, United States Code, is amended—

(1) in the heading, by inserting a comma after “FRAUD”;

(2) in subsection (a)(1), by striking “in or affecting interstate commerce” and inserting “in or affecting interstate or foreign commerce, or within the special maritime and territorial jurisdiction of the United States”; and

(3) in subsection (b), by striking “the person transported” each place it appears and inserting “the person recruited, enticed, harbored, transported, provided, or obtained”.

(b) DEFINITION OF RACKETEERING ACTIVITY.—Section 1961(1)(A) of title 18, United States Code, is amended by striking “sections 1581–1588 (relating to peonage and slavery)” and inserting “sections 1581–1591 (relating to peonage, slavery, and trafficking in persons).”.

(c) CONFORMING AMENDMENTS.—(1) The heading for chapter 77 of part I of title 18, United States Code, is amended to read as follows:

**“CHAPTER 77—PEONAGE, SLAVERY, AND TRAFFICKING
IN PERSONS”.**

(2) The table of contents for part I of title 18, United States Code, is amended in the item relating to chapter 77 to read as follows:

“77. Peonage, slavery, and trafficking in persons”.

**SEC. 6. ENHANCING UNITED STATES EFFORTS TO COMBAT TRAF-
FICKING.**

(a) REPORT.—

(1) IN GENERAL.—Section 105(d) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7103(d)) is amended by adding at the end the following new paragraph:

“(7) Not later than May 1, 2004, and annually thereafter, the Attorney General shall submit to the Committee on Ways and Means, the Committee on International Relations, and the Committee on the Judiciary of the House of Representatives and the Committee on Finance, the Committee on Foreign Relations, and the Committee on the Judiciary of the Senate, a report on Federal agencies that are implementing any provision of this division, or any amendment made by this division, which shall include, at a minimum, information on—

“(A) the number of persons who received benefits or other services under section 107(b) in connection with programs or activities funded or administered by the Secretary of Health and Human Services, the Secretary of Labor, the Board of Directors of the Legal Services Corporation, and other appropriate Federal agencies during the preceding fiscal year;

“(B) the number of persons who have been granted continued presence in the United States under section 107(c)(3) during the preceding fiscal year;

“(C) the number of persons who have applied for, been granted, or been denied a visa or otherwise provided status under section 101(a)(15)(T)(i) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(T)(i)) during the preceding fiscal year;

“(D) the number of persons who have been charged or convicted under one or more of sections 1581, 1583, 1584, 1589, 1590, 1591, 1592, or 1594 of title 18, United States Code, during the preceding fiscal year and the sentences imposed against each such person;

“(E) the amount, recipient, and purpose of each grant issued by any Federal agency to carry out the purposes of sections 106 and 107 of this Act, or section 134 of the Foreign Assistance Act of 1961, during the preceding fiscal year;

“(F) the nature of training conducted pursuant to section 107(c)(4) during the preceding fiscal year; and

“(G) the activities undertaken by the Senior Policy Operating Group to carry out its responsibilities under section 105(f) of this division.”.

(2) CONFORMING AMENDMENT.—Section 107(b)(1) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7105(b)(1)) is amended by striking subparagraph (D).

Deadline.

(b) SUPPORT FOR THE TASK FORCE.—

(1) AMENDMENT.—The second sentence of section 105(e) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7103(e)) is amended by inserting at the end before the period the following: “, who shall be appointed by the President, by and with the advice and consent of the Senate, with the rank of Ambassador-at-Large”.

President.

(2) APPLICABILITY.—The individual who holds the position of Director of the Office to Monitor and Combat Trafficking of the Department of State may continue to hold such position notwithstanding the amendment made by paragraph (1).

22 USC 7103
note.

(c) SENIOR POLICY OPERATING GROUP.—

(1) AMENDMENT.—Section 105 of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7103) is amended by adding at the end the following new subsection:

“(f) SENIOR POLICY OPERATING GROUP.—

“(1) ESTABLISHMENT.—There shall be established within the executive branch a Senior Policy Operating Group.

“(2) MEMBERSHIP; RELATED MATTERS.—

“(A) IN GENERAL.—The Operating Group shall consist of the senior officials designated as representatives of the appointed members of the Task Force (pursuant to Executive Order No. 13257 of February 13, 2002).

“(B) CHAIRPERSON.—The Operating Group shall be chaired by the Director of the Office to Monitor and Combat Trafficking of the Department of State.

“(C) MEETINGS.—The Operating Group shall meet on a regular basis at the call of the Chairperson.

“(3) DUTIES.—The Operating Group shall coordinate activities of Federal departments and agencies regarding policies (including grants and grant policies) involving the international trafficking in persons and the implementation of this division.

“(4) AVAILABILITY OF INFORMATION.—Each Federal department or agency represented on the Operating Group shall fully share all information with such Group regarding the department or agency’s plans, before and after final agency decisions are made, on all matters relating to grants, grant policies, and other significant actions regarding the international trafficking in persons and the implementation of this division.

“(5) REGULATIONS.—Not later than 90 days after the date of the enactment of the Trafficking Victims Protection Reauthorization Act of 2003, the President shall promulgate regulations to implement this section, including regulations to carry out paragraph (4).”.

Deadline.
President.

(2) CONFORMING AMENDMENT.—Section 406 of the Department of State and Related Agency Appropriations Act, 2003 (as contained in division B of Public Law 108–7) is hereby repealed.

22 USC 7103
note.

(d) MINIMUM STANDARDS FOR THE ELIMINATION OF TRAFFICKING.—Section 108(b) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7106(b)) is amended—

(1) in paragraph (1)—

(A) by striking “that take place wholly or partly within the territory of the country” and inserting “, and convicts and sentences persons responsible for such acts, that take place wholly or partly within the territory of the country”; and

(B) by adding at the end the following new sentences: “After reasonable requests from the Department of State for data regarding investigations, prosecutions, convictions, and sentences, a government which does not provide such data, consistent with the capacity of such government to obtain such data, shall be presumed not to have vigorously investigated, prosecuted, convicted or sentenced such acts. During the periods prior to the annual report submitted on June 1, 2004, and on June 1, 2005, and the periods afterwards until September 30 of each such year, the Secretary of State may disregard the presumption contained in the preceding sentence if the government has provided some data to the Department of State regarding such acts and the Secretary has determined that the government is making a good faith effort to collect such data.”;

(2) in paragraph (7)—

(A) by striking “and prosecutes” and inserting “, prosecutes, convicts, and sentences”; and

(B) by adding at the end the following new sentence: “After reasonable requests from the Department of State for data regarding such investigations, prosecutions, convictions, and sentences, a government which does not provide such data consistent with its resources shall be presumed not to have vigorously investigated, prosecuted, convicted, or sentenced such acts. During the periods prior to the annual report submitted on June 1, 2004, and on June 1, 2005, and the periods afterwards until September 30 of each such year, the Secretary of State may disregard the presumption contained in the preceding sentence if the government has provided some data to the Department of State regarding such acts and the Secretary has determined that the government is making a good faith effort to collect such data.”.

(3) by adding the following new paragraphs at the end:

“(8) Whether the percentage of victims of severe forms of trafficking in the country that are non-citizens of such countries is insignificant.

“(9) Whether the government of the country, consistent with the capacity of such government, systematically monitors its efforts to satisfy the criteria described in paragraphs (1) through (8) and makes available publicly a periodic assessment of such efforts.

“(10) Whether the government of the country achieves appreciable progress in eliminating severe forms of trafficking when compared to the assessment in the previous year.”.

(e) SPECIAL WATCH LIST.—Section 110(b) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7107(b)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

“(3) SPECIAL WATCH LIST.—

“(A) SUBMISSION OF LIST.—Not later than the date on which the determinations described in subsections (c) and (d) are submitted to the appropriate congressional committees in accordance with such subsections, the Secretary of State shall submit to the appropriate congressional committees a list of countries that the Secretary

determines requires special scrutiny during the following year. The list shall be composed of the following countries:

“(i) Countries that have been listed pursuant to paragraph (1)(A) in the current annual report and were listed pursuant to paragraph (1)(B) in the previous annual report.

“(ii) Countries that have been listed pursuant to paragraph (1)(B) pursuant to the current annual report and were listed pursuant to paragraph (1)(C) in the previous annual report.

“(iii) Countries that have been listed pursuant to paragraph (1)(B) pursuant to the current annual report, where—

“(I) the absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;

“(II) there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year, including increased investigations, prosecutions and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of trafficking by government officials; or

“(III) the determination that a country is making significant efforts to bring themselves into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.

“(B) INTERIM ASSESSMENT.—Not later than February 1st of each year, the Secretary of State shall provide to the appropriate congressional committees an assessment of the progress that each country on the special watch list described in subparagraph (A) has made since the last annual report. Deadline.

“(C) RELATION OF SPECIAL WATCH LIST TO ANNUAL TRAFFICKING IN PERSONS REPORT.—A determination that a country shall not be placed on the special watch list described in subparagraph (A) shall not affect in any way the determination to be made in the following year as to whether a country is complying with the minimum standards for the elimination of trafficking or whether a country is making significant efforts to bring itself into compliance with such standards.”.

(f) ENHANCING UNITED STATES ASSISTANCE.—Section 134(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2152d(b)) is amended by adding at the end the following new sentence: “Assistance may be provided under this section notwithstanding section 660 of this Act.”.

(g) RESEARCH RELATING TO TRAFFICKING IN PERSONS.—

(1) IN GENERAL.—The Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7101 et seq.) is amended by inserting after section 112 the following new section:

President.
22 USC 7109a.

“SEC. 112A. RESEARCH ON DOMESTIC AND INTERNATIONAL TRAFFICKING IN PERSONS.

“The President, acting through the Council of Economic Advisors, the National Research Council of the National Academies, the Secretary of Labor, the Secretary of Health and Human Services, the Attorney General, the Secretary of State, the Administrator of the United States Agency for International Development, and the Director of Central Intelligence, shall carry out research, including by providing grants to nongovernmental organizations, as well as relevant United States Government agencies and international organizations, which furthers the purposes of this division and provides data to address the problems identified in the findings of this division. Such research initiatives shall, to the maximum extent practicable, include, but not be limited to, the following:

“(1) The economic causes and consequences of trafficking in persons.

“(2) The effectiveness of programs and initiatives funded or administered by Federal agencies to prevent trafficking in persons and to protect and assist victims of trafficking.

“(3) The interrelationship between trafficking in persons and global health risks.”.

(2) CONFORMING AMENDMENT.—The table of contents of the Victims of Trafficking and Violence Protection Act of 2000 is amended by inserting after the item relating to section 112 the following new item:

“Sec. 112A. Research on domestic and international trafficking in persons.”.

(h) SANCTIONS AND WAIVERS.—Section 110(d) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7107(d)) is amended—

(1) in paragraph (4), by inserting after “nonhumanitarian, nontrade-related foreign assistance” the following: “or funding for participation in educational and cultural exchange programs”; and

(2) in paragraph (5)(A)(i), by inserting after “foreign assistance” the following: “or funding for participation in educational and cultural exchange programs”.

(i) SUBSEQUENT WAIVER AUTHORITY.—Section 110 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7107) is amended by adding at the end the following new subsection:

“(f) After the President has made a determination described in subsection (d)(1) with respect to the government of a country, the President may at any time make a determination described in paragraphs (4) and (5) of subsection (d) to waive, in whole or in part, the measures imposed against the country by the previous determination under subsection (d)(1).”.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS; RELATED MATTERS.

Section 113 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7110) is amended—

(1) in subsection (a)—

(A) by striking “105” and inserting “105(e), 105(f)”; and

(B) by striking “and \$3,000,000 for each of the fiscal years 2002 and 2003” and inserting “, \$3,000,000 for each of the fiscal years 2002 and 2003, and \$5,000,000 for each of the fiscal years 2004 and 2005”;

(2) in subsection (b), by adding at the end before the period the following: “and \$15,000,000 for each of the fiscal years 2004 and 2005”;

(3) in subsection (c)—

(A) in paragraph (1) to read as follows:

“(1) BILATERAL ASSISTANCE TO COMBAT TRAFFICKING.—

“(A) PREVENTION.—To carry out the purposes of section 106, there are authorized to be appropriated to the Secretary of State \$10,000,000 for each of the fiscal years 2004 and 2005.

“(B) PROTECTION.—To carry out the purposes of section 107(a), there are authorized to be appropriated to the Secretary of State \$15,000,000 for fiscal year 2003 and \$10,000,000 for each of the fiscal years 2004 and 2005.

“(C) PROSECUTION AND MEETING MINIMUM STANDARDS.—To carry out the purposes of section 134 of the Foreign Assistance Act of 1961, there are authorized to be appropriated \$10,000,000 for each of the fiscal years 2004 and 2005 to assist in promoting prosecution of traffickers and otherwise to assist countries in meeting the minimum standards described in section 108 of this Act, including \$250,000 for each such fiscal year to carry out training activities for law enforcement officers, prosecutors, and members of the judiciary with respect to trafficking in persons at the International Law Enforcement Academies.”; and

(B) in paragraph (2), by striking “for each of the fiscal years 2001, 2002, and 2003” and inserting “for each of the fiscal years 2001 through 2005”;

(4) in subsection (d)—

(A) by adding at the end before the period the following: “and \$15,000,000 for each of the fiscal years 2004 and 2005”; and

(B) by adding at the end the following new sentence: “To carry out the purposes of section 134 of the Foreign Assistance Act of 1961 (as added by section 109), there are authorized to be appropriated to the President, acting through the Attorney General and the Secretary of State, \$250,000 for each of fiscal years 2004 and 2005 to carry out training activities for law enforcement officers, prosecutors, and members of the judiciary with respect to trafficking in persons at the International Law Enforcement Academies.”;

(5) in subsection (e)—

(A) in paragraphs (1) and (2), by striking “for fiscal year 2003” each place it appears and inserting “for each of the fiscal years 2003 through 2005”; and

(B) by adding at the end the following new paragraph:

“(3) RESEARCH.—To carry out the purposes of section 112A, there are authorized to be appropriated to the President \$300,000 for fiscal year 2004 and \$300,000 for fiscal year 2005.”;

(6) in subsection (f), by adding at the end before the period the following: “and \$10,000,000 for each of the fiscal years 2004 and 2005”; and

(7) by adding at the end the following new subsection: “(g) LIMITATION ON USE OF FUNDS.—

“(1) RESTRICTION ON PROGRAMS.—No funds made available to carry out this division, or any amendment made by this division, may be used to promote, support, or advocate the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to promote the purposes of this Act by ameliorating the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

“(2) RESTRICTION ON ORGANIZATIONS.—No funds made available to carry out this division, or any amendment made by this division, may be used to implement any program that targets victims of severe forms of trafficking in persons described in section 103(8)(A) of this Act through any organization that has not stated in either a grant application, a grant agreement, or both, that it does not promote, support, or advocate the legalization or practice of prostitution. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.”.

SEC. 8. TECHNICAL CORRECTIONS.

(a) IMMIGRATION AND NATIONALITY ACT.—

(1) CLASSES OF NONIMMIGRANT ALIENS.—Section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) is amended—

(A) by moving the margins of subparagraphs (T) and (U) 2 ems to the left;

(B) in subparagraph (T), by striking “214(n),” and inserting “214(o),”;

(C) in subparagraph (U), by striking “214(o),” and inserting “214(p),”;

(D) in subparagraph (V), by striking “214(o),” and inserting “214(q),”.

(2) CLASSES OF ALIENS INELIGIBLE FOR VISAS AND ADMISSION.—Section 212(d) of the Immigration and Nationality Act (8 U.S.C. 1182(d)) is amended by redesignating the paragraph (13) added by section 1513(e) of the Battered Immigrant Women Protection Act of 2000 (title V of division B of Public Law 106–386; 114 Stat. 1536) as paragraph (14).

(3) ADMISSION OF NONIMMIGRANTS.—Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by redesignating subsections (m) (as added by section 105 of Public Law 106–313), (n) (as added by section 107(e) of Public Law 106–386), (o) (as added by section 1513(c) of Public Law 106–386), (o) (as added by section 1102(b) of the Legal Immigration Family Equity Act), and (p) (as added by section 1503(b) of the Legal Immigration Family Equity Act) as subsections (n), (o), (p), (q), and (r), respectively.

(4) ADJUSTMENT OF STATUS OF NONIMMIGRANTS.—Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended—

(A) in the subsection (l) added by section 107(f) of Public Law 106–386, by redesignating the second paragraph (2), and paragraphs (3) and (4), as paragraphs (3), (4), and (5), respectively; and

(B) by redesignating the subsection (l) added by section 1513(f) of Public Law 106–386 as subsection (m).

(b) **TRAFFICKING VICTIMS PROTECTION ACT OF 2000.**—(1) Section 103(7)(A)(i) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102(7)(A)(i)) is amended by inserting after “part II of that Act” the following: “in support of programs of nongovernmental organizations”.

(2) Section 107(g) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7105(g)) is amended by striking “214(n)(1)” and inserting “214(o)(2)”.

Approved December 19, 2003.

LEGISLATIVE HISTORY—H.R. 2620:

HOUSE REPORTS: No. 108–264, Pt. 1 (Comm. on International Relations) and Pt. 2 (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 4, 5, considered and passed House.

Dec. 9, considered and passed Senate.



Public Law 108–194
108th Congress

An Act

Dec. 19, 2003
[S. 686]

To provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

Poison Control
Center
Enhancement
and Awareness
Act Amendments
of 2003.
42 USC 201 note.
42 USC 300d–71
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Poison Control Center Enhancement and Awareness Act Amendments of 2003”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Poison control centers are our Nation’s primary defense against injury and deaths from poisoning. Twenty-four hours a day, the general public as well as health care practitioners contact their local poison centers for help in diagnosing and treating victims of poisoning and other toxic exposures.

(2) Poisoning is the third most common form of unintentional death in the United States. In any given year, there will be between 2,000,000 and 4,000,000 poison exposures. More than 50 percent of these exposures will involve children under the age of 6 who are exposed to toxic substances in their home. Poisoning accounts for 285,000 hospitalizations, 1,200,000 days of acute hospital care, and 13,000 fatalities annually.

(3) Stabilizing the funding structure and increasing accessibility to poison control centers will promote the utilization of poison control centers, and reduce the inappropriate use of emergency medical services and other more costly health care services.

(4) The tragic events of September 11, 2001, and the anthrax cases of October 2001, have dramatically changed our Nation. During this time period, poison centers in many areas of the country were answering thousands of additional calls from concerned residents. Many poison centers were relied upon as a source for accurate medical information about the disease and the complications resulting from prophylactic antibiotic therapy.

(5) The 2001 Presidential Task Force on Citizen Preparedness in the War on Terrorism recommended that the Poison Control Centers be used as a source of public information and public education regarding potential biological, chemical, and nuclear domestic terrorism.

(6) The increased demand placed upon poison centers to provide emergency information in the event of a terrorist event

involving a biological, chemical, or nuclear toxin will dramatically increase call volume.

SEC. 3. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.) is amended by adding at the end the following:

“PART G—POISON CONTROL

“SEC. 1271. MAINTENANCE OF A NATIONAL TOLL-FREE NUMBER.

42 USC 300d–71.

“(a) IN GENERAL.—The Secretary shall provide coordination and assistance to regional poison control centers for the establishment of a nationwide toll-free phone number to be used to access such centers.

“(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as prohibiting the establishment or continued operation of any privately funded nationwide toll-free phone number used to provide advice and other assistance for poisonings or accidental exposures.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,000,000 for each of the fiscal years 2000 through 2009. Funds appropriated under this subsection shall not be used to fund any toll-free phone number described in subsection (b).

“SEC. 1272. NATIONWIDE MEDIA CAMPAIGN TO PROMOTE POISON CONTROL CENTER UTILIZATION.

42 USC 300d–72.

“(a) IN GENERAL.—The Secretary shall establish a national media campaign to educate the public and health care providers about poison prevention and the availability of poison control resources in local communities and to conduct advertising campaigns concerning the nationwide toll-free number established under section 1271.

“(b) CONTRACT WITH ENTITY.—The Secretary may carry out subsection (a) by entering into contracts with one or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements.

“(c) EVALUATION.—The Secretary shall—

“(1) establish baseline measures and benchmarks to quantitatively evaluate the impact of the nationwide media campaign established under this section; and

“(2) prepare and submit to the appropriate congressional committees an evaluation of the nationwide media campaign on an annual basis.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$600,000 for each of fiscal years 2000 through 2005 and such sums as may be necessary for each of fiscal years 2006 through 2009.

“SEC. 1273. MAINTENANCE OF THE POISON CONTROL CENTER GRANT PROGRAM.

42 USC 300d–73.

“(a) REGIONAL POISON CONTROL CENTERS.—The Secretary shall award grants to certified regional poison control centers for the purposes of achieving the financial stability of such centers, and for preventing and providing treatment recommendations for poisonings.

“(b) OTHER IMPROVEMENTS.—The Secretary shall also use amounts received under this section to—

“(1) develop standardized poison prevention and poison control promotion programs;

“(2) develop standard patient management guidelines for commonly encountered toxic exposures;

“(3) improve and expand the poison control data collection systems, including, at the Secretary’s discretion, by assisting the poison control centers to improve data collection activities;

“(4) improve national toxic exposure surveillance by enhancing activities at the Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry;

“(5) expand the toxicologic expertise within poison control centers; and

“(6) improve the capacity of poison control centers to answer high volumes of calls during times of national crisis.

“(c) CERTIFICATION.—Except as provided in subsection (d), the Secretary may make a grant to a center under subsection (a) only if—

“(1) the center has been certified by a professional organization in the field of poison control, and the Secretary has approved the organization as having in effect standards for certification that reasonably provide for the protection of the public health with respect to poisoning; or

“(2) the center has been certified by a State government, and the Secretary has approved the State government as having in effect standards for certification that reasonably provide for the protection of the public health with respect to poisoning.

“(d) WAIVER OF CERTIFICATION REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary may grant a waiver of the certification requirement of subsection (c) with respect to a noncertified poison control center or a newly established center that applies for a grant under this section if such center can reasonably demonstrate that the center will obtain such a certification within a reasonable period of time as determined appropriate by the Secretary.

“(2) RENEWAL.—The Secretary may renew a waiver under paragraph (1).

“(3) LIMITATION.—In no instance may the sum of the number of years for a waiver under paragraph (1) and a renewal under paragraph (2) exceed 5 years. The preceding sentence shall take effect as if enacted on February 25, 2000.

“(e) SUPPLEMENT NOT SUPPLANT.—Amounts made available to a poison control center under this section shall be used to supplement and not supplant other Federal, State, or local funds provided for such center.

“(f) MAINTENANCE OF EFFORT.—A poison control center, in utilizing the proceeds of a grant under this section, shall maintain the expenditures of the center for activities of the center at a level that is not less than the level of such expenditures maintained by the center for the fiscal year preceding the fiscal year for which the grant is received.

“(g) MATCHING REQUIREMENT.—The Secretary may impose a matching requirement with respect to amounts provided under a grant under this section if the Secretary determines appropriate.

Effective date.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$25,000,000 for each of the fiscal years 2000 through 2004 and \$27,500,000 for each of fiscal years 2005 through 2009.

“SEC. 1274. RULE OF CONSTRUCTION.

42 USC 300d–74.

“Nothing in this part may be construed to ease any restriction in Federal law applicable to the amount or percentage of funds appropriated to carry out this part that may be used to prepare or submit a report.”.

SEC. 4. CONFORMING AMENDMENT.

42 USC 14801
note.

The Poison Control Center Enhancement and Awareness Act (42 U.S.C. 14801 et seq.) is hereby repealed.

Approved December 19, 2003.

LEGISLATIVE HISTORY—S. 686:

SENATE REPORTS: No. 108–68 (Comm. on Health, Education, Labor, and Pensions).

CONGRESSIONAL RECORD, Vol. 149 (2003):

June 20, considered and passed Senate.

Nov. 19, 20, considered and passed House, amended.

Dec. 9, Senate concurred in House amendment.



Public Law 108–195
108th Congress

An Act

Dec. 19, 2003
[S. 1680]

Defense
Production Act
Reauthorization
of 2003.
50 USC app.
2061 note.

To reauthorize the Defense Production Act of 1950, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Defense Production Act Reauthorization of 2003”.

SEC. 2. REAUTHORIZATION OF DEFENSE PRODUCTION ACT OF 1950.

(a) IN GENERAL.—The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended—

(1) by striking “sections 708” and inserting “sections 707, 708,”; and

(2) by striking “September 30, 2003” and inserting “September 30, 2008”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 711(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(b)) is amended by striking “through 2003” and inserting “through 2008”.

50 USC app.
2093 note.

SEC. 3. RESOURCE SHORTFALL FOR RADIATION-HARDENED ELECTRONICS.

(a) IN GENERAL.—Notwithstanding the limitation contained in section 303(a)(6)(C) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)(6)(C)), the President may take actions under section 303 of the Defense Production Act of 1950 to correct the industrial resource shortfall for radiation-hardened electronics, to the extent that such Presidential actions do not cause the aggregate outstanding amount of all such actions to exceed \$200,000,000.

Deadline.

(b) REPORT BY THE SECRETARY.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Defense shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing—

(1) the current state of the domestic industrial base for radiation-hardened electronics;

(2) the projected requirements of the Department of Defense for radiation-hardened electronics;

(3) the intentions of the Department of Defense for the industrial base for radiation-hardened electronics; and

(4) the plans of the Department of Defense for use of providers of radiation-hardened electronics beyond the providers with which the Department had entered into contractual

arrangements under the authority of the Defense Production Act of 1950, as of the date of the enactment of this Act.

SEC. 4. CLARIFICATION OF PRESIDENTIAL AUTHORITY.

Subsection (a) of section 705 of the Defense Production Act of 1950 (50 U.S.C. App. 2155(a)) is amended by inserting after the end of the first sentence the following new sentence: “The authority of the President under this section includes the authority to obtain information in order to perform industry studies assessing the capabilities of the United States industrial base to support the national defense.”.

SEC. 5. CRITICAL INFRASTRUCTURE PROTECTION AND RESTORATION.

Section 702 of the Defense Production Act of 1950 (50 U.S.C. App. 2152) is amended—

(1) by redesignating paragraphs (3) through (17) as paragraphs (4) through (18), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

“(3) **CRITICAL INFRASTRUCTURE.**—The term ‘critical infrastructure’ means any systems and assets, whether physical or cyber-based, so vital to the United States that the degradation or destruction of such systems and assets would have a debilitating impact on national security, including, but not limited to, national economic security and national public health or safety.”; and

(3) in paragraph (14) (as so redesignated by paragraph (1) of this section), by inserting “and critical infrastructure protection and restoration” before the period at the end of the last sentence.

SEC. 6. REPORT ON CONTRACTING WITH MINORITY- AND WOMEN-OWNED BUSINESSES.

50 USC app.
2062 note.

(a) **REPORT REQUIRED.**—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Defense shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the extent to which contracts entered into during the fiscal year ending before the end of such 1-year period under the Defense Production Act of 1950 have been contracts with minority- and women-owned businesses.

Deadline.

(b) **CONTENTS OF REPORT.**—The report submitted under subsection (a) shall include the following:

(1) The types of goods and services obtained under contracts with minority- and women-owned businesses under the Defense Production Act of 1950 in the fiscal year covered in the report.

(2) The dollar amounts of such contracts.

(3) The ethnicity of the majority owners of such minority- and women-owned businesses.

(4) A description of the types of barriers in the contracting process, such as requirements for security clearances, that limit contracting opportunities for minority- and women-owned businesses, together with such recommendations for legislative or administrative action as the Secretary of Defense may determine to be appropriate for increasing opportunities for contracting with minority- and women-owned businesses and removing barriers to such increased participation.

(c) **DEFINITIONS.**—For purposes of this section, the terms “women-owned business” and “minority-owned business” have the meanings given such terms in section 21A(r) of the Federal Home Loan Bank Act, and the term “minority” has the meaning given such term in section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

SEC. 7. REPORT ON IMPACT OF OFFSETS ON DOMESTIC CONTRACTORS AND LOWER TIER SUBCONTRACTORS.

50 USC app.
2062 note.

(a) **EXAMINATION OF IMPACT REQUIRED.**—

(1) **IN GENERAL.**—As part of the annual report required under section 309(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2099(a)), the Secretary of Commerce (in this section referred to as the “Secretary”) shall—

(A) detail the number of foreign contracts involving domestic contractors that use offsets, industrial participation agreements, or similar arrangements during the preceding 5-year period;

(B) calculate the aggregate, median, and mean values of the contracts and the offsets, industrial participation agreements, and similar arrangements during the preceding 5-year period; and

(C) describe the impact of international or foreign sales of United States defense products and related offsets, industrial participation agreements, and similar arrangements on domestic prime contractors and, to the extent practicable, the first 3 tiers of domestic contractors and subcontractors during the preceding 5-year period in terms of domestic employment, including any job losses, on an annual basis.

(2) **USE OF INTERNAL DOCUMENTS.**—To the extent that the Department of Commerce is already in possession of relevant data, the Department shall use internal documents or existing departmental records to carry out paragraph (1).

(3) **INFORMATION FROM NON-FEDERAL ENTITIES.**—

(A) **EXISTING INFORMATION.**—In carrying out paragraph (1), the Secretary shall only require a non-Federal entity to provide information that is available through the existing data collection and reporting systems of that non-Federal entity.

(B) **FORMAT.**—The Secretary may require a non-Federal entity to provide information to the Secretary in the same form that is already provided to a foreign government in fulfilling an offset arrangement, industrial participation agreement, or similar arrangement.

(b) **REPORT.**—

Deadline.

(1) **IN GENERAL.**—Before the end of the 8-month period beginning on the date of enactment of this Act, the Secretary shall submit to Congress a report containing the findings and conclusions of the Secretary with regard to the examination made pursuant to subsection (a).

(2) **COPIES OF REPORT.**—The Secretary shall also transmit copies of the report prepared under paragraph (1) to the United States Trade Representative and the interagency team established pursuant to section 123(c) of the Defense Production Act Amendments of 1992 (50 U.S.C. App. 2099 note).

(c) RESPONSIBILITIES REGARDING CONSULTATION WITH FOREIGN NATIONS.—Section 123(c) of the Defense Production Act Amendments of 1992 (50 U.S.C. App. 2099 note) is amended to read as follows:

“(c) NEGOTIATIONS.—

“(1) INTERAGENCY TEAM.—

“(A) IN GENERAL.—It is the policy of Congress that the President shall designate a chairman of an interagency team comprised of the Secretary of Commerce, Secretary of Defense, United States Trade Representative, Secretary of Labor, and Secretary of State to consult with foreign nations on limiting the adverse effects of offsets in defense procurement without damaging the economy or the defense industrial base of the United States or United States defense production or defense preparedness.

President.
Establishment.

“(B) MEETINGS.—The President shall direct the interagency team to meet on a quarterly basis.

“(C) REPORTS.—The President shall direct the interagency team to submit to Congress an annual report, to be included as part of the report required under section 309(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2099(a)), that describes the results of the consultations of the interagency team under subparagraph (A) and the meetings of the interagency team under subparagraph (B).

“(2) RECOMMENDATIONS FOR MODIFICATIONS.—The interagency team shall submit to the President any recommendations for modifications of any existing or proposed memorandum of understanding between officials acting on behalf of the United States and one or more foreign countries (or any instrumentality of a foreign country) relating to—

“(A) research, development, or production of defense equipment; or

“(B) the reciprocal procurement of defense items.”.

Approved December 19, 2003.

LEGISLATIVE HISTORY—S. 1680:

SENATE REPORTS: No. 108–156 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Sept. 30, considered and passed Senate.

Oct. 15, considered and passed House, amended.

Nov. 21, Senate concurred in House amendment with an amendment.

Dec. 8, House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 19, Presidential statement.



Public Law 108–196
108th Congress

An Act

Dec. 19, 2003
[S. 1683]

To provide for a report on the parity of pay and benefits among Federal law enforcement officers and to establish an exchange program between Federal law enforcement employees and State and local law enforcement employees.

Federal Law
Enforcement Pay
and Benefits
Parity Act of
2003.
Inter-
governmental
relations.
5 USC 101 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Law Enforcement Pay and Benefits Parity Act of 2003”.

SEC. 2. LAW ENFORCEMENT PAY AND BENEFITS PARITY REPORT.

(a) **DEFINITION.**—In this section, the term “law enforcement officer” means an individual—

(1)(A) who is a law enforcement officer defined under section 8331 or 8401 of title 5, United States Code; or

(B) the duties of whose position include the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States; and

(2) who is employed by the Federal Government.

Deadline.

(b) **REPORT.**—Not later than April 30, 2004, the Office of Personnel Management shall submit a report to the President of the Senate and the Speaker of the House of Representatives and the appropriate committees and subcommittees of Congress that includes—

(1) a comparison of classifications, pay, and benefits among law enforcement officers across the Federal Government; and

(2) recommendations for ensuring, to the maximum extent practicable, the elimination of disparities in classifications, pay and benefits for law enforcement officers throughout the Federal Government.

5 USC 3371 note.

SEC. 3. EMPLOYEE EXCHANGE PROGRAM BETWEEN FEDERAL EMPLOYEES AND EMPLOYEES OF STATE AND LOCAL GOVERNMENTS.

(a) **DEFINITIONS.**—In this section—

(1) the term “employing agency” means the Federal, State, or local government agency with which the participating employee was employed before an assignment under the Program;

(2) the term “participating employee” means an employee who is participating in the Program; and

(3) the term “Program” means the employee exchange program established under subsection (b).

(b) **ESTABLISHMENT.**—The President shall establish an employee exchange program between Federal agencies that perform law enforcement functions and agencies of State and local governments that perform law enforcement functions. President.

(c) **CONDUCT OF PROGRAM.**—The Program shall be conducted in accordance with subchapter VI of chapter 33 of title 5, United States Code.

(d) **QUALIFICATIONS.**—An employee of an employing agency who performs law enforcement functions may be selected to participate in the Program if the employee—

(1) has been employed by that employing agency for a period of more than 3 years;

(2) has had appropriate training or experience to perform the work required by the assignment;

(3) has had an overall rating of satisfactory or higher on performance appraisals from the employing agency during the 3-year period before being assigned to another agency under this section; and

(4) agrees to return to the employing agency after completing the assignment for a period not less than the length of the assignment.

(e) **WRITTEN AGREEMENT.**—An employee shall enter into a written agreement regarding the terms and conditions of the assignment before beginning the assignment with another agency.

Approved December 19, 2003.

LEGISLATIVE HISTORY—S. 1683:

SENATE REPORTS: No. 108–207 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 25, considered and passed Senate.

Dec. 8, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):

Dec. 19, Presidential statement.



Public Law 108–197
108th Congress

An Act

Dec. 19, 2003
[S. 1929]

To amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to extend the mental health benefits parity provisions for an additional year.

Mental Health
Parity
Reauthorization
Act of 2003.
42 USC 201 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Mental Health Parity Reauthorization Act of 2003”.

SEC. 2. EXTENSION OF MENTAL HEALTH PROVISIONS.

(a) ERISA.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) PHSA.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg–5(f)) is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

Approved December 19, 2003.

LEGISLATIVE HISTORY—S. 1929:

CONGRESSIONAL RECORD, Vol. 149 (2003):
Nov. 21, considered and passed Senate.
Dec. 8, considered and passed House.



Public Law 108–198
108th Congress

An Act

To prohibit the offer of credit by a financial institution to a financial institution examiner, and for other purposes.

Dec. 19, 2003
[S. 1947]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Preserving Independence of Financial Institution Examinations Act of 2003”.

SEC. 2. OFFER AND ACCEPTANCE OF CREDIT.

(a) IN GENERAL.—Title 18, United States Code, is amended by striking sections 212 and 213 and inserting the following:

“§ 212. Offer of loan or gratuity to financial institution examiner

“(a) IN GENERAL.—Except as provided in subsection (b), whoever, being an officer, director, or employee of a financial institution, makes or grants any loan or gratuity, to any examiner or assistant examiner who examines or has authority to examine such bank, branch, agency, organization, corporation, association, or institution—

“(1) shall be fined under this title, imprisoned not more than 1 year, or both; and

“(2) may be fined a further sum equal to the money so loaned or gratuity given.

“(b) REGULATIONS.—A Federal financial institution regulatory agency may prescribe regulations establishing additional limitations on the application for and receipt of credit under this section and on the application and receipt of residential mortgage loans under this section, after consulting with each other Federal financial institution regulatory agency.

“(c) DEFINITIONS.—In this section:

“(1) EXAMINER.—The term ‘examiner’ means any person—

“(A) appointed by a Federal financial institution regulatory agency or pursuant to the laws of any State to examine a financial institution; or

“(B) elected under the law of any State to conduct examinations of any financial institutions.

“(2) FEDERAL FINANCIAL INSTITUTION REGULATORY AGENCY.—The term ‘Federal financial institution regulatory agency’ means—

“(A) the Office of the Comptroller of the Currency;

“(B) the Board of Governors of the Federal Reserve System;

Preserving
Independence
of Financial
Institution
Examinations
Act of 2003.
18 USC 201 note.

“(C) the Office of Thrift Supervision;
 “(D) the Federal Deposit Insurance Corporation;
 “(E) the Federal Housing Finance Board;
 “(F) the Farm Credit Administration;
 “(G) the Farm Credit System Insurance Corporation;

and

“(H) the Small Business Administration.

“(3) FINANCIAL INSTITUTION.—The term ‘financial institution’ does not include a credit union, a Federal Reserve Bank, a Federal home loan bank, or a depository institution holding company.

“(4) LOAN.—The term ‘loan’ does not include any credit card account established under an open end consumer credit plan or a loan secured by residential real property that is the principal residence of the examiner, if—

“(A) the applicant satisfies any financial requirements for the credit card account or residential real property loan that are generally applicable to all applicants for the same type of credit card account or residential real property loan;

“(B) the terms and conditions applicable with respect to such account or residential real property loan, and any credit extended to the examiner under such account or residential real property loan, are no more favorable generally to the examiner than the terms and conditions that are generally applicable to credit card accounts or residential real property loans offered by the same financial institution to other borrowers cardholders in comparable circumstances under open end consumer credit plans or for residential real property loans; and

“(C) with respect to residential real property loans, the loan is with respect to the primary residence of the applicant.

“§ 213. Acceptance of loan or gratuity by financial institution examiner

“(a) IN GENERAL.—Whoever, being an examiner or assistant examiner, accepts a loan or gratuity from any bank, branch, agency, organization, corporation, association, or institution examined by the examiner or from any person connected with it, shall—

“(1) be fined under this title, imprisoned not more than 1 year, or both;

“(2) may be fined a further sum equal to the money so loaned or gratuity given; and

“(3) shall be disqualified from holding office as an examiner.

“(b) DEFINITIONS.—In this section, the terms ‘examiner’, ‘Federal financial institution regulatory agency’, ‘financial institution’, and ‘loan’ have the same meanings as in section 212.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections of chapter 11 of title 18, United States Code, is amended

by striking the matter relating to sections 212 and 213 and inserting the following:

“212. Offer of loan or gratuity to financial institution examiner.

“213. Acceptance of loan or gratuity by financial institution examiner.”.

Approved December 19, 2003.

LEGISLATIVE HISTORY—S. 1947:

CONGRESSIONAL RECORD, Vol. 149 (2003):

Nov. 24, considered and passed Senate.

Dec. 8, considered and passed House.

